

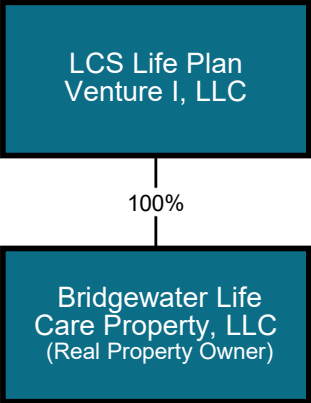
Sale or Transfer of Land or Other Real Property Containing Nursing Home
Notice Summary

Date Notice Provided:	May 15, 2025
Name of Facility:	Arbor at Laurel Circle
License Number:	62215 (Long-Term Care) 80a000 (Assisted Living Residence)
Address:	100 Monroe Street, Bridgewater, New Jersey 08807
County:	Somerset County
Licensed Capacity:	64 long-term care beds 35 assisted living beds
Licensee:	LCS Bridgewater Operations LLC
Project Description:	The current real property owner, Bridgewater Life Care Property, LLC (“<u>Pre-Closing Property Owner</u>”), will sell the real property to OHI Asset (NJ) Bridgewater, LLC (“<u>Post-Closing Property Owner</u>”) pursuant to a Purchase and Sale Agreement dated as of May 1, 2025 upon approval of the sale by the New Jersey Department of Community Affairs. The Post-Closing Property Owner will lease the real property to Senior Living Communities II, LLC pursuant to a master lease agreement. Senior Living Communities II, LLC will lease the real property to Laurel Circle Retirement, LLC pursuant to a sublease agreement. Laurel Circle Retirement, LLC will lease the real property to the current licensee/operator of the facility, LCS Bridgewater Operations LLC, pursuant to an interim sub-sublease. The interim sub-sublease will terminate upon approval of applications by Laurel Circle Retirement, LLC for a change of ownership/licensee by the Department of Health and the Department of Community Affairs. Copies of the master lease agreement, sublease agreement, and the interim sub-sublease agreement are attached.
Pre-Closing Property Owner:	Bridgewater Life Care Property, LLC See attached organizational chart
Post-Closing Property Owner	OHI Asset (NJ) Bridgewater, LLC See attached organizational chart As shown on the attached organizational chart, Omega Healthcare Investors, Inc., which is a publicly traded real estate investment trust (NYSE: OHI), is the ultimate owner of 97% of the equity in the Post-Closing Property Owner. Investors who acquire more than 5% of a publicly traded company’s stock are required to file a Schedule 13D or Schedule 13G with the SEC. Copies of such filings with respect to OHI are available at https://www.omegahealthcare.com/investors/sec-filings. Within the “Outside Investors” shown on the attached organizational chart, none of the individual owners directly or indirectly hold 1% or greater ownership interest in the property.

Ownership of Pre-Closing Property Owner

[Attached]

Pre-Close Ownership Chart



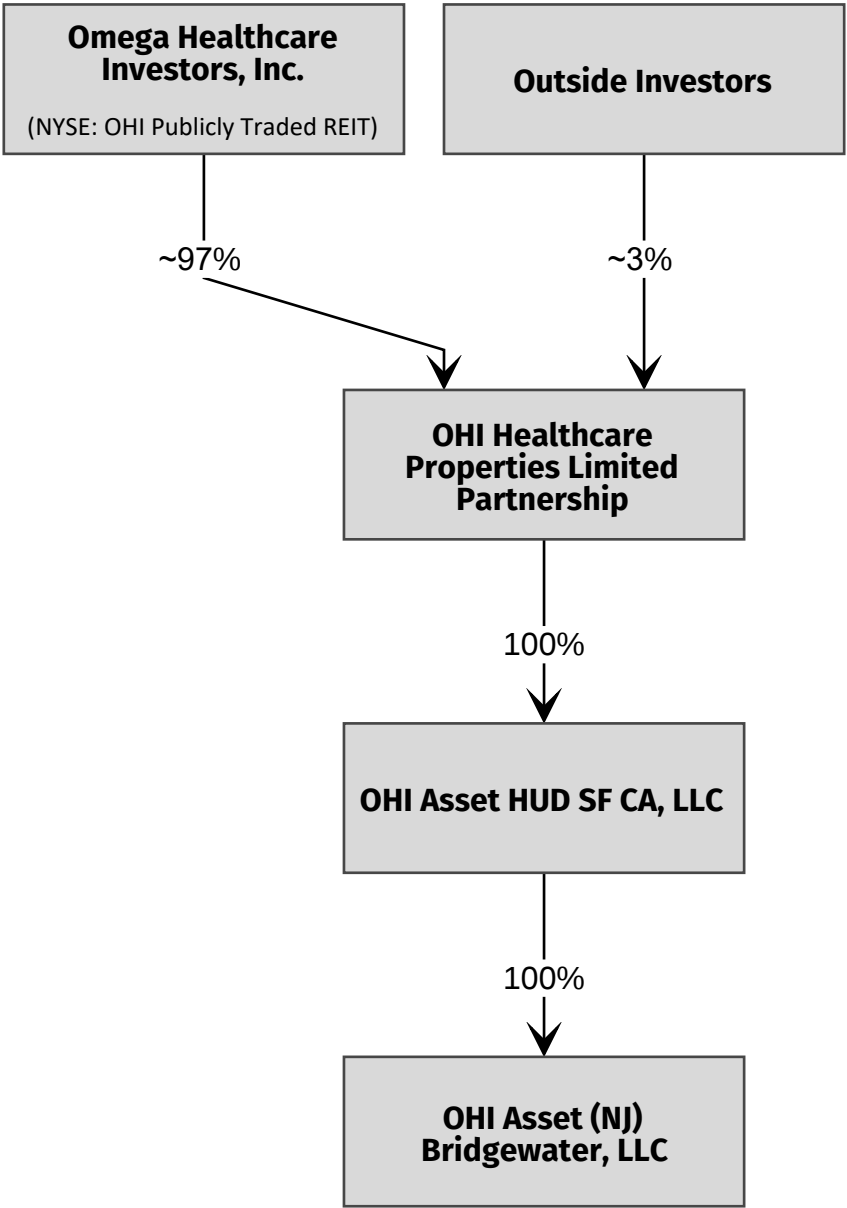
*The percentage reflects the entity's ownership interest in the entity immediately below.

Ownership of Post-Closing Property Owner

[Attached]

Post-Close Ownership Chart

OHI Asset (NJ) Bridgewater, LLC



Redacted Copy of the Draft of the Master Lease Agreement

MASTER LEASE

SINGLE TENANT
MULTIPLE FACILITIES

THOSE ENTITIES MORE PARTICULARLY DESCRIBED ON SCHEDULE 1
As Landlord

AND

SENIOR LIVING COMMUNITIES II, LLC, a North Carolina limited liability company,
As Tenant

DATED: _____, 2025

Facilities: As set forth on Schedule 1

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MASTER LEASE
(SLC II)

This MASTER LEASE (“Lease”) is executed and delivered as of _____, 2025 and is entered into by the entities identified as “Landlord” on Schedule 1 to this Lease (“Landlord”), the address of each of which is 303 International Circle, Suite 200, Hunt Valley, MD 21030, and SENIOR LIVING COMMUNITIES II, LLC, a North Carolina limited liability company (“Tenant”), the address of which is 3530 Toringdon Way, Suite 204, Charlotte, North Carolina 28277.

RECITALS

The circumstances underlying the execution and delivery of this Lease are as follows:

A. Capitalized terms used and not otherwise defined herein have the respective meanings given them in ARTICLE II below.

B. Landlord has acquired the Initial Facility (as defined below) and, from time to time, Landlord and/or Affiliates thereof may acquire additional facilities that it seeks to subject to this Lease.

C. In furtherance of the foregoing, Landlord shall lease the Leased Properties to Tenant, and Tenant has agreed to lease the Leased Properties from Landlord, on the terms and conditions set forth in this Lease.

NOW, THEREFORE, Landlord and Tenant agree as follows.

ARTICLE I

1.1 Lease. Upon and subject to the terms and conditions set forth in this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Leased Properties. The Leased Properties are leased subject to all covenants, conditions, restrictions, easements and other matters affecting each Leased Property, whether or not of record, including the Permitted Encumbrances and other matters which would be disclosed by an inspection or accurate survey of the Leased Properties; provided, however, that Landlord warrants that, except for Permitted Encumbrances, there are no liens or encumbrances arising by, through or under Landlord, which lien or encumbrance would have priority over the leasehold estate granted to Tenant under this Lease.

1.1.1 Subleases. On the Commencement Date, with the approval of Landlord, the Leased Properties are subleased to the Subtenant more particularly described on Schedule 2. Each Subtenant has jointly and severally with the other Subtenants guaranteed the obligations of Tenant hereunder, and, to secure its guaranty, each Subtenant has granted Landlord a security interest in the Collateral as defined in the Security Agreements. Tenant shall not amend or modify any material or economic terms of any Sublease without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Each Subtenant under a Sublease has agreed in the Sublease that it assumes and agrees to be bound by and perform each and every obligation of the Tenant under this Lease; provided, however, that obligations of a Subtenant related to the operation of a Facility are assumed only with respect to the Facility being

operated by such Subtenant. Tenant agrees that a default by a Subtenant under a Sublease shall be deemed a default by Tenant under this Lease which, if not cured within any applicable cure or grace period shall constitute an Event of Default and entitle Landlord to exercise any and all remedies provided by this Lease, the Transaction Documents or by law. Any Notice given by Landlord to Tenant shall be deemed a Notice given to each Subtenant of a Leased Property. All rent payable to Tenant by the Subtenants under the Subleases shall be paid to, or at the direction of, Landlord. As security for the obligations of Tenant, Guarantors and their Affiliates under this Lease and other Transaction Documents, Tenant hereby collaterally assigns to Landlord all right, title and interest of Tenant under the Subleases.

1.1.2 Single, Indivisible Lease. Notwithstanding Landlord's approval of the Subleases of the Leased Properties, this Lease constitutes one indivisible lease of the Leased Properties and not separate leases governed by similar terms. The Leased Properties constitute one economic unit, and the Base Rent and all other provisions have been negotiated and agreed to based on a demise of all of the Leased Properties to Tenant as a single, composite, inseparable transaction and would have been substantially different had separate leases or a divisible lease been intended. Except as expressly provided in this Lease for specific, isolated purposes (and then only to the extent expressly otherwise stated), all provisions of this Lease apply equally and uniformly to all of the Leased Properties as one unit. An Event of Default with respect to any Leased Property is an Event of Default as to all of the Leased Properties. The parties intend that the provisions of this Lease shall at all times be construed, interpreted and applied so as to carry out their mutual objective to create an indivisible lease of all of the Leased Properties and, in particular but without limitation, that, for purposes of any assumption, rejection or assignment of this Lease under 11 U.S.C. Section 365, this is one indivisible and non-severable lease and executory contract dealing with one legal and economic unit and that this Lease must be assumed, rejected or assigned as a whole with respect to all (and only as to all) of the Leased Properties. The parties agree that the existence of more than one Landlord under this Lease, if applicable, does not affect the indivisible, non-severable nature of this Lease. The parties may amend this Lease from time to time to include one or more additional Facilities beyond the Initial Facility as part of the Leased Properties and such future addition to the Leased Properties shall not in any way change the indivisible and non-severable nature of this Lease and all of the foregoing provisions shall continue to apply in full force.

1.2 Term. The initial term of this Lease ("Initial Term") shall be fifteen (15) Lease Years. The Initial Term shall commence on the Commencement Date and end on the Expiration Date, subject to renewal as set forth in Section 1.3 below.

1.3 Option to Renew. Tenant is hereby granted two (2) successive options to renew this Lease for a period of ten (10) Lease Years each, for a maximum Term if such options are exercised of thirty-five (35) Lease Years. Tenant's options to renew this Lease are subject to the following terms and conditions (which conditions may be waived by Landlord in its sole discretion):

(a) An option to renew is exercisable only by Notice to Landlord at least three hundred sixty-five (365) days, but not more than five hundred forty-five (545) days, prior to the expiration of the Initial Term (or prior to the expiration of the preceding Renewal Term, as the case may be);

(b) No Event of Default shall have occurred and be continuing either at the time a renewal option is exercised or at the commencement of a Renewal Term;

(c) During a Renewal Term, all of the terms and conditions of this Lease shall remain in full force and effect; and

(d) Tenant may exercise its options to renew with respect to all (and no fewer than all) of the Leased Properties.

1.4 License Condition. Tenant and the existing operators of the Initial Facility have agreed that during the Interim Period (defined below), OpCo Seller will continue to operate the Initial Facility pursuant to an Interim Sub-Sublease Agreement dated as of the Commencement Date between Initial Subtenant, as sub-sublandlord, and OpCo Seller, as sub-sublessee (the “Initial Facility Interim Sub-Sublease Agreement”). Landlord has consented to OpCo Seller’s operation of the Initial Facility during the Interim Period under the Initial Facility Interim Sub-Sublease Agreement. Promptly upon execution of the Initial Facility Purchase Agreement, Initial Subtenant shall apply to the State of New Jersey to transfer or otherwise obtain all healthcare licenses (the “Licenses”) needed by such Subtenant to operate the Initial Facility as an assisted living facility, skilled nursing facility, and continuing care retirement community. Initial Subtenant shall pursue all such applications diligently, in good faith and at its own expense. Tenant shall and shall cause any information statement or other information with respect to the proposed application submitted in connection obtaining the Licenses to be true, complete and correct and in all events in compliance with any applicable Authorizations and Legal Requirements. Tenant shall furnish copies of such applications to Landlord promptly upon Initial Subtenant submitting them to the State of New Jersey and, from time to time thereafter until transfer of the Licenses has been approved, Tenant shall promptly upon request by Landlord provide such additional information and documentation as Landlord may reasonably request concerning the status of such applications. Tenant shall notify Landlord promptly upon the issuance or denial of any Licenses, and Tenant shall keep Landlord informed of (and upon request shall furnish Landlord copies of) all material communications, inquiries, investigations and reports issued by the State of New Jersey or any other governmental agency concerning the Initial Subtenant’s applications. The Parties agree that a preliminary verbal or written acknowledgement from the appropriate state licensure authorities that it intends to approve the licensure applications (or that no further information is required for the applications, or has approved them) and that such Subtenant will be permitted to operate the Initial Facility, will be a condition to Landlord’s lease of the Facilities to Tenant (the “License Condition”). If the License Condition is not satisfied by the date of termination of the Initial Facility Interim Sub-Sublease, then, in Landlord’s sole and absolute discretion, with respect to the Initial Facility, this Lease will be null and void and all provisions in this Lease, except those which would otherwise survive a termination will be null and void as if they had never been entered into; and if such termination occurs, Tenant will and will cause Initial Subtenant cooperate with the transition of the management of the Initial Facility back to the existing operators of the Initial Facility or to a third party operator/manager designated by Landlord. As used in herein, “Interim Period” means the period beginning on the date of the Initial Facility Interim Sub-Sublease Agreement and ending on the earlier of the OTA Closing Date or the date of termination of the Initial Facility Interim Sub-Sublease Agreement; provided that, if the Initial Facility Interim Sub-Sublease Agreement is terminated pursuant to any provisions provided for in the Initial Facility Purchase Agreement, then within ten (10) Business Days of any such termination, Landlord shall

reimburse or otherwise cause to be reimbursed the Initial Subtenant for any amounts of the “Sub-Sublandlord Statutory Reserve Funded Amounts” (as defined in the Initial Facility Interim Sub-Sublease), which amounts Landlord may utilize to offset any obligations owed by Tenant hereunder to the extent the same are due and unpaid as of the date thereof.

ARTICLE II

2.1 Definitions. For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP as at the time applicable; (c) all references in this Lease to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Lease; and (d) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

Additional Charges: All Impositions and other amounts, liabilities and obligations that Tenant assumes or agrees to pay under this Lease other than Base Rent and Initial Capex Rent.

Additional Properties: is defined in Section 31.1.

Affiliate: Any Person who, directly or indirectly, Controls or is Controlled by or is under common Control with another Person.

Approval Threshold:

Assessment: Any assessment on the Leased Properties or any part of any of them for public or private improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term.

Assumed Indebtedness: Any indebtedness or other obligations expressly assumed in writing by Landlord and secured by a mortgage, deed of trust or other security agreement to which Landlord’s title to the Leased Properties is subject.

Authorizations: Any and all licenses, approvals, certifications, certificates of authority, operating permits, Provider Agreements, CONs, certificates of exemption, approvals, waivers, variances and other governmental or “quasi-governmental” authorizations necessary or advisable for the use of any Facility for its Primary Intended Use and receipt of reimbursement or other payments under Medicare, Medicaid and any Third Party Payor Programs.

Award: All compensation, sums or anything of value awarded, paid or received in connection with a Taking or Partial Taking and shall specifically exclude any separate award made to Tenant in accordance with Section 15.2 hereof.

Base Rent: During the Term, the Base Rent shall be:

(1) For the first Lease Year, the annual Base Rent shall be [Dollars (\$)];¹ and

(2) During the first Lease Year, Landlord will advance additional funds that Tenant and Initial Subtenant will use to fund the Statutory Reserve for the Initial Facility on the OTA Closing Date, and annual Base Rent for the remainder of the first Lease Year commencing on the OTA Closing Date shall be increased by an amount equal to ten percent (10%) of the amount funded by Landlord.

(3) For the second Lease Year, an amount equal to one hundred two percent (102%) of Base Rent under subsection (2) above.

(4) For each succeeding Lease Year during the Term, an annual amount equal to one hundred two percent (102%) of Base Rent for the previous Lease Year.

Business Day: Each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which national banks in the City of New York, New York are authorized or obligated, by law or executive order, to close.

Capitalization Rate: Ten percent (10%).

Cash: Lawful money of the United States of America.

Cash Equivalents: Any (i) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof which mature within ninety (90) days from the date of acquisition, and (ii) time deposits and certificates of deposit, which mature within ninety (90) days from the date of acquisition, of any domestic commercial bank insured by the Federal Deposit Insurance Corporation.

Cash Flow: For any period, the consolidated revenues of Tenant and Subtenants from the operation of the Facilities (but excluding gains from sales or assets not in the ordinary course of business), less amortization of deferred Entrance Fees, plus Net Cash Flow from Entrance Fees, less the consolidated operating expenses of Tenant and Subtenant for the Facilities, which shall include, without limitation a five percent (5%) assumed management fee, the Targeted Expenditure Amount, property taxes, and insurance (but excluding, (i) Tenant's Base Rent liability to Landlord under this Lease; (ii) depreciation and amortization; (iii) any expenses deemed extraordinary expenses in Landlord's sole discretion; (iv) losses on sale of assets other than in the ordinary course of business; (v) commissions related to the sale or leasing of units to the extent not included in Net Cash Flow from Entrance Fees; and (vi) any construction/refurbishment expenses as to existing units.

Cash Flow Coverage Ratio: For any fiscal period, the ratio of (i) Cash Flow to (ii) the sum of (a) Base Rent and (b) Initial Capex Rent.

¹ TBD aa 10% of Landlord investment at closing.

Citation: Any operational or physical plant deficiency set forth in writing with respect to a Facility by any Governmental Authority, or including any Medicare intermediary, having regulatory oversight over a Facility, Tenant, any Subtenant or Manager, with respect to which the scope and severity of the potential penalty for such deficiency is one or more of the following: loss of licensure, decertification of a Facility from participation in the Medicare and/or Medicaid programs, appointment of a temporary manager or denial of payment for new admissions.

Clean-Up: The investigation, removal, restoration, remediation and/or elimination of, or other response to, Contamination, in each case to the satisfaction of all Governmental Authorities, in compliance with or as may be required by Environmental Laws.

Code: The Internal Revenue Code of 1986, as amended.

Collateral Document: means the following documents: this Lease, the Guaranties, the Letter of Credit Agreement, the Security Agreements, the Pledge Agreements, the Subordination Agreements, the Subleases, and any security agreements, pledge agreements, letter of credit agreements, guarantees, notes or other documents which evidence, secure or otherwise relate to this Lease, or the transactions contemplated by this Lease; and any and all amendments, modifications, extensions and renewals of any of the foregoing documents.

Combination Date: is defined in Section 31.3.

Combination Lease: is defined in Section 31.1.

Commencement Date: (a) with respect to the Initial Facility, [_____, ____, 2025] and (b) with respect to any portion of the Leased Property other than the Initial Facility, the date agreed upon by Landlord and Tenant pursuant to any amendment of this Lease entered into in connection with the terms hereof.

CMS: The United States Department of Health, Centers for Medicare and Medicaid Services or any successor agency thereto.

Condemnor: Any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

Construction Funds: The Net Proceeds and such additional funds as may be deposited with Landlord by Tenant pursuant to Section 14.7 for restoration or repair work pursuant to this Lease.

Contamination: The presence, Release or threatened Release of any Hazardous Substance at the Leased Properties in violation of any Environmental Law, or in a quantity that would give rise to any affirmative Clean-Up obligations under an Environmental Law

Control (and its corollaries “Controlled by” and “under common Control with”): Possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of, or voting control over, voting securities, partnership interests or other equity interests, by contract, by appointment, or otherwise.

CPI: The United States Department of Labor, Bureau of Labor Statistics Revised Consumer Price Index for All Urban Consumers (1982-84=100), U.S. City Average, All Items, or, if that index is not available at the time in question, the index designated by such Department as the successor to such index, and if there is no index so designated, an index for an area in the United States that most closely corresponds to the entire United States, published by such Department, or if none, by any other instrumentality of the United States.

Date of Taking: The date on which the Condemnor has the right to possession of the Leased Property that is the subject of the Taking or Partial Taking.

Debt: As of any date, all (a) obligations of a Person, whether current or long-term, that in accordance with GAAP should be included as liabilities on such Person's balance sheet; (b) obligations for borrowed money or installment obligations; (c) obligations of such person under leases that in accordance with GAAP are required to be capitalized for financial reporting purposes; (d) obligations of others for which that Person is liable directly or indirectly, by way of guaranty (whether by direct guaranty, suretyship, discount, endorsement, take-or-pay agreement, agreement to purchase or advance or keep in funds or other agreement having the effect of a guaranty) or otherwise; (e) liabilities and obligations secured by liens of any assets of that Person, whether or not those liabilities or obligations are recourse to that Person; (f) liabilities of that Person, direct or contingent, with respect to letters of credit issued for the account of that Person or others or with respect to bankers acceptances created for that Person; (g) obligations which are evidenced by notes, acceptances, or other instruments; and (h) obligations of such Person to purchase securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property. For purposes of this definition, the sale of any accounts receivable shall be deemed the incurring of debt for borrowed money.

Debt Subordination Agreement: That certain Subordination Agreement by and among Entity Guarantor, Individual Guarantors and Landlord pursuant to which any Debt of any Tenant or Subtenant in favor of any Entity Guarantor or Individual Guarantor is subordinated to those obligations of Tenant or any Subtenant to Landlord.

Disclosure Statements: Any disclosure statement required to be provided to any current or prospective resident and/or filed with any Governmental Authority in connection with the operation of any Leased Property for its Primary Intended Use.

Distribution: Any payment, transfer or distribution of cash or any assets to one or more equity holders of such Person or to any Affiliate of such Person, or return of any capital, redemption any of security, or making or assumption of any loans, advances or extension of credit or capital contribution to, or any other investment in, any Affiliate of such Person. or a payment on any debt, or a payment on any debt required by this Agreement or the other Transaction Documents to be subordinated to the rights of Landlord.

Distribution Restricting Default shall mean (i) those Events of Default identified in clause (a), (b), (c) or (d) of the definition of Event of Default; (ii) any other monetary Event of Default; (iii) any violation of Section 8.3.5 by any Tenant Entity or (iv) any violation of the last sentence of Section 8.9.

Encumbrance: Any mortgage, deed of trust, lien, encumbrance or other matter affecting title to the Leased Properties, or any portion thereof or interest therein, securing any borrowing or other means of financing or refinancing.

Entity Guarantor: Each party that guaranties the obligations of Tenant under this Lease other than the Individual Guarantors. The initial Entity Guarantor is Maxwell.

Entrance Fee Refunds: Refunds of Entrance Fees payable by Tenant or Subtenant to residents pursuant to Resident Agreements.

Entrance Fees: All entrance fees, loans, sales prices and related deposits paid by a resident under its Resident Agreement.

Environmental Audit: A written certificate that (a) is in form and substance satisfactory to Landlord, (b) is from an environmental consulting or engineering firm acceptable to Landlord, and (c) states that there is no Contamination on the Leased Properties and that the Leased Properties are otherwise in strict compliance with Environmental Laws.

Environmental Documents: Each and every (a) document received by Tenant or any Affiliate from, or submitted by Tenant or any Affiliate to, the United States Environmental Protection Agency and/or any other federal, state, county or municipal agency responsible for enforcing or implementing Environmental Laws with respect to the condition of the Leased Properties, or Tenant's operations at the Leased Properties; and (b) review, audit, report, or other analysis data pertaining to environmental conditions, including, but not limited to, the presence or absence of Contamination, at, in, under or with respect to the Leased Properties that have been prepared by, for or on behalf of Tenant.

Environmental Laws: All federal, state and local laws (including, without limitation, common law), statutes, codes, ordinances, regulations, rules, orders, permits or decrees now or at any time in effect and relating to (a) the introduction, emission, discharge or release of Hazardous Substances into the indoor or outdoor environment (including without limitation, air, surface water, groundwater, land or soil), (b) the manufacture, processing, distribution, use, treatment, storage, transportation or disposal of Hazardous Substances or (c) the Clean-Up of Contamination.

Event of Default: The occurrence of any of the following:

(a) Tenant fails to pay or cause to be paid the Rent when due and payable within five (5) days of the date the same is due;

(b) Tenant, any Subtenant or any Guarantor, on a petition in bankruptcy filed against it, is adjudicated a bankrupt or has an order for relief thereunder entered against it, or a court of competent jurisdiction enters an order or decree appointing a receiver of Tenant, a Subtenant or any Guarantor or of the whole or substantially all of its property, or approving a petition filed against Tenant, a Subtenant or any Guarantor seeking reorganization or arrangement of Tenant, a Subtenant or such Guarantor under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such judgment, order or decree is not vacated or set aside or stayed

within sixty (60) days from the date of the entry thereof, subject to the applicable provisions of the Bankruptcy Code (11 USC § 101 et. seq.) and to the provisions of Section 16.6 below;

(c) Tenant, a Subtenant or any Guarantor: (i) admits in writing its inability to pay its debts generally as they become due; (ii) files a petition in bankruptcy or a petition to take advantage of any insolvency law; (iii) makes a general assignment for the benefit of its creditors; (iv) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property; or (v) files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, subject to the applicable provisions of the Bankruptcy Code (11 USC § 101 et. seq.) and to the provisions of Section 16.6 below;

(d) Tenant, a Subtenant or any Entity Guarantor is liquidated or dissolved, or begins proceedings toward liquidation or dissolution, or has filed against it a petition or other proceeding to cause it to be liquidated or dissolved and the proceeding is not dismissed within thirty (30) days thereafter, or Tenant, a Subtenant or any Guarantor in any manner permits the sale or divestiture of all or substantially all of its assets;

(e) The estate or interest of Tenant or any Subtenant in the Leased Properties or any part thereof is levied upon or attached in any proceeding and the same is not vacated or discharged within thirty (30) days thereafter (unless Tenant is in the process of contesting such lien or attachment in good faith in accordance with ARTICLE XII hereof);

(f) Tenant or Subtenant ceases operation of any Facility for a period in excess of five (5) Business Days except upon prior Notice to, and with the express prior written consent of, Landlord (which consent Landlord may withhold in its absolute discretion), or as the unavoidable consequence of either (A) damage or destruction as a result of a casualty, or (B) a Partial or total Taking;

(g) Any representation or warranty made by Tenant, a Subtenant, a Guarantor or any Affiliate of Tenant in the Lease, any Transaction Document, or in any certificates delivered in connection with this Lease or the Transaction Documents proves to be untrue when made in any material respect, Landlord is materially and adversely affected thereby and Tenant, a Subtenant, a Guarantor or any Affiliate, as the case may be, fails within twenty (20) days after Notice from Landlord, as the case may be, to cure such condition by terminating such adverse effect and making Landlord, as the case may be, whole for any damage suffered therefrom, or, if with due diligence such cure cannot be effected within twenty (20) days, if Tenant, a Subtenant, a Guarantor or any Affiliate, as the case may be, has failed to commence to cure the same within the twenty (20) days or failed thereafter to proceed promptly and with due diligence to cure such condition and complete such cure prior to the time that such condition causes a default in any Facility Mortgage or any other lease with Landlord or an Affiliate thereof to which Tenant, a Subtenant, a Guarantor or any Affiliate is subject and prior to the time that the same results in a Material Adverse Affect or civil or criminal penalties to Landlord, Tenant, a Subtenant, a Guarantor, any Affiliates of any of them or the Leased Properties;

(h) Tenant (or, if applicable, any Subtenant or Manager):

(i) (y) has any Authorization suspended or revoked, or its right to so operate a Facility, and Tenant fails to remedy any condition causing such revocation or suspension within any cure period allowed therefor by the applicable agency or authority or, if no such cure period is allowed or specified by the applicable agency or authority, Tenant fails to either (i) remedy the condition promptly and diligently following Tenant's receipt of notice of such condition and, in any event, prior to the revocation or suspension of any such Authorization or right to operate the Facility in question or (ii) cause such revocation or suspension stayed within three (3) Business Days or (z) has its right to accept residents suspended in a circumstance that would not otherwise constitute an Event of Default hereunder and the effect is not stayed or cured within thirty (30) days of the occurrence thereof; or

(ii) receives a Citation with respect to a Facility and fails to cure the condition that is the subject of the Citation within the period of time required for such cure by the issuer of the Citation or, but in any event prior to the revocation or suspension of any Authorization or to receive Medicare or Medicaid payments with respect to residents of any Facility, or prior to the appointment of a temporary manager, as the case may be; or

(iii) fails to give Landlord Notice that any event set forth in clauses (i) and (ii) above has occurred, as required pursuant to Section 23.1(h) below.

(i) Any Governmental Authority removes ten percent (10%) or more of the residents of any Facility;

(j) Tenant or any Subtenant voluntarily transfers, or permits the voluntary transfer, of ten percent (10%) or more residents of any Facility and such transfer is not for documented reasons relating to the health and well-being of the residents that were transferred;

(k) Tenant or a Subtenant defaults, or permits a default (which default was not exclusively in Landlord's control) under any Facility Mortgage, related documents or obligations thereunder and the default is not cured within any applicable grace period provided for therein;

(l) A Transfer occurs without the prior written consent of Landlord;

(m) A default by any Tenant Entity or Affiliate thereof occurs under any Transaction Documents or under the and such default is not cured within any applicable cure period provided in such Transaction Document;

(n) Reserved;

(o) A default occurs under any of the covenants set forth in Section 8.2, Section 8.3, Section 8.4, Section 8.5, Section 8.6, Section 8.9, Section 8.10, Section 8.11, Section 8.12 and Section 8.13 hereof;

(p) Tenant or an Affiliate of Tenant defaults beyond any applicable grace period in the payment of any amount or the performance of any material act required of Tenant or such Affiliate by the terms of any other lease or other agreement between Tenant or such Affiliate and Landlord or any Affiliate of Landlord;

(q) Tenant, a Subtenant or Guarantor fails to observe or perform any other term, covenant or condition of this Lease or any other Transaction Document and the failure is not cured by such party within a period of thirty (30) days after Notice thereof from Landlord, unless the failure cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed an Event of Default if and for so long as such party proceeds promptly and with due diligence to cure the failure and completes the cure prior to the time that the same causes a Material Adverse Effect, a default in any Facility Mortgage and prior to the time that the same results in civil or criminal penalties to Landlord, Tenant, any Affiliates of either or to the Leased Properties;

(r) Reserved; or;

(s) Reserved; or

(t) A default occurs under the Line of Credit Documents, and such default is not cured within any applicable period provided for in the Line of Credit Documents.

Executive Officer: Any of the Chairman of the Board of Directors, the President, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, any Vice President and the Secretary of any corporation, a general partner of any partnership and a managing member of any limited liability company upon which service of a Notice is to be made.

Expiration Date: means _____, 2040 if the first Renewal Option has not been exercised, or _____, 2050, if the first Renewal Option has been exercised, but not any subsequent Renewal Options, _____, 2060 if all Renewal Options are exercised.

Facilit(y)(ies): Each health care facility, independent living or continuing care retirement community on the Land, including the Leased Property associated with such Facility, and together, all such facilities on the Leased Properties.

Facility Mortgage: Any mortgage, deed of trust or other security agreement that with the express, prior, written consent of Landlord is a lien upon any or all of the Leased Properties, whether such lien secures an Assumed Indebtedness or another obligation or obligations.

Facility Mortgagee: The secured party to a Facility Mortgage, its successors and assigns, any servicer acting on behalf of a Facility Mortgagee with respect to a Facility Mortgage

and, if any Facility Mortgage is deposited with a trust, then the trustee acting on behalf of the certificate holders of such trust.

Facility Provider Agreements: Provider Agreements issued to or held by Tenant or a Subtenant pursuant to which the Facilities are licensed, certified, approved or eligible to receive reimbursement under Medicare, Medicaid or any Third Party Payor Program.

Facility Trade Names: The name(s) under which the Facilities have done business during the Term. The Facility Trade Names in use by the Facilities on the Commencement Date are set forth on attached Exhibit A.

Fair Market Rent: The rent that, at the relevant time, a Facility would most probably command in the open market, under a lease on substantially the same terms and conditions as are set forth in this Lease with a tenant unrelated to Landlord having experience and a reputation in the health care industry and a credit standing reasonably equivalent to that of Tenant, and, if this Lease is guaranteed, with such lease being guaranteed by guarantors having a net worth at least equal to that of Guarantors, with evidence of such rent being the rent that is being asked and agreed to at such time under any leases of facilities comparable to such Facility being entered into at such time in which the tenants and lease guarantors meet the qualifications set forth in this sentence. Fair Market Rent shall be determined in accordance with the appraisal procedure set forth in ARTICLE XXVIII or in such other manner as may be mutually acceptable to Landlord and Tenant.

Financial Statement:

(A) For each month during the Tenant's and Subtenants' fiscal year, on a consolidated basis for the Tenant and Subtenants, (i) a statement of earnings for the current period and fiscal year to the end of such period, and (ii) a balance sheet as of the end of the period; and

(B) For Tenant's and Subtenants' fiscal year, an audited financial report for the Tenants and Subtenants on a consolidated basis, containing such party's balance sheet as of the end of that year, its related profit and loss, a statement of owner's equity for that year, a statement of cash flows for that year, any management letter prepared by the certified public accountants, such comments and financial details as customarily are included in reports of like character and the unqualified opinion of the certified public accountants as to the fairness of the statements therein.

(C) For Maxwell's fiscal year, an audited financial report for Maxwell on a consolidated basis, prepared by a "big four" accounting firm or any other firm of independent certified public accountants reasonably acceptable to Landlord, containing such party's balance sheet as of the end of that year, its related profit and loss, a statement of owner's equity for that year, a statement of cash flows for that year, any management letter prepared by the certified public accountants, such comments and financial details as customarily are included in reports of like character and the unqualified opinion of the certified public accountants as to the fairness of the statements therein. Landlord hereby agrees to accept such audited financial reports from Moyer, DeVoe & Iocco, PLLC, Charlotte, North Carolina.

(D) For each of the Individual Guarantors, an internally personal financial statement.

(E) Landlord may, at its own expense, cause any Financial Statement to be audited by a certified public accountant selected by Landlord and reasonably acceptable to Tenant.

Fixtures: Collectively, all permanently affixed equipment, machinery, fixtures, and other items of real and/or personal property (excluding Landlord's Personal Property), including all components thereof, now and hereafter located in, on or used in connection with, and permanently affixed to or incorporated into the Leased Improvements, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus (other than individual units), sprinkler systems and fire and theft protection equipment, built-in oxygen and vacuum systems, towers and other devices for the transmission of radio, television and other signals, all of which, to the greatest extent permitted by law, are hereby deemed by the parties hereto to constitute real estate, together with all replacements, modifications, alterations and additions thereto.

GAAP: Generally accepted accounting principles in effect at the time in question.

Governmental Authority: Any court, board, agency, licensing agency, certifying entity, commission, office or authority or any governmental unit (federal, state, county, district, municipal, city or otherwise) and any regulatory, administrative or other subdivision, department or branch of the foregoing, whether now or hereafter in existence, including any state licensing or certifying agency, accreditation agency or any other quasi-governmental authority.

Ground Lease: Any lease of any of the Leased Properties pursuant to which Landlord is the tenant.

Ground Landlord: The lessor under any Ground Lease.

Guarantor: Each Entity Guarantor and Individual Guarantor, and Guarantors means the same, collectively.

Guaranties: means (i) the Guaranty from each Subtenant, (ii) the Guaranty from Maxwell, (iii) [the Limited Guaranty from Individual Guarantors] and (iv) any other guaranty of the obligations of Tenant under this Lease.

Hazardous Substance: Dangerous, toxic or hazardous material, substance, pollutant, contaminant, chemical, waste (including medical waste), including petroleum products, asbestos and PCBs defined, listed or described as such under any Environmental Law.

Impositions: Collectively, all taxes, including without limitation, all ad valorem real property taxes imposed upon the Land and the Improvements, all other real property taxes and personal property taxes imposed upon the Leased Property, all ad valorem, sales and use, single business, gross receipts, business privilege, transaction privilege, rent or similar taxes relating to or imposed upon Tenant, Tenant's Personal Property or its business conducted upon any portion

of the Leased Property, assessments (including Assessments), water, sewer or other rents and charges, excises, tax levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character that at any time prior to, during or in respect of the Term are assessed or imposed on or in respect of, or constitute a lien upon (a) Landlord or Landlord's interest in the Leased Properties; (b) the Leased Properties or any part thereof or any rent therefrom or any estate, right, title or interest therein; (c) any occupancy, operation, use or possession of, or sales from, or activity conducted on or in connection with the Leased Properties or the leasing or use of the Leased Properties or any part thereof; or (d) Rent, but excluding any transfer or other tax imposed with respect to the sale, exchange or other disposition by Landlord of the Leased Properties or any part thereof or the proceeds thereof. If and to the extent Landlord is prohibited by law from invoicing, billing or seeking reimbursement from Tenant of any Imposition, then the amount of such Imposition shall be added to the amount of annual Base Rent payable and paid to Landlord by Tenant. Impositions shall not include (1) any tax based on net income (whether denominated as a tax on capital stock or other tax) imposed upon Landlord or any other person, (2) any transfer or net revenue tax imposed upon Landlord or any other person (including any tax imposed as a result of a transfer, either partial or total, of Landlord's interest in the Leased Property) or (3) any tax imposed with respect to the sale, exchange, mortgage or other disposition by Landlord of any property (including the Leased Property) or the proceeds thereof, nor any tax, assessment, tax levy or charge described in the first sentence of this paragraph which is in effect at any time during the Term hereof to the extent (and for the period of time) such tax, assessment, tax levy or charge is totally or partially repealed, unless a tax, assessment, tax levy or charge set forth in clause (1) or (2) is levied, assessed or imposed expressly in lieu thereof, in which case the substitute tax, assessment, tax levy or charge shall be deemed to be an Imposition.

Individual Guarantors: Benjamin Thompson and Joshua Thompson.

Initial Capex Rent: The Initial Capex Rent shall be:

- (1) During the period of the Term from Commencement Date thru the end of the first Lease Year, a monthly sum equal to the Initial Monthly Capex Rent.
- (2) During the second Lease Year, a monthly sum equal to the sum of (a) the Initial Capex Rent as of the first day of such Lease Year, *multiplied by* one hundred two percent (102%), *plus* (b) the Initial Monthly Capex Rent for the applicable month. For the avoidance of doubt, the amount set forth in (b) in the preceding sentence shall only apply to the aggregate funds expended by Landlord during the second Lease Year on the Initial Capex Improvements.
- (3) During the third Lease Year, an annual sum equal to (a) twelve times the Initial Monthly Capex Rent for the immediately preceding month, multiplied by (b) one hundred two percent (102%).

- (4) For each subsequent Lease Year, an annual sum equal to the annual Initial Capex Rent for the previous twelve (12) months, *multiplied by* (b) one hundred two percent (102%).

Initial Capex Rent Commencement Date: the first (1st) day of the first full month after the date of the first disbursement under Section 9.3 of this Lease.

Initial Monthly Capex Rent: an amount equal to (a) the aggregate funds expended by Landlord during the applicable period on the Initial Capex Improvements, multiplied by (b)

Initial Facility: the continuing care retirement community located in Bridgewater, New Jersey known as Laurel Circle and located on the real property more particularly described at Exhibit B-1.

Initial Facility OTA: The Operations Transfer Agreement, dated as of May 1, 2025 by and between OpCo Seller and Initial Subtenant.

Initial Facility Purchase Agreement: The Purchase and Sale Agreement, dated as of May 1, 2025, by and between PropCo Seller and OpCo Seller, collectively, as seller, and Landlord, as purchaser.

Initial Facility Interim Sub-Sublease Agreement: is defined in Section 1.4.

Initial Subtenant: Laurel Circle Retirement, LLC, a New Jersey limited liability company.

Initial Term: is defined in Section 1.2.

Insurance Requirements: All terms of any insurance policy required by this Lease and all requirements of the issuer of any such policy.

Intangible Assets: The amount of unamortized debt discounts and expenses, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, organizational and developmental expenses, unamortized operating rights, unamortized licenses, unamortized leasehold rights, computer software development costs, start-up costs, pre-opening costs, prepaid pension costs and other intangible assets, including (a) any write-up resulting from a reversal of a reserve for bad debts or depreciation and any write-up resulting from a change in methods of accounting or inventory and (b) the amount of any investment in any Affiliate.

Intercreditor Agreement: is defined in Section 6.4.

Interim Period: is defined in Section 1.4.

Investigation: Soil and chemical tests or any other environmental investigations, examinations or analyses.

Investments: of a Person means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person; stocks, bonds, mutual funds, partnership interests, notes, debentures or other securities owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person.

Judgment Date: The date on which a judgment is entered against Tenant that establishes, without the possibility of appeal, the amount of liquidated damages to which Landlord is entitled under this Lease.

Land: The real property described in attached Exhibit B-1.

Landlord's Future Rent Loss: An amount equal to the Rent that would have been payable by Tenant from and after the Judgment Date through the Expiration Date had the Lease not been terminated, plus such additional amount as may be necessary in order to compensate Landlord for all other damages that are proximately caused by, and in the ordinary course of things would be likely to result from, Tenant's failure to perform its obligations under this Lease.

Landlord's Interim Rent Loss: An amount equal to the Rent that would have been payable by Tenant from the Termination Date through the Judgment Date had the Lease not been terminated (including interest and late charges determined on the basis of the date or dates on which Landlord's Interim Rent Loss is actually paid by Tenant), plus such additional amount as may be necessary in order to compensate Landlord for all other damages that are proximately caused by, and in the ordinary course of things would be likely to result from, Tenant's failure to perform its obligations under this Lease.

Landlord's Monthly Rent Loss: For any month, an amount equal to the installment of Rent that would have been due in such month under the Lease if it had not been terminated, plus, if such amount is not paid on or before the day of the month on which such installment of Rent would have been due, the amount of interest and late charges thereon that also would have been due under the Lease, plus such additional amount as may be necessary in order to compensate Landlord for all other damages that are proximately caused by, and in the ordinary course of things would be likely to result from, Tenant's failure to perform its obligations under this Lease.

Landlord's Personal Property: All Personal Property and intangibles, if any, owned by Landlord and leased to Tenant on the Commencement Date, together with any and all replacements thereof, and all Personal Property that pursuant to the terms of the Lease becomes the property of Landlord during the Term. Notwithstanding any other provision of this Lease, Landlord's Personal Property shall not include goodwill nor shall it include any other intangible personal property that is severable from Landlord's "interests in real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto.

Laurel Facility: the continuing care retirement community located in Bridgewater, New Jersey known as Laurel Circle and located on the real property more particularly described at Exhibit B-1.

Laurel Minimum Paydown Amount:

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Laurel Outside Paydown Date: the five (5) year anniversary of the OTA Closing Date, provided that the Laurel Outside Paydown Date may be extended for an additional twelve (12) month period if no Event of Default has occurred and is continuing.

Laurel Paydown Factor: as of any date of determination, the product of and the amount of the Laurel Rent Buy Down Amount paid through such date and applied in reduction of the Laurel Rent.

Laurel Rent: the Base Rent associated with the Laurel Facility,

Laurel Rent Buy Down Amount:

For the avoidance of doubt, once due and payable, no portion of the Laurel Required Buy Down Amount is refundable or cancelable based upon future changes in Cash Flow for the Laurel Facility.

Laurel Paydown Completion Date: such time as Tenant shall have paid the Laurel Rent Buy Down Amount in an amount of no less than the Laurel Minimum Paydown Amount which has been applied to reduce the Laurel Rent pursuant to Section 3.6 hereof.

Laurel Rent Factor: The Capitalization Rate (10%) multiplied by 1.02 (compounding) on [], 2026 and each [] thereafter. As illustration, on [], 2027], the Laurel Rent Factor would be 10.% (i.e., $(10\% \times 1.02) \times 1.02 = 10.404\%$).

Lease: As defined in the Preamble.

Lease Year: Each period from and including _____ 1 through _____ 31 during the Term of this Lease. If this Lease is terminated before the end of any Lease Year, the final Lease Year shall be _____ 1 through the date of termination.

Leased Improvements: Collectively, all buildings, structures, Fixtures and other improvements of every kind on the Land, including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site), parking areas and roadways appurtenant to such buildings and structures.

Leased Property: The parcel of the Land on which a Facility is located, the Leased Improvements on such parcel of the Land, the Related Rights with respect to such parcel of the Land, and Landlord's Personal Property with respect to such Facility.

Leased Properties: All of the Land, Leased Improvements, Related Rights and Landlord's Personal Property.

Legal Requirements: All federal, state, county, municipal and other governmental statutes, laws, rules, orders, waivers, regulations, ordinances, judgments, decrees and injunctions affecting the Leased Properties or any portion thereof, Tenant's Personal Property or the construction, use or alteration of the Leased Properties (including but not limited to the Americans with Disabilities Act), whether enacted and in force before, after or on the Commencement Date, and including any that may (a) require repairs, modifications, alterations or additions in or to any portion or all of the Facilities, or (b) in any way adversely affect the use and enjoyment thereof, and all Authorizations, permits, licenses and regulations relating thereto, including, but not limited to, (i) those relating to existing health care licenses, and (ii) those authorizing the current number of licensed beds and the level of services delivered from the Leased Properties, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Tenant (other than encumbrances created by Landlord without the consent of Tenant) and in force at any time during the Term.

Letter of Credit Agreement: An agreement between Landlord and Tenant providing the terms governing any letter of credit to be delivered to Landlord as the Security Deposit.

License Condition: is defined in Section 1.4.

Licenses: is defined in Section 1.4.

Line of Credit: As defined in Section 6.4.

Line of Credit Documents: As defined in Section 6.4.

Liquid Assets: means all of a Person's (1) unencumbered and unrestricted Cash, and (2) unencumbered and unrestricted Cash Equivalents reflected on current bank and/or brokerage statements furnished to Landlord. Liquid Assets will only be measured based on bank or brokerage accounts directly held by Maxwell.

Management Agreement: Any agreement pursuant to which management of a Facility is delegated by Tenant to any person not an employee of Tenant or to any other related or unrelated party.

Manager: The Person to whom management of the operation of a Facility is delegated pursuant to a Management Agreement. The initial Manager shall be Maxwell.

Material Adverse Effect: means any material adverse effect whatsoever upon (a) the validity, performance or enforceability of any Collateral Document, (b) the properties, contracts, business operations, profits or condition (financial or otherwise) of Tenant, a Subtenant, Maxwell or any Guarantor, (c) the ability of Tenant, a Subtenant, Maxwell, any Guarantor or any of their Affiliates to fulfill its obligations under the Transaction Documents or (d) any revocation of any license required to operate any Facility, the issuance of any moratorium on the acceptance of residents to any Facility or the denial of payment by any third-party payor with respect to any residents of any Facility.

Maximum Principal Amount: means a principal amount not in excess of eighty five percent (85%) of "eligible accounts receivable" as that term is customarily used in revolving

working capital financing; provided that, in no event may "eligible accounts receivable" include (i) accounts receivable aged in excess of 150 days, or (ii) private pay accounts.

Maxwell: means Maxwell Group, Inc.

Medicaid: The program of medical assistance, funded jointly by the federal government and the states for impoverished individuals who are aged, blind and/or disabled, and for members of families with dependent children, which program is more fully described in Title XIX of the Social Security Act (42 U.S.C. §§ 1396 et seq.) and the regulations promulgated thereunder, and any replacement or successor thereto.

Medicare: The federal program providing health insurance for eligible elderly and other individuals, under which physicians, hospitals, nursing facilities, home health care and other providers are reimbursed for certain covered services they provide to the beneficiaries of such program, which program is more fully described in Title XVIII of the Social Security Act (42 U.S.C. §§ 1395 et seq.) and the regulations promulgated thereunder, and any replacement or successor thereto.

Net Cash Flow from Entrance Fees: For the applicable measuring period, with respect to the Facilities, all incoming cash from Entrance Fees less outgoing cash for Entrance Fee Refunds.

Net Proceeds: All proceeds, net of any costs incurred by Landlord in obtaining such proceeds, payable under any policy of insurance required by ARTICLE XIII of this Lease (including any proceeds with respect to Tenant's Personal Property that Tenant is required or elects to restore or replace pursuant to Section 14.3) or paid by a Condemnor for a Taking or Partial Taking of a Leased Property.

Net Reletting Proceeds: Proceeds of the reletting of any portion of the Leased Property received by Landlord, net of Reletting Costs.

New Lease: is defined in Section 32.1.

Notice: A notice given in accordance with ARTICLE XXVII hereof.

Notice of Termination: A Notice from Landlord that it is terminating this Lease by reason of an Event of Default.

Objections: is defined in Section 38.10.

Off-Balance Sheet Liability: of a Person means (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability under any Sale and Leaseback Transaction which is not a capitalized lease or finance lease, (iii) any liability under any so-called "synthetic lease" transaction entered into by such Person, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person.

Officer's Certificate: A certificate signed by an Executive Officer.

Omega: means Omega Healthcare Investors, Inc.

OpCo Seller: LCS Bridgewater Operations LLC, an Iowa limited liability company.

Option Deposit: is defined in Section 38.3.

Option Property: is defined in Section 38.2.

Option Purchase Price: is defined in Section 38.4.

Option Purchase Floor: is defined in Section 38.4.

Option Window: is defined in Section 38.3.

OTA Closing Date: is defined in the Initial Facility OTA.

Overdue Rate: On any date, the interest rate that is equal to five percent (5%) above the Prime Rate, but in no event greater than the greater of (i) the maximum rate then permitted under applicable law or (ii) eighteen percent (18%).

Partial Taking: A taking of less than the entire fee of a Leased Property that either (a) does not render the Leased Property Unsuitable for its Primary Use, or (b) renders a Leased Property Unsuitable for its Primary Intended Use, but neither Landlord nor Tenant elects pursuant to Section 15.1 hereof to terminate this Lease.

Payment Date: Any due date for the payment of the installments of Base Rent or for the payment of Additional Charges or any other amount required to be paid by Tenant hereunder.

Permitted Encumbrances: Encumbrances listed on attached Exhibit C.

Person: Any natural person, trust, partnership, corporation, joint venture, limited liability company or other legal entity.

Personal Property: All machinery, equipment, furniture, furnishings, movable walls or partitions, computers (and all associated software), trade fixtures and other tangible personal property (but excluding consumable inventory and supplies owned by Tenant) used in connection with the Leased Properties, together with all replacements and alterations thereof and additions thereto, except items, if any, included within the definition of Fixtures or Leased Improvements.

Pledge Agreements: The Pledge Agreements between Landlord, as creditor, and the equity owners of Tenant and Subtenants, as debtors.

Present Value: The value of future payments, determined by discounting each such payment at a rate equal to the yield on the specified date on securities issued by the United States

Treasury (bills, notes and bonds) maturing on the date closest to December 31 in the year in which such future payment would have been due.

Primary Intended Use: Assisted living facilities, skilled nursing facilities, independent living facilities and continuing care retirement communities.

Prime Rate: On any date, an interest rate equal to the prime rate published by the Wall Street Journal, but in no event greater than the maximum rate then permitted under applicable law. If the Wall Street Journal ceases to be in existence, or for any reason no longer publishes such prime rate, the Prime Rate shall be the rate announced as its prime rate by Fleet Bank or other financial institution that is the agent for the banks under Omega's revolving credit agreement, and if such bank no longer exists or does not announce a prime rate at such time, the Prime Rate shall be the rate of interest announced as its prime rate by a national bank selected by Landlord.

Proceeding: Any action, proposal or investigation by any agency or entity, or any complaint to such agency or entity.

PropCo Seller: Bridgewater Life Care Property, LLC, a Delaware limited liability company.

Property Transfer Date: is defined in Section 32.1.

Provider Agreements: Any agreements under which healthcare facilities are eligible to receive payment under Medicare, Medicaid or any Third Party Payor Program from Governmental Authorities or non-public entities.

Purchase Money Financing: Any financing provided by a Person to Tenant or a Subtenant in connection with the acquisition of Personal Property used in connection with the operation of a Facility, whether by way of installment sale or otherwise.

Purchase Option: is defined in Section 38.1.

Purchase Option Closing: is defined in Section 38.9.

Purchase Option Closing Date: is defined in Section 38.9.

Qualified Capital Expenditures: Expenditures capitalized on the books of Tenant for alterations, renovations, repairs and replacements to the Facilities, including without limitation any of the following: Replacement of furniture, fixtures and equipment, including refrigerators, ranges, major appliances, bathroom fixtures, doors (exterior and interior), central air conditioning and heating systems (including cooling towers, water chilling units, furnaces, boilers and fuel storage tanks) and major replacement of siding; major roof replacements, including major replacements of gutters, downspouts, eaves and soffits; major repairs and replacements of plumbing and sanitary systems; overhaul of elevator systems; major repaving, resurfacing and sealcoating of sidewalks, parking lots and driveways; repainting of entire building exterior; new or replacement wallpaper and interior painting; and upgraded landscaping; but excluding major alterations, renovations, additions (consisting of expansions of any Facility, including construction of a new wing or a new story on any Facility), normal maintenance and repairs.

Reasonable Expenses: Is defined in Section 37.8.

Receivership: Is defined in Section 16.7.

Regulatory Actions: Any claim, demand, notice, action or proceeding brought, threatened or initiated by any Governmental Authority in connection with any Environmental Law, including, without limitation, civil, criminal and administrative proceedings, whether or not the remedy sought is costs, damages, equitable remedies, penalties or expenses.

REIT Adverse Event: Is defined in Section 36.1.

REIT Affiliate: Is defined in Section 36.1.

REIT Requirement: Is defined in Section 36.1.

Related Rights: All easements, rights and appurtenances relating to the Land and the Leased Improvements.

Release: The intentional or unintentional spilling, leaking, dumping, pouring, emptying, seeping, disposing, discharging, emitting, depositing, injecting, leaching, escaping, abandoning, or any other release or threatened release, however defined, of any Hazardous Substance.

Reletting Costs: Expenses incurred by Landlord in connection with the reletting of the Leased Properties in whole or in part after an Event of Default, including without limitation attorneys' fees and expenses, brokerage fees and expenses, marketing expenses and the cost of repairs and renovations reasonably required for such reletting.

Renewal Term: A period for which the Term is renewed in accordance with Section 1.3.

Rent: Collectively, Base Rent, Initial Capex Rent and Additional Charges.

Rent Ratio: is defined in Section 32.1.1.

Replacement Cost: The actual replacement cost of the Leased Properties, including a building ordinance endorsement (including increased cost of construction coverage), less exclusions provided in the standard form of fire insurance policy. In all events Replacement Cost shall be an amount sufficient that neither Landlord nor Tenant is deemed to be a co-insurer of the Leased Property in question.

Resident Agreements Those leases, occupancy, residency, and similar written agreements entered into with residents of any Facility, and all amendments, modifications, supplements, renewals, and extensions thereof.

Sale and Leaseback Transaction: means any sale or other transfer of real or personal property by any Person with the intent to lease such property as lessee.

SEC: Securities and Exchange Commission.

Security Agreements: The Security Agreements between Landlord, as secured party, and Tenant and the Subtenants, as debtors.

Security Deposit: As defined in ARTICLE XXXV hereof.

Special Risk Insurance: The insurance that Tenant is required to maintain pursuant to Section 13.2.1 of this Lease.

State: The State or Commonwealth in which the Leased Properties are located.

Subleases: The following subleases: (1) the Subleases listed on Schedule 2 to this Lease; and (2) such other Subleases expressly approved in writing by Landlord prior to execution by Tenant.

Subtenants: The subtenants under the Subleases as more particularly described on Schedule 2.

Subordination Agreement: A written subordination agreement in form and substance satisfactory to Landlord made by the Tenant, the Subtenants, and Guarantors in favor of Landlord or any lender of Landlord, from time to time, which shall include the Debt Subordination Agreement.

Subsidiary: of a Person means (i) any corporation more than 10% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 10% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of Tenant, any Subtenant or Guarantor.

Surviving Lease: is defined in Section 31.2.

Taken: Conveyed pursuant to a Taking or Partial Taking.

Taking: A taking or voluntary conveyance during the Term of all of a Leased Property, or any interest therein or right accruing thereto or use thereof, as the result of, or in settlement of any condemnation or other eminent domain proceeding affecting the Leased Property, whether or not the proceeding actually has been commenced.

Tangible Net Worth: At any date, the net worth of a Person as determined in conformity with GAAP, less Intangible Assets, as determined as of such date.

Targeted Expenditure Amount: is defined in Section 8.4.

Tenant Entity: Tenant, the Subtenants, the Guarantors, and Manager.

Tenant's Certificate: A statement in writing in substantially the form of Exhibit D attached hereto (with such changes thereto as may reasonably be requested by the person relying on such certificate).

Tenant Org Docs: is defined in Section 24.1.

Tenant's Personal Property: Personal Property owned or leased by Tenant that is not included within the definition of the term "Landlord's Personal Property" but is used by Tenant in the operation of the Facilities, including Personal Property provided by Tenant in compliance with Section 6.3 hereof.

Term: Collectively, the Initial Term plus the Renewal Term or Renewal Terms, if any.

Termination Date: The date on which a Notice of Termination is given.

Third Party Claims: Any claims, actions, demands or proceedings (other than Regulatory Actions) howsoever based (including without limitation those based on negligence, trespass, strict liability, nuisance, toxic tort or detriment to health welfare or property) due to Contamination, whether or not the remedy sought is costs, damages, penalties or expenses, brought by any person or entity other than a governmental agency.

Third Party Payor Programs: Any third party payor programs pursuant to which healthcare facilities qualify for payment or reimbursement for medical or therapeutic cure or other goods or services rendered, supplied or administered to any admittee, occupant, resident or patient by or from any Governmental Authority, bureau, corporation, agency, commercial insurer, non-public entity, "HMO," "PPO" or other comparable party.

Title Commitment: is defined in Section 38.10.

Title Policy: is defined in Section 38.10.

Transaction Documents: means the following documents: this Lease, the Guaranties, the Letter of Credit Agreement, the Security Agreements, the Pledge Agreements, the Subordination Agreements, the Subleases, the Initial Facility Purchase Agreement, the Initial Facility OTA, the Initial Facility Interim Sub-Sublease Agreement and any documents or instruments entered into pursuant to the same (including those contemplated by Section 1.4 hereof) and any security agreements, pledge agreements, letter of credit agreements, guarantees, notes or other documents which evidence, secure or otherwise relate to this Lease, the Initial Facility Purchase Agreement, or the transactions contemplated by this Lease or the Initial Facility Purchase Agreement; and any and all amendments, modifications, extensions and renewals of any of the foregoing documents.

Transfer: The (a) assignment, mortgaging or other encumbering of all or any part of Tenant's or any Subtenant's interest in this Lease or in the Leased Properties; (b) subletting of the whole or any part of any Leased Property (except to Subtenants pursuant to the Subleases); (c) entering into of any Management Agreement or other arrangement under which any Facility is operated by or licensed to be operated by an entity other than Tenant, a Subtenant or Manager; (d)

merger, consolidation or reorganization of a Tenant Entity, or the sale, issuance, transfer and/or redemption, cumulatively or in one transaction, of any voting stock by any Tenant Entity or by Persons who are stockholders (whether beneficially or of record) of any Tenant Entity, if such event or events result(s) in a change of Control of any Tenant Entity; (e) sale, issuance, transfer or redemption, cumulatively or in one transaction, of any interest, or the termination of any interest (in each case, whether held directly or indirectly), in Tenant Entity, if any Tenant Entity is a joint venture, partnership, limited liability company or other association and such sale, issuance, transfer, redemption or termination of interest results in a change of Control of such joint venture, partnership, limited liability company or other association; (f) a change of Control of any Tenant Entity, (g) the Individual Guarantors shall fail to own 100% of the outstanding equity interests in Tenant, (h) Tenant shall fail to own 100% of the outstanding equity interests in the Subtenants or (i) a change in the individuals holding the Executive Officer's position of Tenant, Guarantors, Managers or Subtenants that is not in compliance with Section 22.1 hereof.

Transferee: An assignee, subtenant or other occupant of a Leased Property pursuant to a Transfer.

Transferred Property and Transferred Properties: is defined in ARTICLE XXXII.

Unmatured Event of Default: means the occurrence of an event which upon its occurrence, or with the giving of notice, the passage of time, or both, would constitute an Event of Default.

Unsuitable for Its Primary Intended Use: A state or condition of a Facility such that by reason of a Partial Taking, the Facility cannot be operated on a commercially practicable basis for its Primary Intended Use, taking into account, among other relevant factors, the number of usable beds permitted by applicable law and regulation in the Facility after the Partial Taking, the square footage Taken and the estimated revenue impact of such Partial Taking.

ARTICLE III

3.1 Base Rent; Monthly Installments. Tenant shall pay Landlord all Rent in lawful money of the United States of America which is legal tender for the payment of public and private debts. Tenant shall pay the Base Rent in advance, in equal, consecutive monthly installments, each of which shall be in an amount equal to one-twelfth (1/12) of the Base Rent payable for the Lease Year in which such installment is payable. The first installment of Base Rent shall be payable on the Commencement Date, together with a prorated amount of Base Rent for the period from the Commencement Date until the last day of the first full calendar month of the Term. Thereafter, installments of Base Rent shall be payable on the first (1st) day of each calendar month. Base Rent shall be paid to Landlord, or to such other Person as Landlord from time to time may designate by Notice to Tenant, by wire transfer of immediately available federal funds to the bank account designated in writing by Landlord.

3.2 Additional Charges. In addition to the Base Rent and the Initial Capex Rent, Tenant also will pay as and when due all Additional Charges.

3.3 Late Charge; Interest. If any Rent payable to Landlord is not paid when due, Tenant shall pay Landlord on demand, as an Additional Charge, a late charge equal to the greater of (a)

five percent (5%) of the amount not paid when due and (b) any and all charges, expenses, fees or penalties imposed on Landlord by a Facility Mortgagee for late payment, and, in addition, if such Rent (including the late charge) is not paid within thirty (30) days of the date on which such Rent was due, interest thereon at the Overdue Rate from the date when due until such Rent (including the late charge and interest) is paid in full. Landlord and Tenant acknowledge and agree that there is a five (5) calendar day grace period for payment of Base Rent and that if payments are not made on or before the sixth (6th) day of the month, then the late charge shall be imposed.

3.4 Net Lease.

3.4.1 The Rent shall be paid absolutely net to Landlord, so that this Lease shall yield to Landlord the full amount of the Rent payable to Landlord under this Lease throughout the Term.

3.4.2 If Landlord commences any proceedings for non-payment of Rent, Tenant will not interpose any counterclaim or cross complaint or similar pleading of any nature or description in such proceedings unless Tenant would lose or waive such claim by the failure to assert it, but Tenant does not waive any rights to assert such claim in a separate action brought by Tenant. The covenants to pay Rent are independent covenants, and Tenant shall have no right to hold back, offset or fail to pay any Rent because of any alleged default by Landlord or for any other reason.

3.5 Payments In The Event of a Rent Adjustment. Upon the adjustment, pursuant to Section (b)(1) of the definition of the term “Base Rent,” in the Base Rent payable pursuant to this Lease with respect to any Lease Year, the adjustment shall be effective as of the first payment of Base Rent due in the Lease Year as to which such adjustment pertains. This Section 3.5 shall survive the expiration or earlier termination of this Lease with respect to any adjustment that is not fully paid as of the date of expiration or earlier termination of this Lease.

3.6 Laurel Rent Buy-Down. Commencing on the forty-fifth (45th) day following the end of the first full calendar quarter following the OTA Closing Date and continuing for every second calendar quarter thereafter, Tenant shall pay the Laurel Rent Buy Down Amount in an aggregate amount up to the Laurel Minimum Paydown Amount. So long as no Event of Default has then occurred and is continuing, all payments of the Laurel Rent Buy Down Amount shall be credited to the Laurel Minimum Paydown Amount and result in a reduction of the annual Laurel Rent by an amount equal to (i) the amount of the Laurel Rent Buy Down Amount paid *multiplied* by (ii) the Laurel Rent Factor. Tenant may pay the Laurel Rent Buy Down Amount in part or in full at any time prior to the Laurel Outside Paydown Date (provided that Tenant may pay additional amounts to be applied to reduce the Laurel Rent (including any amounts which would be in excess of the Laurel Rent Buy Down Amount) so long as the aggregate of all such payments of the Laurel Rent Buy-Down does not exceed). Tenant shall in all events have made payment of the Laurel Rent Buy-Down Amount in an amount no less than the Laurel Minimum Paydown Amount on or prior the Laurel Outside Paydown Date, and may not make payments of any Laurel Rent Buy-Down Amount after the Laurel Outside Paydown Date.

ARTICLE IV

4.1 Payment of Impositions.

4.1.1 Subject to Section 12.1 and Section 12.2, Tenant will pay all Impositions before any fine, penalty, interest or cost is added for non-payment, and will promptly, upon request, furnish to Landlord copies of official receipts or other satisfactory proof evidencing such payments. Subject to Section 12.2, if at the option of the taxpayer any Imposition may be paid in installments, Tenant may pay the same in the required installments provided it also pays any and all interest due thereon as and when due.

4.1.2 To the extent permitted by applicable law, Tenant shall prepare and file as and when required all tax returns and reports required by Governmental Authorities with respect to all Impositions. Landlord and Tenant shall each, upon request, provide the other with such data, including without limitation cost and depreciation records, as is maintained by the party to whom the request is made as is necessary to prepare any required returns and reports.

4.1.3 Landlord shall give prompt Notice to Tenant of all Impositions payable by Tenant hereunder of which Landlord at any time has knowledge (other than normal payment of recurring property taxes, for which Tenant shall be solely responsible). Notwithstanding the foregoing, however, Landlord's failure to give any such Notice shall in no way diminish Tenant's obligations hereunder to pay such Impositions, but Landlord shall be responsible for any fine, penalty or interest resulting from its failure to give such Notice (to the extent that any Tenant Entity was not otherwise aware of any such obligation to pay such Imposition from sources independent of Landlord) and any default by Tenant hereunder shall be obviated for a reasonable time after Tenant receives Notice of any Imposition which it is obligated to pay.

4.1.4 Tenant shall be entitled to receive and retain any refund from a taxing authority in respect of an Imposition paid by Tenant if at the time of the refund no Event of Default has occurred, but if an Event of Default has occurred at the time of the refund, Tenant shall not be entitled to receive or retain such refund, and if and when received by Landlord such refund shall be applied as provided in ARTICLE XVI.

4.1.5 Tenant may, upon Notice to and with the consent of Landlord (which consent shall not be withheld unreasonably), at Tenant's sole cost and expense, protest, appeal or institute such other proceedings as Tenant deems appropriate to effect a reduction of real estate or personal property assessments and Landlord, at Tenant's expense as aforesaid, shall cooperate with Tenant in such protest, appeal or other action. Tenant shall reimburse Landlord for Landlord's direct costs of cooperating with Tenant for such protest, appeal or other action.

4.2 Adjustment of Impositions. Impositions imposed in respect of the tax fiscal period during which the Term ends shall be adjusted and prorated between Landlord and Tenant, whether or not imposed before or after the expiration or earlier termination of the Term, and Tenant's obligation to pay its prorated share thereof shall survive the expiration or earlier termination of the Term. Likewise any refund of any Imposition paid with respect to any tax period within the Term which refund is received by Landlord during or after the expiration or termination of this Lease

shall be prorated and shared with Tenant (following application to any unsatisfied obligations of Tenant hereunder).

4.3 Utility Charges and Assessments. Tenant will pay or cause to be paid when due all charges for electricity, power, gas, oil, water and other utilities imposed, and all other charges, obligations or deposits assessed, upon the Leased Properties or upon Landlord or Tenant with respect to the Leased Properties.

4.4 Insurance Premiums. Tenant shall pay or cause to be paid when due all premiums for the insurance coverage required to be maintained pursuant to ARTICLE XIII during the Term. Tenant shall deposit with Landlord the premiums for such insurance in accordance with the provisions of Section 12.2 of this Lease.

ARTICLE V

5.1 No Termination, Abatement, etc. Tenant shall not take any action without the consent of Landlord and any Facility Mortgagee to modify, surrender or terminate this Lease, and shall not seek or be entitled to any abatement, deduction, deferment or reduction of Rent, or setoff against Rent. The respective obligations of Landlord and Tenant shall not be affected by reason of (a) any damage to, or destruction of, the Leased Properties or any portion thereof from whatever cause or any Taking or Partial Taking of the Leased Properties, except as expressly set forth herein; (b) the lawful or unlawful prohibition of, or restriction upon, Tenant’s use of the Leased Properties, or any portion thereof, or the interference with such use by any Person other than Landlord or any Person whose rights or interest arise by, through or under Landlord, or by reason of eviction by paramount title; (c) any claim that Tenant has or might have against Landlord or by reason of any default or breach of any warranty by Landlord under this Lease or any other agreement between Landlord and Tenant, or to which Landlord and Tenant are parties; (d) any bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding up or other proceedings affecting Landlord or any assignee or transferee of Landlord; or (e) any other cause, whether similar or dissimilar to any of the foregoing, other than a discharge of Tenant from any such obligations as a matter of law. Tenant hereby specifically waives all rights, arising from any occurrence whatsoever, that now or hereafter may be conferred upon it by law to (a) modify, surrender or terminate this Lease or quit or surrender the Leased Properties or any portion thereof, or (b) entitle Tenant to any abatement, reduction, suspension or deferment of the Rent or other sums payable by Tenant hereunder.

ARTICLE VI

6.1 Ownership of the Leased Properties. Tenant acknowledges that the Leased Properties are the property of Landlord and that Tenant has only the right to the possession and use of the Leased Properties upon the terms and conditions of this Lease. Tenant will not (a) file any income tax return or other associated documents, (b) file any other document with or submit any document to any governmental body or authority, (c) enter into any written contractual arrangement with any Person or (d) release any financial statements of Tenant, in any case that take any position other than that throughout the Term Landlord is the owner of the Leased Properties for federal, state and local income tax purposes and this Lease is a “true lease,” and an “operating lease” and not a “capital lease.”

6.2 Landlord's Personal Property. Tenant shall, during the entire Term, maintain all of Landlord's Personal Property in good order, condition and repair as shall be necessary in order to operate the Facilities for the Primary Intended Use in compliance with all applicable licensure and certification requirements, all applicable Legal Requirements and Insurance Requirements, and customary industry practice for the Primary Intended Use. If any of Landlord's Personal Property requires replacement in order to comply with the foregoing, Tenant shall replace it with similar property of the same or better quality at Tenant's sole cost and expense, and when such replacement property is placed in service with respect to the Leased Property it shall become Landlord's Personal Property. Tenant shall not permit or suffer Landlord's Personal Property to be subject to any lien, charge, encumbrance, financing statement, contract of sale, equipment lessor's interest or the like, except for any purchase money security interest or equipment lessor's interest expressly approved in advance, in writing, by Landlord or as otherwise permitted pursuant to Section **Error! Reference source not found.** At the expiration or earlier termination of this Lease, all of Landlord's Personal Property shall be surrendered to Landlord with the Leased Properties at or before the time of the surrender of the Leased Property in at least as good a condition as at the Commencement Date (or, as to replacements, in at least as good a condition as when placed in service at the Facilities) except for ordinary wear and tear and damage from casualty.

6.3 Tenant's Personal Property. Tenant shall provide and maintain during the Term such Personal Property, in addition to Landlord's Personal Property, as shall be necessary and appropriate in order to operate the Facilities for the Primary Intended Use in compliance with all licensure and certification requirements, in compliance with all applicable Legal Requirements and Insurance Requirements and otherwise in accordance with customary practice in the industry for the Primary Intended Use. Upon the expiration of the Term or the earlier termination of this Lease, without the payment of any additional consideration by Landlord, Tenant shall be deemed to have sold, assigned, transferred and conveyed to Landlord or the new operator, as applicable, all of Tenant's right, title and interest in and to any and all of Tenant's Personal Property. Tenant shall not remove any of Tenant's Personal Property that is in use at the expiration or earlier termination of the Lease from the Leased Properties.

6.4 Grant of Security Interest in Tenant's Personal Property and Accounts. Tenant and the Subtenants have concurrently granted to Landlord a security interest in the Collateral as defined in the Security Agreements, which includes, without limitation, the Tenant's Personal Property as defined herein and Tenant's and Subtenants' Accounts as defined in the Security Agreement. If Tenant and/or the Subtenants obtain, concurrently with or after the Commencement Date, a working capital line of credit (the "Line of Credit") from a third-party working capital lender that requires that, in order to secure the Line of Credit, Tenant and/or the Subtenants must grant to the working capital lender a first priority security interest in the accounts receivable from the Facilities accruing during the Term, then Landlord will subordinate its security interest in the accounts receivable from the Facilities accruing during the Term, provided that:

- (a) The working capital lender executes and delivers to Landlord an intercreditor agreement in form and substance reasonably satisfactory to Landlord (an "Intercreditor Agreement"); and

(b) The lien of Landlord in accounts receivable from the Facilities shall be subordinated to the lien of the working capital lender therein only to the extent of amounts advanced from time to time by the working capital lender to Tenant and/or the Subtenants with respect to the Facilities and only in the Maximum Principal Amount, plus interest, penalties and other charges under the loan documents evidencing the Line of Credit (the “Line of Credit Documents”) with respect to principal amounts advanced;

(c) As of the date of entry by Landlord into the Intercreditor Agreement, no Event of Default or Unmatured Event of Default has occurred and is continuing.

ARTICLE VII

7.1 Condition of the Leased Properties. Tenant acknowledges that it has inspected and otherwise has knowledge of the condition of the Leased Properties prior to the execution and delivery of this Lease and has found the same to be in good order and repair and satisfactory for its purposes hereunder. Tenant is leasing the Leased Properties “as is” in their condition on the Commencement Date. Tenant waives any claim or action against Landlord in respect of the condition of the Leased Properties. LANDLORD MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IN RESPECT OF ANY LEASED PROPERTY OR ANY PART THEREOF, EITHER AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY TENANT. Tenant has not relied upon any facts, promises, undertakings, or representations made by any other party, or its agent, representatives, or attorneys prior to the execution of this Lease. Tenant further acknowledges that throughout the Term Tenant is solely responsible for the condition of the Leased Properties.

7.2 Use of the Leased Properties. Throughout the Term Tenant shall use the Leased Properties continuously (other than a temporary cessation during any period of repair or reconstruction required as a result of damage to or destruction or Taking or Partial Taking of any of the Leased Properties) for the Primary Intended Use and uses incidental thereto. Tenant shall not use the Leased Properties or any portion thereof for any other use without the prior written consent of Landlord. No use shall be made or permitted to be made of, or allowed in, the Leased Properties, and no acts shall be done, which will cause the cancellation of, or be prohibited by, any insurance policy covering the Leased Properties or any part thereof, nor shall the Leased Properties or Tenant’s Personal Property be used for any unlawful purpose. Tenant shall not commit or suffer to be committed any waste on the Leased Properties, or cause or permit any nuisance thereon, or suffer or permit the Leased Properties or any portion thereof, or Tenant’s Personal Property, to be used in such a manner as (a) might reasonably tend to impair Landlord’s (or Tenant’s, as the case may be) title thereto or to any portion thereof, or (b) may reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Leased Properties or any portion thereof.

7.3 Certain Environmental Matters.

(a) Prohibition Against Use of Hazardous Substances. Tenant shall not permit, conduct or allow the generation, introduction, presence, maintenance, use, receipt, acceptance, treatment, manufacture, production, installation, management, storage, disposal or release of any Hazardous Substance on the Leased Properties, except for those types and quantities of Hazardous Substances necessary for and ordinarily associated with the conduct of Tenant's business and used in full compliance with all Environmental Laws.

(b) Notice of Environmental Claims, Actions or Contaminations. Tenant shall notify Landlord, in writing, immediately upon learning of any existing, pending or threatened: (i) investigation, inquiry, claim or action by any Governmental Authority in connection with any Environmental Laws, (ii) Third Party Claims, (iii) Regulatory Actions, and/or (iv) Contamination of any portion of the Leased Properties

(c) Costs of Remedial Actions with Respect to Environmental Matters. If any investigation and/or Clean-Up of any Hazardous Substance or other environmental condition on, under, about or with respect to a Leased Property is required by any Environmental Law, Tenant shall complete, at its own expense (unless caused by the gross negligence or willful misconduct of Landlord as determined by a court of competent jurisdiction in a final, non-appealable judgment, in which case Landlord shall reimburse Tenant for all costs associated therewith to the extent caused by the gross negligence or willful misconduct of Landlord within ten (10) days following written notice from Tenant to Landlord), such investigation and/or Clean-Up or cause any other Person who may be legally responsible to complete such investigation and/or Clean-Up.

(d) Delivery of Environmental Documents. Tenant shall deliver to Landlord complete copies of any and all Environmental Documents that may now be in, or at any time hereafter come into, the possession of Tenant.

(e) Environmental Audit. At Tenant's expense, Tenant shall, upon and within thirty (30) days of a written request therefor from Landlord or any Facility Mortgagee, deliver an Environmental Audit to Landlord and the Facility Mortgagee, if any. All tests and samplings shall be conducted using generally accepted and scientifically valid technology and methodologies. Tenant shall give the engineer or environmental consultant conducting the Environmental Audit reasonable and complete access to the Leased Properties and to all records in the possession of Tenant that may indicate the presence (whether current or past) of a Release or threatened Release of any Hazardous Substances on, in, under, about and adjacent to any Leased Property. Tenant also shall provide the engineer or environmental consultant full access to and the opportunity to interview such persons as may be employed in connection with the Leased Properties as the engineer or consultant deems appropriate. However, neither Landlord nor any Facility Mortgagee shall be entitled to request an Environmental Audit from Tenant unless (i) after the Commencement Date there have been changes, modifications or additions to Environmental Laws as applied to or affecting any of the Leased Properties and such party reasonably believes that the Leased Properties are not in compliance with Environmental Laws as a result thereof; (ii) a significant change in the condition of any of the Leased Properties has occurred (unless such change was caused by the gross negligence or willful misconduct of Landlord as determined by a court of competent jurisdiction in a final, non-

appealable judgment) and such party reasonably believes that the Leased Properties are not in compliance with Environmental Laws as a result thereof; (iii) there are fewer than six (6) months remaining in the Term; or (iv) Landlord or a Facility Mortgagee has another good reason for requesting such certificate or certificates. If the Environmental Audit discloses the presence of Contamination or any noncompliance with Environmental Laws, Tenant shall immediately perform all of Tenant's obligations under this Lease with respect to such Hazardous Substances or noncompliance.

(f) Entry onto Leased Properties for Environmental Matters. If Tenant fails to provide an Environmental Audit as and when required by Subparagraph (e) above, in addition to Landlord's other remedies Tenant shall permit Landlord and any Facility Mortgagee from time to time, by its employees, agents, contractors or representatives, to enter upon the Leased Properties for the purpose of conducting such Investigations as Landlord may desire, the expense of which shall be paid or reimbursed by Tenant as an Additional Charge within ten (10) days following written demand from Landlord to Tenant. Landlord, any Facility Mortgagee exercising such right of entry and the employees, agents, contractors, consultants and/or representatives thereof, shall conduct any such Investigation in a manner that does not unreasonably interfere with Tenant's use of and operations on the Leased Properties (however, reasonable temporary interference with such use and operations is permissible if the investigation cannot otherwise be reasonably and inexpensively conducted). Other than in an emergency, Landlord and any Facility Mortgagee exercising such right of entry shall provide Tenant with prior notice before entering any of the Leased Properties to conduct such Investigation, and shall provide copies of any reports or results to Tenant, and Tenant shall cooperate fully in such Investigation.

(g) Environmental Matters Upon Termination of the Lease or Expiration of Term. Upon the expiration or earlier termination of the Term, except to the extent arising from or caused by the gross negligence or willful misconduct of Landlord, Tenant shall cause the Leased Properties to be delivered free of any and all Regulatory Actions and Third Party Claims and otherwise in compliance with all Environmental Laws with respect thereto, and in a manner and condition that is reasonably required to ensure that the then present use, operation, leasing, development, construction, alteration, refinancing or sale of the Leased Property shall not be restricted by any environmental condition existing as of the date of such expiration or earlier termination of the Term.

(h) Compliance with Environmental Laws. Tenant shall comply with, and cause its agents, servants and employees to comply with, and shall use reasonable efforts to cause each occupant and user of any of the Leased Properties, and the agents, servants and employees of such occupants and users to comply with, each and every Environmental Law applicable to Tenant, the Leased Properties and each such occupant or user with respect to the Leased Properties. Specifically, but without limitation:

(i) Maintenance of Licenses and Permits. Tenant shall obtain and maintain (and Tenant shall use reasonable efforts to cause each tenant, occupant and user to obtain and maintain) all permits, certificates, licenses and other consents and approvals required by any applicable Environmental Law from time to time

with respect to Tenant, each and every part of the Leased Properties and/or the conduct of any business at a Facility or related thereto;

(ii) Contamination. Tenant shall not cause, suffer or permit any Contamination;

(iii) Clean-Up. If a Contamination occurs, Tenant promptly shall Clean-Up and remove any Hazardous Substance or cause the Clean-Up and the removal of any Hazardous Substance and in any such case such Clean-Up and removal of the Hazardous Substance shall be effected to Landlord's reasonable satisfaction and in any event in strict compliance with applicable Environmental Laws, provided that if such Contamination was caused by the gross negligence or willful misconduct of Landlord as determined by a court of competent jurisdiction in a final non-appealable judgement, Landlord shall reimburse Tenant for all costs associated with such Clean-Up to the extent caused by the gross negligence or willful misconduct of Landlord within ten (10) days following written notice from Tenant to Landlord);

(iv) Discharge of Lien. Within twenty (20) days of the date any lien is imposed against the Leased Properties or any part thereof under any Environmental Law, Tenant shall cause such lien to be discharged (by payment, by bond or otherwise to Landlord's absolute satisfaction), provided that if such lien was caused by the gross negligence or willful misconduct of Landlord as determined by a court of competent jurisdiction in a final non-appealable judgement, Landlord shall reimburse Tenant for all costs associated with such Clean-Up to the extent caused by the gross negligence or willful misconduct of Landlord within ten (10) days following written notice from Tenant to Landlord);

(v) Notification of Landlord. Within three (3) Business Days after receipt by Tenant of Notice or discovery by Tenant of any fact or circumstance that might result in a breach or violation of any covenant or agreement, Tenant shall give Landlord Notice of such fact or circumstance; and

(vi) Requests, Orders and Notices. Within three (3) Business Days after receipt of any request, order or other notice relating to the Leased Properties under any Environmental Law, Tenant shall forward a copy thereof to Landlord.

(i) Environmental Related Remedies. In the event of a breach by Tenant beyond any applicable notice and/or grace period of its covenants with respect to environmental matters, Landlord may, in its sole discretion, do any one or more of the following (the exercise of one right or remedy hereunder not precluding the simultaneous or subsequent exercise of any other right or remedy hereunder):

(i) Cause a Clean-Up. Cause the Clean-Up of any Hazardous Substance or other environmental condition on or under the Leased Properties, or both, at Tenant's cost and expense; or

(ii) Payment of Regulatory Damages. Pay on behalf of Tenant any damages, costs, fines or penalties imposed on Tenant or Landlord as a result of any Regulatory Actions; or

(iii) Payments to Discharge Liens. On behalf of Tenant, make any payment or perform any other act or cause any act to be performed that will prevent a lien in favor of any federal, state or local Governmental Authority from attaching to the Leased Properties or that will cause the discharge of any lien then attached to the Leased Properties; or

(iv) Payment of Third Party Damages. Pay, on behalf of Tenant, any damages, cost, fines or penalties imposed on Tenant as a result of any Third Party Claims; or

(v) Demand of Payment. Demand that Tenant make immediate payment of all of the costs of such Clean-Up and/or exercise of the remedies set forth in this Section 7.3 incurred by Landlord and not paid by Tenant as of the date of such demand.

(j) Environmental Indemnification. Tenant shall and does hereby indemnify, and shall defend and hold harmless, Landlord, each Facility Mortgagee and the principals, officers, directors, agents and employees of Landlord and each Facility Mortgagee, from each and every incurred and potential claim, cause of action, damage, demand, obligation, fine, laboratory fee, liability, loss, penalty, imposition settlement, levy, lien removal, litigation, judgment, proceeding, disbursement, expense and/or cost (including without limitation the cost of each and every Clean-Up), however defined and of whatever kind or nature, known or unknown, foreseeable or unforeseeable, contingent, incidental, consequential or otherwise (including, but not limited to, attorneys' fees, consultants' fees, experts' fees and related expenses, capital, operating and maintenance costs, incurred in connection with (i) any Investigation or monitoring of site conditions, and (ii) any Clean-Up required or performed by any Governmental Authority or performed by any other entity or person because of the presence of any Hazardous Substance, Release, threatened Release or any Contamination on, in, under or about any of the Leased Properties) that may be asserted against, imposed on, suffered or incurred by, each and every indemnitee arising out of or in any way related to, or allegedly arising out of or due to any environmental matter including, but not limited to, any one or more of the following:

(i) Release Damage or Liability. The presence of Contamination in, on, at, under or near a Leased Property or migrating to a Leased Property from another location;

(ii) Injuries. All injuries to health or safety (including wrongful death), or to the environment, by reason of environmental matters relating to the condition of or activities past or present on, at, in or under a Leased Property;

(iii) Violations of Law. All violations, and alleged violations, of any Environmental Law relating to a Leased Property or any activity on, in, at or under a Leased Property;

(iv) Misrepresentation. All material misrepresentations relating to environmental matters in any documents or materials furnished by Tenant to Landlord and/or its representatives in connection with the Lease;

(v) Event of Default. Each and every Event of Default relating to environmental matters;

(vi) Lawsuits. Any and all lawsuits brought or threatened, settlements reached and governmental orders relating to any Hazardous Substances at, on, in or under a Leased Property, and all demands of Governmental Authorities, and all policies and requirements of Landlord's, based upon or in any way related to any Hazardous Substances at, on, in or under a Leased Property; and

(vii) Presence of Liens. All liens imposed upon any of the Leased Properties in favor of any governmental entity or any person as a result of the presence, disposal, release or threat of release of Hazardous Substances at, on, in, from or under a Leased Property.

Provided, however, that the indemnification obligation above shall not apply to the extent such loss or damage is caused by the gross negligence or willful misconduct of Landlord or any Facility Mortgagee as determined by a court of competent jurisdiction in a final, non-appealable judgment.

(k) Tenant's Right to Contest. Notwithstanding any provision of this Section 7.3 to the contrary, but without limiting the provisions of Section 12.1 or Tenant's obligations of protection, defense and indemnification under Section **Error! Reference source not found.**, Tenant will be permitted to contest or cause to be contested, subject to compliance with the requirements of this subsection (k) and Section 12.1, by appropriate action any Clean-Up requirement, and Landlord shall not perform such requirement on its behalf, so long as Tenant has given Landlord Notice that Tenant is contesting or shall contest or cause to be contested the same, and Tenant actually contests or causes to be contested the application, interpretation or validity of the governmental law, regulation, order or agreement pertaining to the Clean-Up by appropriate proceedings conducted in good faith with due diligence; provided, such contest shall not subject Landlord to civil liability and does not jeopardize Landlord's interest in the Leased Properties or affect in any way the payment of any sums to be paid under this Lease. Tenant shall give such security or assurances as may be reasonably required by Landlord to insure compliance with the legal requirements pertaining to the Clean-Up (and payment of all costs, expenses, interest and penalties in connection therewith) and to prevent any sale, forfeiture or loss by reason of such nonpayment or noncompliance.

(l) Rights Cumulative and Survival. The rights granted Landlord under this Section are in addition to and not in limitation of any other rights or remedies available to

Landlord under this Lease or allowed at law or in equity or rights of indemnification provided to Landlord in any agreement pursuant to which Landlord purchased any of the Leased Property. The payment and indemnification obligations set forth in this Section 7.3 shall survive the expiration or earlier termination of the Term.

ARTICLE VIII

8.1 Compliance with Legal and Insurance Requirements. In its use, maintenance, operation and any alteration of the Leased Properties, Tenant, at its expense, promptly shall (a) comply with all Legal Requirements and Insurance Requirements, whether or not compliance with them requires structural changes in any of the Leased Improvements (which structural changes, if required by any Legal Requirements or Insurance Requirements, shall be deemed approved by Landlord provided that Tenant has provided Landlord with no less than thirty (30) days' notice of the proposed scope of alterations, projected thereof, the Legal Requirement or Insurance Requirement that requires such alteration and the proposed cost of the same and otherwise complied with any applicable provisions of Section 10.1 hereof other than the requirement to obtain the prior written consent of Landlord thereto) or interferes with or prevents the use and enjoyment of the Leased Properties, and (b) subject to Section 1.4 and Section 8.2 hereof, procure, maintain and comply with all Authorizations required for the use of the Leased Properties and Tenant's Personal Property for the Primary Intended Use, and for the proper erection, installation, operation and maintenance of the Leased Properties or any part thereof. The judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding against Tenant, whether or not Landlord is a party thereto, that Tenant has violated any such Legal Requirements or Insurance Requirements shall be conclusive of that fact as between Landlord and Tenant.

8.2 Licenses. Tenant represents and warrants that Tenant and the Subtenants have received and presently hold all necessary Authorizations with respect to the operation of the Facilities for their Primary Intended Use; provided that with respect to the Authorizations for the Initial Facility, Landlord acknowledges that OpCo Seller will operate during the Interim Period pursuant to the existing Licenses. Tenant and the Subtenants shall acquire and maintain, or cause to be acquired and maintained, all Authorizations needed to operate the Facilities or any of them in their customary manner for the Primary Intended Use and any other use conducted on the Facilities as may be permitted from time to time under this Lease and in all cases cause the operation of the Facilities in accordance with any Disclosure Statement. In furtherance of the foregoing, none of Tenant or any Subtenant shall:

(a) Transfer any Authorizations to any location other than the Facility operated by such Tenant or Subtenant or as otherwise required by the terms of this Lease nor pledge any Authorizations as collateral security for any loan or indebtedness except as required by the terms of this Lease.

(b) Rescind, withdraw, revoke, amend, supplement, or otherwise alter the nature, tenor or scope of (i) any Authorization for any Facility or (ii) any applicable Facility Provider Agreement for any Facility.

(c) Amend or otherwise change, by consent, acquiescence or otherwise, any Facility's licensed unit or bed capacity and/or the number or type of beds, licensed or

otherwise, and/or the licensing category or type and/or the number of beds, licensed or otherwise, participating in governmental payment programs, in each case as the same exist on the Commencement Date, or apply for approval of any of the foregoing amendments or changes, provided, however, that, notwithstanding the foregoing, Tenant may remove from service beds at a particular Facility so long as the number of units or beds in service at such Facility is not less than a number equal to ninety-five percent (95%) of the number of licensed units or beds for such Facility as of the Commencement Date for such Facility and further so long as any such removal from service does not impair the continued licensure of any such out-of-service units or beds.

(d) Replace or transfer all or any part of any Facility's licensed beds to another location or apply for approval of any such replacement or transfer.

(e) Jeopardize in any material respect any Tenant or Subtenant's participation in Medicare, Medicaid or any other Third Party Payor Programs to which Tenant or Subtenant is subject at any time during the Term.

(f) Enter into any patient or resident care agreements with patients or residents or with any other Persons that deviate in any material respect from the standard form customarily used by any Tenant or Subtenant at the applicable Facility.

(g) Change the terms of any Facility Provider Agreement, any Third Party Payor Program or its normal billing, payment or reimbursement policies and procedures with respect thereto (including, without limitation, the amount and timing of finance charges, fees and write-offs); provided that Tenant or a Subtenant may enter into changes that do not have a material adverse effect on (i) the business or financial position or results of operations of such Person, (ii) the ability of such Person to perform, or of Landlord to enforce, the terms of this Lease or (iii) the value of the Leased Properties taken as a whole.

(h) Assign or transfer any of its interest in any Authorization or assign, pledge, hypothecate, transfer or remove, or permit any other Person to assign, transfer, pledge, hypothecate or remove, any records pertaining to any Facility, including, without limitation, patient records and medical and clinical records (except for removal of such patient records as directed by the patients owning such records).

8.3 Certain Covenants.

8.3.1 Tangible Net Worth; Liquidity. At all times during the Term, (a) Maxwell shall maintain a minimum Tangible Net Worth of _____, (b) Maxwell shall maintain aggregate minimum Liquid Assets of not less than _____ and (c) the Individual Guarantors shall maintain an aggregate minimum Tangible Net Worth of _____.

8.3.2 Cash Flow Coverage Ratio. Commencing _____, and continuing during the Term, a Cash Flow Coverage Ratio of _____ shall be maintained as determined quarterly on a cumulative basis for the preceding four (4) calendar quarters.

8.3.3 Debt. None of the Tenant, or any Subtenant will, nor will they permit any Subsidiary to, create, incur or suffer to exist any Debt, except:

(i) The equipment financing permitted under Section 8.3.7; and

(ii) The Line of Credit permitted under Section 6.4.

(iii) Debt of Tenant or any Subtenant in favor of any Entity Guaranty or any Individual Guarantor so long as the same is subject to the Debt Subordination Agreement in favor of Landlord and provided further that any deferral of management fees owed to Maxwell by any Subtenant shall not constitute Debt (provided that in all events the same remain subject to any applicable Subordination Agreements).

8.3.4 Off-Balance Sheet Liabilities. Except for this Lease, none of the Tenant or any Subtenant will, nor will they permit any Subsidiary to, enter into or suffer to exist any (i) Sale and Leaseback Transaction or (ii) any other transaction pursuant to which it incurs or has incurred Off-Balance Sheet Liabilities.

8.3.5 Limitation of Distributions. Except as otherwise provided in this Section 8.3.5, none of Tenant, any Subtenant or Entity Guarantor shall make any Distributions to the holders of its equity securities or any Affiliate. A Tenant or any Subtenant only make Distributions of cash (but not any other asset) to the holders of its equity securities or any Affiliate if, as of the date of such Distribution or upon giving effect to such Distribution, no Event of Default has occurred and is continuing. An Entity Guarantor may only make Distributions of cash (but not any other asset) to the holders of its equity securities or any Affiliate if, as of the date of such Distribution or upon giving effect to such Distribution, no Distribution Restricting Default has occurred and is continuing.

8.3.6 Guarantees Prohibited. None of Tenant or any Subtenant shall guarantee any indebtedness of any Affiliate or other third party.

8.3.7 Equipment Financing. The aggregate amount of principal, interest and lease payments due from Tenant or any Subtenant or, with respect to any Facility, Manager on any equipment financing shall not exceed _____ annually per Facility. Further, until the Laurel Paydown Completion Date, Maxwell shall solely be permitted to incur equipment leases or financings secured by its properties or assets so long as the sole property or assets of Maxwell securing the same are the property or equipment leased or purchased thereunder.

8.3.8 Loans from Affiliates. Neither Tenant nor any Subtenant shall borrow money from any Affiliate unless the obligations of Tenant or such Subtenant and the rights of its Affiliates with respect to any such loan are subordinated to the rights of Landlord pursuant to a Subordination Agreement in form and substance acceptable to Landlord.

8.3.9 Maintain Required Reserves. Tenant shall cause each Subtenant to maintain such cash or liquid reserves as required under any Legal Requirements governing Tenant, Subtenant or any Facility, including with respect to the Initial Facility, those requirements set forth

in N.J. Admin. Code Section 5:19-7.1, and shall provide Landlord with evidence of such compliance as Landlord may from time to time request.

8.4 Minimum Qualified Capital Expenditures. Each Lease Year Tenant shall expend, or cause to be expended by the Subtenants, with respect to each Facility at least per-unit for Qualified Capital Expenditures to improve the Facilities, which amount shall be increased each Lease Year, beginning with the second Lease Year, in proportion to increases in the CPI (the “Targeted Expenditure Amount”). At least annually, at the request of Landlord, Landlord and Tenant shall review capital expenditures budgets and agree on modifications, if any, required by changed circumstances and the changed conditions of the Leased Properties.

8.5 Management Agreements. Neither Tenant nor any Subtenant shall enter into or terminate any Management Agreement without the prior written consent of Landlord and any Facility Mortgagee as to the identity of the Manager and the terms of such agreement, and shall not amend, modify, or otherwise change the terms of any Management Agreement without the prior written consent of Landlord and, in addition, as to any amendment, modification or other change that directly or indirectly increases the compensation of the Manager or allows a change in the identity of the Manager, without the consent of any Facility Mortgagee, which consent Landlord and such Facility Mortgagee may withhold in its or their sole discretion, and in no event without the execution by Tenant, Manager and Landlord of an agreement, in form and substance satisfactory to Landlord and any Facility Mortgagee, pursuant to which Manager’s right to receive its management fee is subordinated to the obligation of Tenant to pay the Rent as and when required under this Lease.

8.6 Other Facilities. None of Tenant, any Subtenant, any Guarantor, Manager or any Affiliate shall own, operate or manage any nursing home, assisted living facility, independent living facility or continuing care retirement community within a ten (10) mile radius of any Facility.

8.7 No Other Business. None of Tenant, or any Subtenant shall engage in any business other than the operation of the Facilities.

8.8 Tax Returns. During the Term, Tenant and Subtenants shall timely file, or cause to be timely filed, all required tax returns and shall pay all taxes required to be paid in connection with such returns, including but not limited to, employee withholding taxes, before any penalty or interest for failure to file arises.

8.9 Existence; No Fundamental Change. Tenant, Subtenants, and Entity Guarantors shall preserve and maintain their legal existence and such of their rights, licenses and privileges as are material to their business and operations; and qualify and remain qualified to do business in each jurisdiction in which such qualification is material to their business and operations or the ownership of their properties. Except for with the prior written approval of Landlord, which may be withheld in Landlord’s sole and absolute discretion, none of Tenant, the Subtenants, or Entity Guarantors will fundamentally change the nature of its business, enter into any amalgamation, merger, consolidation, reorganization or recapitalization, or reclassify its capital stock or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, assign, lease,

transfer or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of its business, property or assets, whether now owned or hereafter acquired. No Tenant or Subtenant may or acquire by purchase or otherwise all or substantially all the business, property or assets, of any Person or any shares of stock or other equity securities of any Person. At all times during the Term, the Individual Guarantors shall own 100% of the outstanding equity interests in Tenant and Tenant shall own 100% of the outstanding equity interests in the Subtenants.

8.10 No Investments. Without the prior written consent of Landlord, except Investments in Tenant or the Subtenants, none of Tenant or Subtenants will, or will they permit any Subsidiary to, make or suffer to exist any Investments (including without limitation, loans and advances to, and other Investments in, Subsidiaries), or commitments therefor, or to create any Subsidiary or to become or remain a partner in any partnership or joint venture, or to make any Acquisition of any Person.

8.11 Bank Accounts. Tenant and the Subtenants shall each maintain separate bank accounts from any other Person. None of Tenant and the Subtenants shall permit its or their assets, including cash, cash equivalents, and the cash proceeds arising out of the operation of the Facilities, to be commingled with the assets of any Person; provided, however, that the Entrance Fees and personal allowance accounts of the residents of the Facilities need not be maintained separately and may be commingled with one another so long as Tenant and the Subtenants maintain adequate written records with respect to such amounts and further than the fees with respect to any one Subtenant shall not be comingled with the assets of any other subtenant.

8.12 Liens. Subject to the provisions of Section 12.1 relating to permitted contests, none of Tenant and the Subtenants (nor, until the Laurel Paydown Completion Date, Maxwell) shall directly or indirectly create or allow to remain, and each shall promptly discharge at their expense, any lien, encumbrance, attachment, title retention agreement or claim upon any assets of Tenant and the Subtenants, excluding, however, (a) the liens and security interests in favor of Landlord and its Affiliates, (b) liens for Impositions or for sums resulting from noncompliance with Legal Requirements so long as (i) the same are not yet payable, or (ii) such liens are in the process of being contested as permitted by Section 12.1, (c) those liens permitted pursuant to Section 8.3.7 hereof, (d) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that any such liens are in the process of being contested as permitted by Section 12.1, and (e) liens permitted under Section 6.4 of this Agreement.

8.13 Entrance Fees. Tenant shall cause Subtenant to accept any Entrance Fees in trust for the residents in accordance with all Authorizations and Legal Requirements and the terms of this Agreement and any Resident Agreement, and the Entrance Fees shall be solicited, received, maintained and refunded in accordance with the foregoing. Tenant shall cause each Subtenant to maintain the records for the Entrance Fees and satisfy all reporting requirements with the same as required pursuant to any Legal Requirements, and all Entrance Fees shall be accepted by the applicable Subtenant in trust. No Subtenant shall utilize any form of Resident Agreement that is not in compliance with all Authorizations or Legal Requirements.

ARTICLE IX

9.1 Maintenance and Repair.

9.1.1 Tenant, at its expense, will keep the Leased Properties, and all appurtenant landscaping, private roadways, sidewalks and curbs that are under Tenant's control and Tenant's Personal Property in good order and repair, whether or not the need for such repairs arises out of Tenant's use, any prior use, the elements or the age of the Leased Property or any portion thereof, or any cause whatsoever except the act or negligence of Landlord, and with reasonable promptness shall make all necessary and appropriate repairs thereto of every kind and nature, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen, or arising by reason of a condition existing prior to the Commencement Date (concealed or otherwise). Tenant shall maintain, operate and otherwise manage the Leased Properties at all times on a basis and in a manner consistent with the standards and practices in the industry. All repairs shall, to the extent reasonably achievable, be at least equivalent in quality to the original work or the property to be repaired shall be replaced. Tenant will not take or omit to take any action the taking or omission of which might materially impair the value or the usefulness of the Leased Properties or any parts thereof for the Primary Intended Use.

9.1.2 Landlord shall not under any circumstances be required to maintain, build or rebuild any improvements on the Leased Properties (or any private roadways, sidewalks or curbs appurtenant thereto), or to make any repairs, replacements, alterations, restorations or renewals of any nature or description to the Leased Properties, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or upon any adjoining property, whether to provide lateral or other support or abate a nuisance, or otherwise, or to make any expenditure whatsoever with respect thereto, in connection with this Lease. Tenant hereby waives, to the extent permitted by law, the right to make repairs at the expense of Landlord pursuant to any law in effect at the time of the execution of this Lease or hereafter enacted. Use of casualty insurance proceeds held by Landlord shall be handled as provided for in Section 14.6.

9.1.3 Nothing contained in this Lease shall be construed as (a) constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialmen or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to any Leased Property or any part thereof, or (b) giving Tenant any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim or other encumbrance upon the estate of Landlord in the Leased Properties or any portion thereof. Landlord shall have the right to give, record and post, as appropriate, notices of non-responsibility under any mechanics' and construction lien laws now or hereafter existing.

9.1.4 Tenant promptly shall replace any of the Leased Improvements or Landlord's Personal Property that becomes worn out, obsolete or unusable or unavailable for the purpose for which intended. All replacements shall have a value and utility at least equal to that of the items replaced and shall become part of the Leased Properties immediately upon their

acquisition by Tenant. Upon Landlord's request, Tenant promptly shall execute and deliver to Landlord a bill of sale or other instrument establishing Landlord's lien-free ownership of such replacements. Tenant promptly shall repair all damage to a Leased Property incurred in the course of such replacement.

9.1.5 Tenant will, upon the expiration or earlier termination of the Term, vacate and surrender the Leased Properties to Landlord in the condition in which they were originally received from Landlord, in good operating condition, casualty, condemnation and ordinary wear and tear excepted, except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Lease.

9.2 Encroachments, Restrictions, etc. If, at any time, any of the Leased Improvements are alleged to encroach upon any property, street or right of way adjacent to a Leased Property, or to violate any restrictive covenant, or to impair the rights of others under any easement or right of way, Tenant promptly shall settle such allegations or take such other lawful action as may be necessary in order to be able to continue the use of a Leased Property for the Primary Intended Use substantially in the manner and to the extent such Leased Property was being used at the time of the assertion of such violation, impairment or encroachment; provided, however, that no such action shall violate any other provision of this Lease, and any alteration of a Leased Property must be made in conformity with the applicable requirements of ARTICLE X. Tenant shall not have any claim against Landlord or offset against any of Tenant's obligations under this Lease with respect to any such violation, impairment or encroachment. Notwithstanding the provisions of this Section **Error! Reference source not found.** to the contrary, Tenant shall not be responsible for any claims to the extent such claims are covered by Landlord's or Tenant's title insurance policy, if any, and Landlord agrees that any proceeds recovered under any such title insurance policy, if any, shall be made available to remedy the claimed violation or restriction.

9.3 Initial Capex Improvements.

9.3.1 Initial CapEx Contribution. For a period of eighteen (18) months following the Commencement Date, Tenant may request Landlord's approval of a scope of work (and if required by Landlord, plans and specifications) and a certified construction cost statement for improvements and renovations to the Initial Facility approved by Landlord (any such improvements and renovations, the "Initial Capex Improvements"). Landlord's aggregate obligation to pay for the Initial Capex Improvements shall not exceed

(the "Initial Capex Contributions"). Tenant will contract with a contractor reasonably acceptable to Landlord, for the completion of the Initial Capex Improvements (in accordance with the scope of work and certified cost statement approved by Landlord). Once commenced, Tenant shall proceed diligently to complete the Initial Capex Improvements.

9.3.2 Funding Procedures. With respect to Tenant's request for funding for any Initial Capex Improvements to be disbursed by Landlord, Landlord shall only disburse in accordance with the requirements listed in attached Schedule 9.3.

9.3.3 Initial Capex Rent. Commencing as of Initial Capex Rent Commencement Date, and continuing during the Term on the first (1st) day of each month thereafter,

Tenant shall pay the Initial Capex Rent for the Initial Capex Improvements to Landlord in monthly installments by wire transfer of immediately available funds.

ARTICLE X

10.1 Construction of Alterations and Additions to the Leased Properties.

10.1.1 Tenant shall not (a) make or permit to be made any structural alterations, improvements or additions of or to the Leased Properties or any part thereof, or (b) materially alter the plumbing, HVAC or electrical systems thereon or (c) make any other alterations, improvements or additions the cost of which exceeds (i) One Hundred Thousand Dollars (\$100,000.00) per alteration, improvement or addition, or (ii) One Million Dollars (\$1,000,000.00) in any Lease Year, unless and until Tenant has (x) caused complete plans and specifications therefor (if applicable) to have been prepared by a licensed architect and submitted to Landlord at least forty-five (45) days before the planned start of construction thereof, (y) obtained Landlord's written approval thereof and the approval of any Facility Mortgagee and (z), if required to do so by Landlord in its discretion, provided Landlord with reasonable assurance of the payment of the cost of any such alterations, improvements or additions, in the form of a bond, letter of credit or cash deposit. If Landlord requires a deposit, Landlord shall retain and disburse the amount deposited in the same manner as is provided for insurance proceeds in Section 14.6. If the deposit is reasonably determined by Landlord at any time to be insufficient for the completion of the alteration, improvement or addition, Tenant immediately shall increase the deposit to the amount reasonably required by Landlord. Tenant shall be responsible for the completion of such improvements in accordance with the plans and specifications approved by Landlord, and promptly shall correct any failure with respect thereto.

10.1.2 Alterations and improvements not falling within the categories described in the first sentence of Section 10.1.1 may be made by Tenant without the prior approval of Landlord, but Tenant shall give Landlord at least thirty (30) days prior written Notice of any such alterations and improvements.

10.1.3 All alterations, improvements and additions shall (a) be constructed in a first class, workmanlike, manner, in compliance with all Insurance Requirements and Legal Requirements, (b) be in keeping with the character of the Leased Properties and the area in which the Leased Property in question is located and (c) be designed and constructed so that the value of the Leased Properties will not be diminished and the Primary Intended Use of the Leased Properties will not be changed. All improvements, alterations and additions immediately shall become a part of the Leased Properties.

10.1.4 Tenant shall have no claim against Landlord at any time in respect of the cost or value of any improvement, alteration or addition. There shall be no adjustment in the Rent by reason of any such improvement, alteration or addition. Expenditures made by Tenant pursuant to this ARTICLE X that are Qualified Capital Expenditures may be included as capital expenditures for purposes of inclusion in the capital expenditures budget for the Facilities and for measuring compliance with the obligations of Tenant set forth in Section 8.4 of this Lease.

10.1.5 In connection with any alteration that involves the removal, demolition or disturbance of any asbestos-containing material, Tenant shall cause to be prepared at its expense a full asbestos assessment applicable to such alteration and shall carry out such asbestos monitoring and maintenance program as reasonably shall be required thereafter in light of the results of such assessment.

ARTICLE XI

11.1 Liens. Without the consent of Landlord or as expressly permitted elsewhere herein, Tenant will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon the Leased Properties, and any attachment, levy, claim or encumbrance in respect of the Rent, except for (a) this Lease and any Sublease, (b) Permitted Encumbrances, (c) liens for those taxes of Landlord which Tenant is not then currently required to pay hereunder, (d) liens in favor of Landlord, (e) any Facility Mortgage, (f) liens of mechanics, laborers, materialmen, suppliers or vendors for sums not yet due, (g) leases or financing agreements with third party vendors/lessors with respect to Personal Property located at, and used in connection with the operation of the Facilities, including, but not limited to, telephone systems, kitchen equipment, laundry equipment and golf cars (subject in all cases to compliance with Section 8.3.7 hereof), and (h) liens created by the malfeasance or negligence of Landlord.

ARTICLE XII

12.1 Permitted Contests. Tenant, on its own or on Landlord's behalf (or in Landlord's name), but at Tenant's sole cost and expense, shall have the right to contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or part, of any real or personal property assessment, Imposition, Legal Requirement, Insurance Requirement, or any lien, attachment, levy, encumbrance, charge or claim or any encroachment or restriction burdening the Leased Property, provided: (a) prior Notice of such contest is given to Landlord; (b) the Leased Properties would not be in any danger of being sold, forfeited or attached as a result of such contest, and there is no risk to Landlord of a loss of or interruption in the payment of Rent; (c) in the case of an unpaid Imposition or other lien, attachment, levy, encumbrance, charge or claim, collection thereof is suspended during the pendency of such contest; and (d) in the case of a contest of a Legal Requirement, compliance may legally be delayed pending such contest and pending such contest no license, permit, approval, certificate of need, certificate of reimbursement or other authorization necessary to operate any Facility as a provider of health care services in accordance with its Primary Intended Use may be irrevocably suspended or revoked, or its right to so operate a Facility or to accept patients irrevocably suspended. Upon request of Landlord, Tenant shall deposit funds or assure Landlord in some other manner reasonably satisfactory to Landlord that the amount to be paid by Tenant that is the subject of a contested Imposition, Legal Requirement, Insurance Requirement or claim, together with interest and penalties, if any, thereon, and any and all costs for which Tenant is responsible will be paid if and when required upon the conclusion of such contest. Tenant shall defend, indemnify and save harmless Landlord from all costs or expenses arising out of or in connection with any such contest, including but not limited to attorneys' fees. If at any time Landlord reasonably determines that payment of any Imposition or other lien, attachment, levy, encumbrance, charge or claim, or compliance with any Legal or Insurance Requirement being

contested by Tenant is necessary in order to prevent loss of any of the Leased Properties or Rent or civil or criminal penalties or other damage (including revocation or suspension of any license, permit, approval, certificate of need, certificate of reimbursement or other authorization necessary to operate any Facility as a provider of health care services in accordance with its Primary Intended Use or suspension of any right to accept patients), upon such prior Notice to Tenant as is reasonable in the circumstances Landlord may pay such amount, require Tenant to comply with such Legal or Insurance Requirement or take such other action as it may deem necessary to prevent such loss or damage. If reasonably necessary, upon Tenant's written request, Landlord, at Tenant's expense, shall cooperate with Tenant in a permitted contest, including but not limited to joining as a party thereto, provided Tenant upon demand makes arrangements satisfactory to Landlord to assure the reimbursement of any and all Landlord's costs incurred in cooperating with Tenant in such contest.

12.2 Landlord's Requirement for Deposits. Following the occurrence of an Event of Default or to the extent required by any Facility Mortgagee, Tenant shall deposit with Landlord monthly, at the time of its payments of Base Rent, a pro rata portion of the amounts required to comply with Insurance Requirements, Impositions, Legal Requirements and Tenant's obligations under Section 8.3 of this Lease, and when such obligations become due, Landlord shall pay them (to the extent of the deposit) upon Notice from Tenant requesting such payment. If sufficient funds have not been deposited to cover the amount of the obligations due at least thirty (30) days in advance of the due date, Tenant immediately shall deposit the same with Landlord upon Notice from Landlord. Landlord shall not be obligated to segregate such deposited funds from its other funds or to pay Tenant any interest on any deposit held by Landlord. Upon an Event of Default, any of the funds remaining on deposit may be applied under this Lease in any manner and in such priority as Landlord may determine in its sole discretion.

ARTICLE XIII

13.1 General Insurance Requirements. Tenant shall keep the Leased Properties, and all property located in or on the Leased Properties, including Landlord's Personal Property and Tenant's Personal Property, insured with insurance meeting the following requirements: (a) all insurance shall be written by companies eligible to do insurance business in the applicable States and having a rating classification of not less than A- and a financial size category of "Class VIII", according to the then most recent issue of Best's Key Rating Guide; (b) all policies required to be maintained pursuant to this Article XIII shall include Landlord as an additional insured, and name as an additional insured any Facility Mortgagee by way of a standard form of mortgagee's loss payable endorsement in use in the applicable States and in accordance with any such other requirements as may be established by such Facility Mortgagee, in addition, if requested by Landlord and available on a commercially reasonable basis, all public liability and property damage insurance shall contain a provision that Landlord, although named as an insured, nevertheless shall be entitled to recovery for loss, damage or injury to Landlord, its servants, agents and employees by reason of the negligence of Tenant or Landlord; (c) losses must be payable to Landlord or Tenant as provided in ARTICLE XIV, and loss adjustments shall require the written consent of Landlord, any Facility Mortgagee and, provided it is not then in default, Tenant, which consent shall not be unreasonably withheld by either Landlord or Tenant; (d) Landlord shall receive at least thirty (30) days' prior written notice of any modification, reduction or cancellation of any of the policies required to be maintained hereunder, except ten (10) days' notice for cancellation due to non-payment of premium; (e) the amount of any deductible or retention with

respect to any insurance required to be maintained hereunder must be approved by Landlord in its reasonable discretion prior to the issuance of any policy; (f) each policy shall contain a waiver of subrogation rights as to Landlord and any Facility Mortgagee, and (g) shall include coverage for hired and non-owned autos with a combined limit of \$1,000,000 bodily injury and property damage.

13.2 Risks to be Insured. The policies covering the Leased Properties and Tenant's Personal Property shall insure against the following risks:

13.2.1 Loss or damage by fire, vandalism and malicious mischief, earthquake, extended coverage perils commonly known as "Special Risk," and all physical loss perils normally included in such Special Risk insurance, including but not limited to sprinkler leakage, in an amount not less than one hundred percent (100%) of Replacement Cost (provided that Landlord shall have the right from time to time, but no more frequently than once in any period of three (3) consecutive Lease Years, to have Replacement Cost reasonably redetermined by the fire insurance company then carrying the largest amount of fire insurance on the Leased Properties (Tenant hereby agreeing to pay the fee, if any, for such insurer), which determination shall be final and binding on the parties hereto, and upon such determination Tenant immediately shall increase, but not decrease, the amount of the insurance carried pursuant to this Section 13.2.1 to the amount so determined, subject to the approval of any Facility Mortgagee;

13.2.2 Broad form comprehensive boiler and machinery insurance on a blanket repair and replace basis, with limits for each accident in an amount not less than one hundred percent (100%) of Replacement Cost;

13.2.3 Business interruption insurance in an amount not less than twelve (12) months of income and normal operating expenses including payroll and Rent payable hereunder with an endorsement extending the period of indemnity by at least ninety (90) days (Building Ordinance Increased Period of Restoration Endorsement) necessitated by the occurrence of any of the hazards described in Sections 13.2.1, 13.2.2, and 13.2.6, and, to the extent not covered by such insurance, loss of rental under a rental value insurance policy covering risk of loss during reconstruction necessitated by the occurrence of any of the hazards described in Sections 13.2.1, 13.2.2, and 13.2.6, a (but in no event for a period less than twelve (12) months), in each case in an amount sufficient to prevent Landlord and Tenant from becoming a co-insurer;

13.2.4 Claims for bodily injury (including resulting death), personal and advertising injury or property damage under a policy of commercial general liability insurance with a combined single limit per occurrence in respect of bodily injury and death and property damage of One Million Dollars (\$1,000,000.00), and a general aggregate limitation of Three Million Dollars (\$3,000,000.00) per Facility, which insurance shall support Tenant's contractual liability to Landlord under the indemnity provisions of this Lease;

13.2.5 Injury to resident claims arising out of rendering of or failure to render professional services in an amount of not less than One Million Dollars (\$1,000,000.00), and an aggregate limitation of not less than Three Million Dollars (\$3,000,000.00) per Facility.

For any liability insurance required under this Article XIII that is written on a “claims-made” basis, Tenant also shall provide continuous liability coverage for claims arising during the Term either by obtaining an endorsement providing for an extended reporting period reasonably acceptable to Landlord in the event such policy is canceled or not renewed for any reason whatsoever, or by obtaining “tail” insurance coverage converting the policies to “occurrence” basis policies providing coverage for a period of at least three (3) years beyond the expiration of the Term;

13.2.6 Flood (with respect to any portions of the Leased Properties located in whole or in part within a designated flood plain area) and such other hazards and in such amounts as may be customary for comparable properties in the area;

13.2.7 During such time as Tenant is constructing any improvements, (a) worker’s compensation insurance and employers’ liability insurance covering all persons employed in connection with the improvements in statutory limits, (b) a completed operations endorsement to the commercial general liability and property damage insurance policies referred to above, (c) builder’s risk insurance, completed value form, covering all physical loss, in an amount satisfactory to Landlord, and (d) such other insurance, in such amounts, as Landlord deems necessary to protect Landlord’s interest in the Leased Properties from any act or omission of Tenant’s contractors or subcontractors, and certificates of insurance evidencing such coverage, in form satisfactory to Landlord, shall be presented to Landlord prior to the commencement of construction of such improvements;

13.2.8 Primary automobile liability insurance with limits of One Million Dollars (\$1,000,000.00) per occurrence each for owned and non-owned and hired vehicles;

13.2.9 Loss or damage commonly covered by crime insurance including dishonesty, loss of money orders or paper currency and depositor’s forgery, with a limit of not less than One Million Dollars (\$1,000,000.00);

13.2.10 Workers’ compensation insurance coverage with respect to each Facility for injuries or occupational illness sustained by Tenant’s, a Subtenant’s or Manager’s employees in the course of their employment and otherwise consistent with all applicable statutory and Legal Requirements and employer’s liability insurance coverage; and

13.2.11 Cybersecurity risk insurance at appropriate levels to its business but in no event less than One Million Dollars (\$1,000,000.00) in coverage limits.

13.3 Payment of Premiums; Copies of Policies; Certificates. Subject to Section 12.2 of this Lease, Tenant shall pay when due all of the premiums for the insurance required by this Lease, and shall deliver to Landlord and to any Facility Mortgagee requesting such evidence, certificates of insurance in form satisfactory to Landlord and such Facility Mortgagee. In the event of the failure of Tenant either to carry the required insurance or pay the premiums therefor, or to deliver certificates to Landlord as required, Landlord shall be entitled, but shall have no obligation, to obtain such insurance and pay the premiums therefor when due, in which event Tenant shall repay to Landlord the premiums upon written demand therefor as Additional Charges.

13.4 Umbrella Policies. If Tenant chooses to carry umbrella liability coverage to obtain the limits of liability required under this Lease, the umbrella policies must provide coverage in the same manner as the primary commercial general liability policy.

13.5 Personal Information. Each Tenant Entity's collection, use, retention, and dissemination of Personal Information and such Tenant Entity's policies, plans and procedures, and facilities for privacy, physical and cyber security, disaster recovery, business continuity and incident response, shall comply with, in all material respects, and shall not in any material respect violate (i) any Contract to which any Tenant Entity is a party, (ii) any applicable Laws, including all Laws concerning the privacy and/or security of Personal Information, and all regulations promulgated thereunder applicable to the any Tenant Entity, including without limitation the Health Insurance Portability and Accountability Act ("Privacy and Security Laws"), or (iii) the privacy policy of any Tenant Entity. Each Tenant Entity shall at all times have in place and maintain a cybersecurity program for its computer systems, including the software, firmware, hardware, networks, interfaces, platforms and related systems owned, leased or licensed by any Tenant Entity in the conduct of its business ("Tenant Systems"), and any information systems of third parties connected to the Tenant Systems, that is consistent and in compliance with generally accepted cybersecurity industry standards (including without limitation any applicable standards promulgated by the Centers for Medicare & Medicaid Services) and in compliance with any cybersecurity requirements applicable to the Lessee. Tenant Entities shall regularly conduct system vulnerability and network scans of the Tenant Systems that are consistent and in compliance with generally accepted cybersecurity industry standards. As used in this Lease, "Personal Information" means (i) any information with respect to which there is a reasonable basis to believe that the information can be used to identify an individual; (ii) Social Security numbers; or (iii) any information that is regulated or protected by one or more Privacy and Security Laws applicable to the Tenant Entities and their Affiliates.

13.6 Additional Insurance. In addition to the insurance described above, Tenant shall maintain such insurance as may be required from time to time by any Facility Mortgagee.

13.7 No Liability; Waiver of Subrogation. Landlord shall have no liability to Tenant, and, provided Tenant provides the insurance required of it by this Lease, Tenant shall have no liability to Landlord, regardless of the cause, for any loss or expense resulting from or in connection with damage to or the destruction or other loss of any Leased Property or Tenant's Personal Property, and neither party will have any right or claim against the other for any such loss or expense by way of subrogation. Each insurance policy carried by either party covering any of the Leased Properties and Tenant's Personal Property, including without limitation, contents, fire and casualty insurance, shall contain an express waiver of any right of subrogation on the part of the insurer against the other party. Tenant shall pay any additional costs or charges for obtaining such waiver.

13.8 Increase in Limits. If from time to time Landlord determines, in the exercise of its reasonable business judgment, that the limits of the insurance required pursuant to this Article XIII then being carried are insufficient, upon at least ninety (90) days' Notice from Landlord Tenant shall cause such limits to be increased to the level specified in such Notice until further increase pursuant to the provisions of this Section.

13.9 Blanket Policy. Any insurance required by this Lease may be provided by so-called blanket policies of insurance carried by Tenant; provided, however, that the coverage afforded Landlord thereby may not be less than that which would be provided by separate policies meeting the requirements of this Lease, and provided further that such policies meet the requirements of all Facility Mortgages..

ARTICLE XIV

14.1 Insurance Proceeds. Net Proceeds shall be paid to Landlord and held, disbursed or retained by Landlord as provided herein. If the Net Proceeds are less than the Approval Threshold, and no Event of Default has occurred and is continuing, Landlord shall pay the Net Proceeds to Tenant upon receipt of the Net Proceeds for restoration of the Leased Property. If the Net Proceeds equal or exceed the Approval Threshold, and no Event of Default has occurred and is continuing, the Net Proceeds shall be made available for restoration or repair as provided in Section 14.6. Within fifteen (15) days of the receipt of the Net Proceeds of Special Risk Insurance, Landlord and Tenant shall agree as to the portion thereof, if any, attributable to the Tenant's Personal Property that Tenant is not required and does not elect to restore or replace, and the portion of the proceeds of such Special Risk Insurance agreed or otherwise determined to be attributable to the Tenant's Personal Property that Tenant is not required and does not elect to restore or replace shall be paid to Tenant.

14.2 Restoration in the Event of Damage or Destruction. If all or any portion of a Leased Property is damaged by fire or other casualty, Tenant shall: (a) give Landlord Notice of such damage or destruction within five (5) Business Days of the occurrence thereof; (b) as soon as reasonably possible, commence the restoration of such Leased Property; and (c) thereafter proceed diligently to pursue the completion of such restoration as quickly as reasonably possible, but in any event within three hundred sixty-five (365) days of the occurrence thereof, to the end that the Leased Property is in substantially the same (or better) condition as the Leased Property was in immediately prior to the damage or destruction. Regardless of the anticipated cost thereof, if the restoration of a Leased Property requires any modification of structural elements, prior to commencing such modification Tenant shall obtain Landlord's written approval of the plans and specifications therefor.

14.3 Restoration of Tenant's Property. If Tenant is required to restore a Leased Property, Tenant also concurrently shall restore any of Tenant's Personal Property that is integral to the Primary Intended Use of such Leased Property at the time of the damage or destruction.

14.4 No Abatement of Rent. There shall be no abatement of Rent by reason of any damage to or the partial or total destruction of any Leased Property.

14.5 Waiver. Except as provided elsewhere in this Lease, Tenant hereby waives any statutory or common law rights of termination that may arise by reason of any damage to or destruction of a Leased Property.

14.6 Disbursement of Insurance Proceeds Equal to or Greater Than The Approval Threshold. If Tenant restores or repairs a Leased Property pursuant to this Article, and if the Net

Proceeds equal or exceed the Approval Threshold, the restoration or repair and disbursement of funds to Tenant shall be in accordance with the following procedures:

(a) The restoration or repair work shall be done pursuant to plans and specifications approved by Landlord and a certified construction cost statement, to be obtained by Tenant from a contractor reasonably acceptable to Landlord, showing the total cost of the restoration or repair; to the extent the cost exceeds the Net Proceeds, Tenant shall deposit with Landlord the amount of the excess cost, and Landlord shall disburse the funds so deposited in payment of the costs of restoration or repair before any disbursement of Net Proceeds.

(b) Construction Funds shall be made available, subject to a ten percent (10%) holdback (which Landlord may decrease to five percent (5%) in its reasonable determination), to Tenant upon request, but no more frequently than monthly, as the restoration and repair work progresses pursuant to certificates, in form and substance reasonably acceptable to Landlord, of an architect selected by Tenant and reasonably acceptable to Landlord (such architect to be, in the reasonable judgment of Landlord, highly qualified in the design and construction of the type of facility being repaired).

(c) After the first disbursement to Tenant, sworn statements and lien waivers in an amount at least equal to the amount of Construction Funds previously paid to Tenant shall be delivered to Landlord from all contractors, subcontractors and material suppliers covering all labor and materials furnished through the date of the previous disbursement, provided that no such lien waiver shall be required from any subcontractor or material supplier to the extent that any such payment is \$10,000 or less or if the aggregate of all amounts due to such subcontractor is \$20,000 or less.

(d) Tenant shall deliver to Landlord such other evidence as Landlord reasonably may request, from time to time during the course of the restoration and repair, as to the progress of the work, compliance with the approved plans and specifications, the cost of restoration and repair and the total amount needed to complete the restoration and repair, and showing that there are no liens against the Leased Property arising in connection with the restoration and repair and that the cost of the restoration and repair at least equals the total amount of Construction Funds then disbursed to Tenant hereunder.

(e) If the Construction Funds are at any time determined by Landlord to be inadequate for payment in full of all labor and materials for the restoration and repair, Tenant immediately shall pay the amount of the deficiency to Landlord to be held and disbursed as Construction Funds prior to the disbursement of any other Construction Funds then held by Landlord.

(f) The Construction Funds may be disbursed by Landlord to Tenant or to the persons entitled to receive payment thereof from Tenant, and such disbursement in either case may be made directly or through a third party escrow agent, such as, but not limited to, a title insurance company, or its agent, all as Landlord may determine in its sole discretion. Provided Tenant is not in default hereunder, any excess Construction Funds shall be paid to Tenant upon completion of the restoration or repair.

(g) If Tenant at any time fails to perform promptly and fully the conditions and covenants set forth in subparagraphs (a) through (f) above, and the failure is not corrected within ten (10) days of written Notice thereof, or if during the restoration or repair an Event of Default occurs, Landlord may, at its option, immediately cease making any further payments to Tenant for the restoration and repair until such failure has been remedied.

(h) Landlord may reimburse itself out of the Construction Funds for its reasonable expenses incurred in administering the Construction Funds and inspecting the restoration and repair work, including without limitation attorneys' and other professional fees and escrow fees and expenses.

14.7 Net Proceeds Paid to Facility Mortgagee. Notwithstanding anything in this Lease to the contrary, if any Facility Mortgagee is entitled to any Net Proceeds or any portion thereof under the terms of any Facility Mortgage, the Net Proceeds shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage. Landlord shall make commercially reasonable efforts to cause the Net Proceeds to be applied to the restoration of the Facility. If any portion of the Net Proceeds are not made available to Tenant for restoration of the Leased Property as a result of the Facility Mortgage applying the same to any obligations thereunder (as opposed to any other failure of Tenant to satisfy any other conditions to disbursement thereof) and such failure would cause the Leased Property to not be restored to substantially the same condition as the Leased Property was in immediately prior to the damage or destruction, then Tenant may terminate this Lease upon forty-five (45) days' prior written notice to Landlord, which notice shall be delivered no later than thirty (30) days following Tenant's receipt of written notice from Landlord notifying Tenant that such portion of the Net Proceeds will not be made available for restoration. If the Lease is so terminated as to the damaged or destroyed Facility, this Lease shall continue in effect as to the remaining Facilities, and Base Rent shall be equitably and proportionately reduced as of the date of the termination.

ARTICLE XV

15.1 Total Taking or Other Taking with Leased Property Rendered Unsuitable for Its Primary Intended Use. If title to the fee of the whole of a Leased Property is Taken, this Lease shall cease and terminate as to the Leased Property Taken as of the Date of Taking by the Condemnor, and Rent shall be apportioned as of the termination date. If title to the fee of less than the whole of a Leased Property is Taken, but such Leased Property is rendered Unsuitable for Its Primary Intended Use as a result of the Partial Taking, each of Tenant and Landlord shall have the option, which shall be exercisable by written Notice to the other at any time prior to the first to occur of the taking of possession by, or the date of vesting of title in, the Condemnor, to terminate this Lease with respect to such Leased Property as of the date so determined, in which event this Lease shall so cease and terminate with respect to that Leased Property as of the earlier of the date specified in the Notice or the date on which possession is taken by the Condemnor. If this Lease is so terminated as to a Leased Property, Rent shall be apportioned as of the termination date.

15.2 Allocation of Award. The total Award made with respect to all or any portion of a Leased Property or for loss of Rent, or for loss of business, shall be solely the property of and payable to Landlord or, if so provided in a Facility Mortgage, to the Facility Mortgagee. Nothing contained in this lease will be deemed to create any additional interest in Tenant, or entitle Tenant

to any payment based on the value of the unexpired term or so-called “bonus value” to Tenant of this Lease. Any Award made for the taking of Tenant’s Personal Property that is not integral to the Primary Intended Use of the Facilities, or for removal, loss of business and relocation expenses of Tenant in any such proceedings, shall be payable to Tenant. Any Award made for the taking of Tenant’s Personal Property that is integral to the Primary Intended Use of the Facilities shall be payable to Landlord or, if so provided in a Facility Mortgage, to the Facility Mortgagee. In any proceedings with respect to an Award, each of Landlord and Tenant shall seek its own Award in conformity herewith, at its own expense. Notwithstanding the foregoing, Tenant may pursue a claim for loss of its business, provided that under the laws of the State, such claim will not diminish the Award to Landlord.

15.3 Partial Taking. In the event of a Partial Taking, Tenant, at its own cost and expense, shall, as soon as reasonably possible following the first to occur of the taking of possession by, or the date of vesting of title in, the Condemnor, commence the restoration of the affected Leased Property to a complete architectural unit of the same general character and condition (as nearly as may be possible under the circumstances) as existed immediately prior to the Partial Taking, and complete such restoration with all reasonable dispatch, but in any event within three hundred sixty-five (365) days of the occurrence thereof. Landlord shall contribute to the cost of restoration only such portion of the Award as is made therefor. As long as no Event of Default has occurred and is continuing, if such portion of the Award is in an amount less than the Approval Threshold, Landlord shall pay the same to Tenant upon receipt of such Award. As long as no Event of Default has occurred and is continuing, if such portion of the Award is in an amount equal to or greater than the Approval Threshold, Landlord shall make such portion of the Award available to Tenant in the manner provided in Section 14.6 with respect to Net Proceeds in excess of the Approval Threshold. Notwithstanding anything to the contrary in this Lease, if the Fair Market Rent of the affected Leased Property is reduced by reason of the Partial Taking, from and after the date on which possession is taken by the Condemnor the annualized Base Rent shall be reduced by an amount determined by multiplying the portion of the Award made to Landlord expressly for such reduction in Fair Market Rent by the Capitalization Rate..

15.4 Temporary Taking. If there is a Partial Taking of possession or the use of all or part of a Leased Property, but the fee of such Leased Property is not Taken in whole or in part, until such Partial Taking of possession or use continues for more than six (6) months, all the provisions of this Lease shall remain in full force and effect and the entire amount of any Award made for such Partial Taking shall be paid to Tenant provided there is then no Event of Default. Upon the termination of any such period of temporary use or occupancy, Tenant at its sole cost and expense shall restore the affected Leased Property, as nearly as may be reasonably possible, to the condition existing immediately prior to such Partial Taking. If any such Partial Taking continues for longer than six (6) months, and fifty percent (50%) or more of the patient capacity of the affected Facility is thereby rendered Unsuitable for Its Primary Use, this Lease shall cease and terminate as to the affected Leased Property only as of the last day of the sixth (6th) month, but if less than fifty percent (50%) of the patient capacity of such Facility is thereby rendered Unsuitable for Its Primary Use, each of Tenant and Landlord shall have the option, which shall be exercisable by giving written Notice to the other at least sixty (60) days prior written Notice to the other, at any time prior to the end of the temporary Partial Taking, to terminate this Lease as to the affected Leased Property of the date set forth in such Notice, and Tenant shall be entitled to any

Award made for the period of such temporary Partial Taking prior to the date of termination of the Lease. Rent shall not abate during the period of any temporary Partial Taking.

15.5 Awards Paid to Facility Mortgagee. Notwithstanding anything herein to the contrary, if any Facility Mortgagee is entitled to any Award or any portion thereof under the terms of any Facility Mortgage, such Award shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage. If the Facility Mortgagee elects to apply the Award to the indebtedness secured by the Facility Mortgage and the Award represents an Award for Partial Taking as described in Section 15.3 above, Tenant shall, subject to its termination right set forth below, restore the affected Facility as nearly as possible under the circumstances to a complete architectural unit of the same general character and condition as that of the Facility existing immediately prior to such Taking. In any such restoration, Tenant shall receive full credit for any portion of any award retained by Landlord and the Facility Mortgagee. If any portion of an Award is not made available to Tenant for restoration of the Leased Property as a result of the Facility Mortgage applying the same to any obligations thereunder (as opposed to any other failure of Tenant to satisfy any other conditions to disbursement thereof) and such failure would cause the Leased Property to not be restored to substantially the same condition as the Leased Property was in immediately prior to such taking, then Tenant may terminate this Lease upon forty-five (45) days' prior written notice to Landlord, which notice shall be delivered no later than thirty (30) days following Tenant's receipt of written notice from Landlord notifying Tenant that such portion of an Award will not be made available for restoration. If the Lease is so terminated as to the damaged or destroyed Facility, this Lease shall continue in effect as to the remaining Facilities, and Base Rent shall be equitably and proportionately reduced as of the date of the termination..

ARTICLE XVI

16.1 Landlord's Rights Upon an Event of Default. If an Event of Default occurs, Landlord may terminate this Lease by giving Tenant a Notice of Termination, and in such event the Term shall end and all rights of Tenant under this Lease shall cease on the Termination Date. The Notice of Termination shall be in lieu of and not in addition to any notice required by the laws of any State as a condition to bringing an action for possession of the Leased Properties or to recover damages under this Lease. In addition to Landlord's right to terminate this Lease, Landlord shall have all other rights set forth in this Lease and all remedies available at law and in equity. Tenant shall, to the extent permitted by law, pay as Additional Charges all costs and expenses incurred by or on behalf of Landlord, including, without limitation, reasonable attorneys' fees and expenses (whether or not litigation is commenced, and if litigation is commenced, including fees and expenses incurred in appeals and post-judgment proceedings) as a result of any default of Tenant hereunder.

16.2 Certain Remedies. If an Event of Default occurs, whether or not this Lease has been terminated pursuant to Section 16.1, if required to do so by Landlord Tenant immediately shall surrender the Leased Properties to Landlord in the condition required by Section 9.1.5 and quit the same, and Landlord may enter upon and repossess the Leased Properties by reasonable force, summary proceedings, ejectment or otherwise, and may remove Tenant and all other persons and any and all personal properties from the Leased Properties, subject to rights of any residents or patients and to any Legal Requirements. In addition to all other remedies set forth or referred to in this Article, Landlord shall have the right to suspend any Management Agreement as to one or

more or all Facilities and to retain a manager of the affected Facility or all Facilities at the expense of Tenant, such manager to serve for such term and at such compensation as Landlord reasonably determines is necessary under the circumstances.

16.3 Damages. None of (a) the termination of this Lease pursuant to Section 16.1, (b) the repossession of the Leased Properties, (c) the failure of Landlord to relet the Leased Properties, (d) the reletting of all or any portion thereof, or (v) the failure of Landlord to collect or receive any rentals due upon such any reletting, shall relieve Tenant of its liability and obligations hereunder, all of which shall survive any such termination, repossession or reletting. If this Lease is terminated by Landlord, Tenant immediately shall pay to Landlord all Rent due and payable with respect to the Leased Properties to and including the Termination Date, including without limitation all interest and late charges payable under Section 3.3 hereof with respect to any late payment of such Rent. Tenant also shall pay to Landlord, as liquidated damages, at Landlord's option, either:

(A) The sum of:

(i) Landlord's Interim Rent Loss, minus Net Reletting Proceeds for such period, and minus the portion of Landlord's Interim Rent Loss, if any, that Tenant proves reasonably could have been mitigated by Landlord, plus

(ii) the Present Value on the Judgment Date of Landlord's Future Rent Loss, minus the Present Value on the Termination Date of the portion of Landlord's Future Rent Loss that Tenant proves reasonably could be mitigated by Landlord;

or

(B) Each month between the Termination Date and the Expiration Date, Landlord's Monthly Rent Loss, minus the Net Reletting Proceeds for such month, and minus the portion, if any, of Landlord's Monthly Rent Loss that Tenant proves reasonably could have been avoided. Any suit brought to recover liquidated damages payable under this subsection (B) shall not prejudice Landlord's right to collect liquidated damages for subsequent months in a similar proceeding.

16.4 Waiver. If this Lease is terminated pursuant to Section 16.1, Tenant waives, to the extent permitted by applicable law, (a) any right of reentry, repossession or redesignation, (b) any right to a trial by jury in the event of summary proceedings to enforce the remedies set forth in this Article, and (c) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt. Acceptance of Rent at any time does not prejudice or remove any right of Landlord as to any right or remedy. No course of conduct shall be held to bar Landlord from literal enforcement of the terms of this Lease.

16.5 Application of Funds. Any payments received by Landlord under any of the provisions of this Lease during the existence or continuance of any Event of Default shall be applied to Tenant's obligations in the order that Landlord determines in its sole discretion or as may be prescribed by law.

16.6 Bankruptcy.

(a) None of Tenant's interest in this Lease, any estate hereby created in Tenant's interest or any interest herein or therein shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law, except as specifically may be provided pursuant to the Bankruptcy Code (11 USC § 101 et. seq.), as the same may be amended from time to time.

(b) Rights and Obligations Under the Bankruptcy Code.

(i) Upon filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as debtor and as debtor-in-possession, and any trustee who may be appointed with respect to the assets of or estate in bankruptcy of Tenant, agree to pay monthly in advance, on the first day of each month, as reasonable compensation for the use and occupancy of the Leased Properties, an amount equal to all Rent due pursuant to this Lease.

(ii) Included within and in addition to any other conditions or obligations imposed upon Tenant or its successor in the event of the assumption and/or assignment of the Lease are the following: (A) the cure of any monetary defaults and reimbursement of pecuniary loss within not more than thirty (30) days of the assumption and/or assignment; (B) the deposit of an additional amount equal to not less than three (3) months' Base Rent, which amount is agreed to be a necessary and appropriate deposit to secure the future performance under the Lease of Tenant or its assignee; (C) the continued use of the Leased Properties for the Primary Intended Use; and (D) the prior written consent of any Facility Mortgagee.

16.7 Receivership. Following any Event of Default and to the extent permitted by applicable Legal Requirements, Landlord may petition any court of competent jurisdiction for the appointment of a receiver to take possession of Tenant's or, if applicable, one or more Subtenants' assets, all or any part of one or more of the Leased Properties, to manage the operation of all or any part of the one or more of the Leased Properties, to collect and disburse all rents, issues, profits and income generated thereby and to the extent applicable and possible, to preserve or replace any affected license or provider certification for all or any part of the one or more of the Leased Properties and/or otherwise to substitute the licensee or provider certificate holder (a "Receivership"). If Landlord commences a Receivership, the applicable receiver shall be paid a reasonable fee for its services and all such fees and other expenses of such Receivership shall be paid by Tenant in addition to the Rent otherwise due to Landlord under this Lease. Tenant irrevocably consents to a Receivership upon an Event of Default and thus stipulates to and agrees not to contest the appointment of a receiver under such circumstances and for such purposes.

16.8 Remedies Cumulative. No right or remedy conferred upon or reserved to Landlord under this Lease is exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Lease or the other Transactions or now or hereafter existing at law or in equity. Any notice or cure period under this Lease shall run concurrently with any notice or cure period required under applicable law. No failure of Landlord to insist at any time upon the strict performance of any provision of this Lease or to exercise any option, right, power or remedy contained in this Lease shall be construed as a waiver, modification or relinquishment of any similar or different breach (future or otherwise) by

Tenant. Landlord's receipt of any Rent or other sum due under this Lease (including any late charge) with knowledge of any breach shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be effective unless expressed in a writing signed by it. Notwithstanding anything in this Lease to the contrary, the sale of the Leased Properties (or any part thereof) by Landlord following an Event of Default shall not constitute Landlord's acceptance of Tenant's abandonment of the Leased Properties (or any part thereof) or rejection of the Lease or in any way impair Landlord's rights upon Tenant's default, including Landlord's right to damages.

ARTICLE XVII

17.1 Landlord's Right to Cure Tenant's Default. If Tenant fails to make any payment or perform any act required to be made or performed under this Lease, and fails to cure the same within any grace or cure period applicable thereto, upon such Notice as may be expressly required herein (or, if Landlord reasonably determines that the giving of Notice would risk loss to the Leased Properties or cause damage to Landlord, upon such Notice as is practical under the circumstances), and without waiving or releasing any obligation of Tenant, Landlord may make such payment or perform such act for the account and at the expense of Tenant, and may, to the extent permitted by law, enter upon the Leased Properties for such purpose and take all such action thereon as, in Landlord's sole opinion, may be necessary or appropriate. No such entry shall be deemed an eviction of Tenant. All amounts so paid by Landlord and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) so incurred, together with the late charge and interest provided for in Section 3.3 thereon, shall be paid by Tenant to Landlord on demand. The obligations of Tenant and rights of Landlord contained in this Article shall survive the expiration or earlier termination of this Lease.

17.2 Tenant's Right to Cure Landlord's Default. Landlord shall be in default of its obligations under this Lease if Landlord shall fail to observe or perform any term, covenant or condition of this Lease on its part to be performed, and such failure shall continue for a period of thirty (30) days after Notice thereof from Tenant (or such shorter time as may be necessary in order to cure or correct any condition, the presence of which substantially or materially interferes with Tenant's conduct of its usual business for the Primary Intended Use or to protect the health or welfare of any resident of the Leased Property or to ensure the ongoing compliance of the Leased Property with applicable law), unless such failure cannot be cured with due diligence within a period of thirty (30) days (or the above-described shorter time period), in which case such failure shall not be deemed to continue if Landlord, within such thirty (30) days (or the above-described shorter time period), promptly commences its attempt to cure the failure and diligently attempts to complete the curing thereof. If Landlord fails to commence such cure as provided herein, Tenant may cure such default, and so long as Tenant continues to pay Rent, Tenant shall have the right, as Tenant's sole remedy by separate and independent action to pursue any claim it may have against Landlord for monetary damages caused by Landlord's failure to cure such default. Nothing contained herein shall give Tenant any right to offset any such amounts against any Rent or other obligations due hereunder.

ARTICLE XVIII

18.1 Holding Over. If Tenant remains in possession of all or any of the Leased Properties after the expiration of the Term or earlier termination of this Lease, such possession shall be as a month-to-month tenant, and throughout the period of such possession Tenant shall pay as Rent for each month one hundred fifty percent (150%) of: (a) one-twelfth (1/12th) of the Base Rent payable during the Lease Year in which such expiration or termination occurs, plus (b) all Additional Charges accruing during the month, plus (c) any and all other sums payable by Tenant pursuant to this Lease. During such period of month-to-month tenancy, Tenant shall be obligated to perform and observe all of the terms, covenants and conditions of this Lease, but shall have no rights hereunder other than the right, to the extent given by applicable law to month-to-month tenancies, to continue its occupancy and use of the Leased Properties until the month-to-month tenancy is terminated. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Lease.

18.2 Indemnity. If Tenant fails to surrender the Leased Properties in a timely manner upon the expiration or termination of this Lease in accordance with the terms of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall defend, indemnify and hold Landlord, its principals, officers, directors, agents and employees harmless from loss or liability resulting from such failure, including, without limiting the generality of the foregoing, loss of rental with respect to any new lease in which the rental payable thereunder exceeds the Rent paid by Tenant pursuant to this Lease during Tenant's hold-over and any claims by any proposed new tenant founded on such failure. The provisions of this Section 18.2 shall survive the expiration or earlier termination of the Term.

ARTICLE XIX

19.1 Subordination. This Lease is subject and subordinate to any Facility Mortgage and to any Ground Lease, to all advances made or hereafter to be made thereunder and to all renewals, modifications, consolidations, replacements and extensions thereof and substitutions therefore. This clause shall be self-operative and no further instrument of subordination need be required by any Facility Mortgagee or Ground Landlord; provided, however, that Landlord or any Facility Mortgagee may elect to make this Lease superior to a Facility Mortgage at any time by Notice to Tenant. As to any Facility Mortgage or Ground Lease to which this Lease is subordinate, Landlord shall provide Tenant with a "non-disturbance agreement" reasonably acceptable to such Facility Mortgagee or Ground Landlord providing that, if such Facility Mortgagee acquires the Leased Properties by way of foreclosure or deed in lieu of foreclosure, or if the Ground Lease is terminated, such Facility Mortgagee or Ground Landlord will not disturb Tenant's possession under this Lease and will recognize Tenant's rights hereunder if and for so long as no Event of Default has occurred under this Lease and is continuing. Tenant agrees that it shall not withhold or delay its consent unreasonably to any amendment of this Lease reasonably required by a Facility Mortgagee or Ground Landlord, and Tenant shall be deemed to have withheld or delayed its consent unreasonably if Tenant has received the non-disturbance agreement provided for above and the requested amendment does not materially (a) alter the economic terms of this Lease, (b) diminish the rights of Tenant under this Lease or (c) increase the obligations of Tenant under this Lease.

19.2 Attornment. If a Facility Mortgagee or Ground Landlord enforces the remedies provided for by law or by a Facility Mortgage or Ground Lease, Tenant shall, at the option of the party succeeding to the interest of Landlord as a result of such enforcement or as a result of a deed or delivery of possession of the Leased Properties in lieu of such enforcement, attorn to such successor and recognize such successor as Landlord under this Lease; provided, however, that such successor in interest shall not (a) be bound by any payment of Rent for more than one (1) month in advance, except for any such advance payments as may be expressly required by this Lease; (b) be bound by any modification of this Lease made without the written consent of the Facility Mortgagee or Ground Landlord or successor in interest; (c) be liable for any act or omission of Landlord; or (d) be subject to any offset or defense arising prior to the date such successor in interest acquired title to the Leased Properties or, in the case of a Ground Landlord, the date on which the Ground Landlord recovered or was given possession of the Leased Properties. Upon request, Tenant shall execute and deliver an instrument or instruments confirming the attornment provided for herein.

19.3 Tenant's Certificate. Tenant shall, upon not less than ten (10) Business Days prior Notice from Landlord, execute, acknowledge and deliver to Landlord Tenant's Certificate containing then-current facts. It is intended that any Tenant's Certificate delivered pursuant hereto may be relied upon by Landlord, any prospective tenant or purchaser of the Leased Properties, any mortgagee or prospective mortgagee and any other party who reasonably may rely on such statement. Tenant's failure to deliver the Tenant's Certificate within such time shall constitute an Event of Default. In addition, if Tenant fails to deliver the Tenant's Certificate within the ten (10) day period referred to above, Tenant hereby authorizes Landlord to execute and deliver a certificate to the effect (if true) that Tenant represents and warrants that (a) this Lease is in full force and effect without modification, and (b) Landlord is not in breach or default of any of its obligations under this Lease.

19.4 Notice and Cure. If a Facility Mortgagee acquires title to one or more of the Leased Properties by way of foreclosure or deed in lieu of foreclosure, then commencing on the date the Facility Mortgagee acquires title, the Facility Mortgagee shall have thirty (30) days within which to cure any default by Landlord under this Lease existing on such date. If the defaults by Landlord are cured during such period, then this Lease shall remain in full force and effect and Tenant shall have no right to terminate this Lease so long as the Facility Mortgagee performs all of the Landlord's subsequent obligations under this Lease. The foregoing rights to cure a Landlord default shall be exercisable in the sole discretion of the Facility Mortgagee, and, the Facility Mortgagee shall have no obligation to cure any default by Landlord.

ARTICLE XX

20.1 Risk of Loss. During the Term, the risk of loss or of decrease in the enjoyment and beneficial use of the Leased Properties in consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than those caused by Landlord and those claiming from, through or under Landlord) is assumed by Tenant, and, in the absence of gross negligence, willful misconduct or material breach of this Lease by Landlord, Landlord in no event shall be answerable or accountable therefor nor shall any of the events mentioned in this Section entitle Tenant to any abatement of Rent.

ARTICLE XXI

21.1 Indemnification. Notwithstanding the existence of any insurance or self-insurance provided for in ARTICLE XIII, and without regard to the policy limits of any such insurance or self-insurance, Tenant shall protect, indemnify, save harmless and defend Landlord and any Facility Mortgagee, and the direct and indirect Affiliates, equity holders, principals, officers, directors and agents and employees of Landlord, any Affiliate and of any Facility Mortgagee, from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses), to the extent permitted by law, imposed upon or incurred by or asserted against any of the foregoing by reason of: (a) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Leased Properties or adjoining sidewalks, including without limitation any claims of malpractice; (b) any use, misuse, non-use, condition, maintenance or repair by Tenant, any Subtenant and their Affiliates of the Leased Properties (including without limitation any violation or alleged violations of the Americans with Disabilities Act); (c) the failure to pay any Impositions that are the obligations of Tenant to pay pursuant to this Lease; (d) any failure on the part of Tenant, any Subtenant and their Affiliates to perform or comply with any of the terms of this Lease and the other Transaction Documents; (e) the management and operation of the Facilities either before or after the Commencement Date; (f) the ownership of the Facilities by Landlord (including any claim by any resident that Landlord was acting for or on behalf of Tenant, any Subtenant or Manager or is otherwise affiliated with any of the foregoing); (g) any obligations that are claimed or asserted related to the Entrance Fees, whether pursuant to any Authorizations, Legal Requirements or the terms of any Residency Agreement (including any failure to properly refund, apply or maintain the Entrance Fees); and (h) the nonperformance of any contractual obligation, express or implied, assumed or undertaken by Tenant or Subtenant or any other party in privity with Tenant with respect to the Leased Properties or any business or other activity carried on with respect to the Leased Properties during the Term or thereafter during any time in which Tenant or any such other party is in possession of the Leased Properties or thereafter to the extent that any conduct by Tenant or any such person (or failure of such conduct thereby if the same should have been undertaken during such time of possession and leads to such damage or loss) causes such loss or claim. Any amounts that become payable by Tenant under this Section shall be paid within ten (10) days of the date of demand, and, if not timely paid, shall bear interest (to the extent permitted by law) at the Overdue Rate from the date of such determination to the date of payment. If Tenant shall have fully paid to Landlord any and all amount due under this Section **Error! Reference source not found.**, Tenant shall be entitled to receive any insurance proceeds relating to such indemnified matter up to the amount paid by Tenant to Landlord. Nothing herein shall be construed as indemnifying either Landlord or any Facility Mortgagee against its own grossly negligent acts or omissions or willful misconduct.

21.2 Survival of Indemnification. Tenant's obligations and liability under this Article shall survive the expiration or any earlier termination of this Lease; provided, however, upon the expiration or earlier termination of this Lease, and the assignment to and assumption by the new operator of the Resident Agreements, Tenant shall not be obligated to indemnify Landlord for obligations of Tenant or Subtenant under the Resident Agreements, including obligations to pay Entrance Fee refunds to the extent first accruing or arising following such termination.

ARTICLE XXII

22.1 General Prohibition against Transfers. Tenant acknowledges that a significant inducement to Landlord to enter into this Lease with Tenant on the terms set forth herein is the combination of financial strength, experience, skill and reputation possessed by Tenant, the Subtenants and the Manager of the Facilities, the Person or Persons in Control of such entities on the Commencement Date, together with Tenant's assurance that Landlord shall have the unrestricted right to approve or disapprove any proposed Transfer. Therefore, there shall be no Transfer except as specifically permitted by this Lease or consented to in advance by Landlord in writing. Tenant agrees that Landlord shall have the right to withhold its consent to any proposed Transfer on the basis of Landlord's judgment as to the effect the proposed Transfer may have on the Facilities and the future performance of the obligations of the Tenant under this Lease, whether or not Tenant agrees with such judgment. Any attempted Transfer that is not specifically permitted by this Lease or consented to by Landlord in advance in writing shall be null and void and of no force and effect whatsoever. In the event of a Transfer, Landlord may collect Rent and other charges from the Transferee and apply the amounts collected to the Rent and other charges herein reserved, but no Transfer or collection of Rent and other charges shall be deemed to be a waiver of Landlord's rights to enforce Tenant's covenants or an acceptance of the Transferee as Tenant, or a release of the Tenant named herein from the performance of its covenants. Notwithstanding any Transfer, Tenant shall remain fully liable for the performance of all terms, covenants and provisions of this Lease. Any violation of this Lease by any Transferee shall be deemed to be a violation of this Lease by Tenant. Notwithstanding the foregoing, the appointment of a new Executive Officer shall not require the consent of Landlord provided that such new Executive Officer:

(i) either:

(1) has previously held for a period of at least two years a similar position with a comparably sized (or larger) operator of skilled nursing facilities which operator has a good reputation in the industry, or has reasonably comparable experience in the health care industry; or

(2) has worked previously as an employee of any Tenant, Entity Guarantor, Manager or their Affiliates in a capacity such that a promotion to an Executive Officer position would be reasonably consistent with the career experiences and within the abilities of the individual; and

(ii) has not, or was not affiliated with any entity which (1) failed to perform in full its obligations under a lease, loan agreement or other credit extension with Omega or any of its Affiliates, or (2) had a license, permit or certificate of need rescinded or revoked and not reinstated; and

(iii) is otherwise reasonably acceptable to Landlord.

22.2 Subordination and Attornment. Tenant shall insert in any sublease permitted by Landlord provisions to the effect that (a) such sublease is subject and subordinate to all of the terms and provisions of this Lease and to the rights of Landlord hereunder, (b) if this Lease terminates

before the expiration of such sublease, the subtenant thereunder will, at Landlord's option, attorn to Landlord and waive any right the subtenant may have to terminate the sublease or to surrender possession thereunder, as a result of the termination of this Lease, and (c) if the subtenant receives a written Notice from Landlord or Landlord's assignee, if any, stating that Tenant is in default under the Lease, the subtenant shall be obligated to pay all rentals accruing under the sublease directly to the party giving such Notice, or as such party may direct, and such payments shall be credited against the amounts owing by Tenant under this Lease.

22.3 Sublease Limitation. Anything contained in this Lease to the contrary notwithstanding, even if a sublease of a Leased Property is permitted, Tenant shall not sublet such Leased Property on any basis such that the rental to be paid by the subtenant thereunder would be based, in whole or in part, on either (a) the income or profits derived by the business activities of the subtenant, or (b) any other formula such that any portion of the sublease rental received by Landlord would fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto. The parties agree that this Section shall not be deemed waived or modified by implication, but may be waived or modified only by an instrument in writing explicitly referring to this Section by number.

22.4 Permitted Sublease. Tenant shall be entitled to sublease any Leased Property in its entirety to an Affiliate of Tenant subject to the satisfaction of the following: (i) Tenant submits an original copy of any such sublease to Landlord for its reasonable approval and written acknowledgment prior to the date of commencement of same, which such sublease shall memorialize that the Subtenant shall be fully liable for the performance of all of the obligations of Tenant under this Lease with respect to such Leased Property; (ii) each Subtenant shall jointly and severally guaranty the obligations of Tenant under the Lease; (iii) Landlord shall be provided security for the performance by each Subtenant of its obligations reasonably satisfactory to Landlord, which security shall include, without limitation, a pledge of the stock of or other membership interest of Tenant in each Subtenant, an assignment of the sublease, and a security interest in Subtenant's assets as required of Tenant pursuant to Section 6.4 hereof; (iv) the sole asset of any such Subtenant shall be its interest in the contemplated sublease and Tenant's Personal Property relating to such Facility(ies); (v) such Subtenant shall be the holder of all relevant Authorizations for the operation of the Facility and (vi) the Subtenant shall be a wholly-owned subsidiary of Tenant. Tenant shall notify Landlord at least thirty (30) days in advance of the date on which Tenant desires to make such sublease. Tenant shall reimburse Landlord for the actual and reasonable legal fees actually incurred by Landlord in connection with Tenant's request. Tenant shall provide Landlord with a copy of the proposed sublease and such information as Landlord reasonably requests concerning the proposed Subtenant to allow Landlord to make an informed judgment as to whether the sublease satisfies the provisions of this Section 22.4 and to obtain the security provided for herein. Tenant and Subtenant also shall be entitled to sublease to, or otherwise dedicate the use of certain space within the Facilities by, providers of services to residents, including but not limited to therapy providers, wellness providers, home health providers and hair salon providers; provided that the aggregate of any such leases shall not exceed [ten percent] (10%) of the square footage with respect to any Leased Property.

ARTICLE XXIII

23.1 Financial Statements and Other Reports and Materials Required by Landlord.
 Tenant shall furnish to Landlord, in paper form and by electronic means satisfactory to Landlord:

(a) Within one hundred five (105) days after the end of each of Tenant's, Subtenants' and any Entity Guarantor's fiscal years: (i) the Financial Statements; (ii) separate financial statements for each of the Facilities that are prepared in accordance with GAAP, except for principles of consolidation; (iii) a variance report comparing actual items of income and expenses to such items as budgeted, together with an explanation of the reason or reasons for each variance of more than five percent (5%) and (iv) an Officer's Certificate stating that no Event of Default or Unmatured Event of Default exists, or if an Event of Default or Unmatured Event of Default exists, specifying all such defaults, the nature thereof, and the steps being taken to remedy the same;

(b) Within forty five (45) days after the end of each of the Financial Statement Entities' quarters, quarterly consolidated Financial Statements, together with an Officer's Certificate stating that (i) no default of any covenant set forth in Section 8 of this Lease exists, or if a default exists, specifying all such defaults, the nature thereof, and the steps being taken to remedy the same; (ii) each Facility that participates in the Medicare program is in compliance with the terms of its Medicare provider agreement and in good standing with the Medicare program; (iii) each Facility that participates in the Medicaid program is in compliance with the terms of its Medicaid provider agreement and in good standing with the Medicaid program; and (iv) the then-current number of licensed and operating beds at each Facility;

(c) Within thirty (30) days after the end of each month, monthly financial reports for each Facility, including detailed statements of income and expense and detailed operational statistics regarding occupancy rates, patient mix and patient rates by type for the Facility, including a rent roll and an aged accounts receivables report in sufficient detail to show amounts due from each class of patient mix (i.e., private, Medicare, Medicaid and Veterans Administration) by the account age classifications of 30 days, 60 days, 90 days, 120 days and over 120 days. Any such monthly reporting shall include a true, complete and correct itemization, properly reconciled with no negative balances, of the Entrance Fees on a per Facility basis including details regarding (i) Residents that have moved out of the Facility during such time period, (ii) the Entrance Fee refund (if any) paid to such Residents, and (iii) the amount of the non-refunded portion of such Entrance Fees (if any) retained by the applicable Subtenant;

(d) Upon Landlord's request, a copy of the most recently filed federal tax return filed by each Individual Guarantor for the applicable tax year;

(e) Within fifteen (15) days of filing a copy of each cost report filed with a Governmental Authority for any Facility and any Disclosure Statement submitted for any Facility;

(f) Within fifteen (15) days of Tenant's, a Subtenant's or Manager's receipt thereof, copies of Medicare and Medicaid Rate Letters and correspondence;

(g) Within fifteen (15) days after they are required to be filed with the SEC, copies of any annual or quarterly report and of information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) that Guarantors, Tenant or Manager is required to file with the SEC pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934;

(h) Within thirty (30) days of Tenant's, any Subtenant's or Manager's receipt thereof, copies of surveys performed by the appropriate Governmental Authorities for licensing or certification purposes, including, without limitation, annual surveys, revisits and complaint surveys, copies of any plans of correction and all related correspondence;

(i) Immediate Notice to Landlord of any action, proposal or investigation by any agency or entity, or complaint to such agency or entity, known to Tenant, a Subtenant or Manager the result of which could be to (i) modify in a way adverse to Tenant, a Subtenant or Manager or revoke or suspend or terminate, or fail to renew or fully continue in effect, any license or certificate or operating authority pursuant to which Tenant or a Subtenant carries on any part of the Primary Intended Use of the Facilities, or (ii) suspend, terminate, adversely modify, or fail to renew or fully continue in effect any cost reimbursement or cost sharing program by any Governmental Authorities, including but not limited to Medicaid or Medicare or any successor or substitute therefor, or seek return of or reimbursement for any funds previously advanced or paid pursuant to any such program, or (iii) impose any bed hold, limitation on patient admission or similar restriction on any Leased Property, or (iv) prosecute any party with respect to the operation of any activity on the Facilities or enjoin any party or seek any civil penalty in excess of One Thousand Dollars (\$1,000.00) in respect thereof;

(j) As soon as it is prepared in each Lease Year, but not later than the last day of the second (2nd) month in each Lease Year (i) a capital and operating budget for the Facilities for that and the following Lease Year (and Tenant shall furnish Landlord with any material alterations or changes to any such previously provided budget promptly upon Tenant's adoption thereof); (ii) a financial plan for the third (3rd) through fifth (5th) Lease Years following the Lease Year in which such plan is prepared; (iii) a marketing plan for that Lease Year

(k) With reasonable promptness, such other information respecting the financial condition and affairs of Tenant, any Guarantor and the Facilities as Landlord reasonably may request from time to time, including, without limitation, any such other information as may be available to the administration of the Leased Properties;

(l) Upon Landlord's request from time to time, such additional information and unaudited quarterly financial information concerning the Leased Properties and Tenant as Landlord may require for its on-going filings with the Securities and Exchange Commission, under both the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, including, but not limited to, 10-Q Quarterly Reports,

10-K Annual Reports and registration statements to be filed by Landlord during the Term of this Lease;

(m) Reserved;

(n) Within fifteen (15) days after the end of each of the Tenant's quarters, copies of utility bills (i.e. gas, electric, water, waste, and other utilities) for each Facility; and

(o) At least fifteen (15) Business Days before the expiration of each license, certificate of authority and permit required for the operation of the Facilities for the Primary Intended Use, evidence satisfactory to Landlord that such license or permit has been unconditionally renewed by the issuer thereof.

23.2 Public Offering Information. Tenant specifically agrees that Landlord may include financial information and information concerning the operation of the Facilities that does not violate the confidentiality of the facility-patient relationship and the physician-patient privilege under applicable laws, in offering memoranda or prospectus, or similar publications in connection with syndications or public offerings of Landlord's securities or interests, and any other reporting requirements under applicable Federal and State Laws, including those of any successor to Landlord. Tenant agrees to provide such other reasonable information necessary with respect to Tenant and the Leased Properties to facilitate a public offering or to satisfy SEC or regulatory disclosure requirements. Upon request of Landlord, Tenant shall notify Landlord of any necessary corrections to information Landlord proposes to publish within a reasonable period of time (not to exceed three (3) days) after being informed thereof by Landlord.

ARTICLE XXIV

Tenant hereby makes the following representations and warranties to Landlord and acknowledges that Landlord is granting the Lease in reliance upon such representations and warranties. Tenant's representations and warranties shall survive the expiration or termination of this Lease and, except to the extent otherwise specifically limited, shall continue in full force and effect, and remain true and correct, until Tenant's obligations hereunder have been performed in full.

24.1 Organization and Good Standing. Each Tenant Entity is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its state of organization. Each Tenant Entity is qualified to do business in and is in good standing under the laws of the State in which the Facility operated by such Tenant Entity is located. Tenant has delivered true and complete copies of the documents, certificates and agreements pursuant to which Tenant and Subtenant is organized to do business (the "Tenant Org Docs"). Attached as Schedule 24.1 is a true and correct copy of an organizational chart illustrating the ownership structure of Tenant and Tenant's direct and indirect owners.

24.2 Power and Authority. Each Tenant Entity has the power and authority to execute, deliver and perform this Lease and the other Transaction Documents. Each Tenant Entity has taken all requisite action necessary to authorize the execution, delivery and performance of such party's obligations under this Lease and the other Transaction Document.

24.3 Enforceability. This Lease and the other Transaction Documents constitute a legal, valid, and binding obligation of each Tenant Entity enforceable in accordance with its terms.

24.4 Consents. Except for the Authorizations, the execution, delivery and performance of this Lease and the other Transaction Documents will not require any consent, approval, authorization, order, or declaration of, or any filing or registration with, any court, any Governmental Authority, or any other Person.

24.5 No Violation. The execution, delivery and performance of this Lease and the other Transaction Document (i) do not and will not conflict with, and do not and will not result in a breach of, any Tenant Org Docs; and (ii) do not and will not violate any order, writ, injunction, decree, statute, rule or regulation applicable to any Tenant Entity or any of the Facilities.

24.6 Financial Statements; Reports and Statements. All Financial Statements delivered to Landlord have been prepared in accordance with GAAP, consistently applied, and fairly represent the financial condition, and accurately set forth in all material respects, as and to the extent required by GAAP, the results of the operations, of the Person and/or the Facility or Facilities for the periods covered thereby, subject to customary year end adjustments consistent with prior years. All reports, statements (financial or otherwise), certificates and other data furnished by or on behalf of and Tenant Entity to Landlord in connection with this Lease and the other Transaction Documents, and all representations and warranties made herein or in any certificate or other instrument delivered in connection herewith and therewith, are true and correct in all material respects and do not omit to state any material fact or circumstance necessary to make the statements contained herein or therein, in light of the circumstances under which they are made, not misleading as of the date of such report, statement, certificate or other data.

24.7 No Default. There is no existing Event of Default or Unmatured Event of Default.

24.8 Adverse Matters. No Tenant Entity nor any of their respective representatives, officers, directors, members, contractors, subcontractors, agents or employees have been disqualified from participating in either the Medicare or Medicaid programs. Without limitation of the foregoing, no Tenant Entity nor any of their respective officers, directors, members or managing employees or other contractors, subcontractors, employees or agents has engaged in any activities that are prohibited under criminal law, or are cause for civil penalties or mandatory or permissive exclusion from Medicare, or any other state health care program. There is no, and there shall continue to be no, threatened, existing or pending revocation, suspension, termination, probation, restriction, limitation or non-renewal affecting any Tenant or any Facility with regard to participation in Medicare, Medicaid or any other Third Party Payor Programs or the applicable Authorizations to which any Tenant Entity or Facility presently or at any time hereafter is/are subject. No Tenant Entity or Affiliate of Tenant: (a) is a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services; (b) has reporting obligations pursuant to any Settlement Agreement entered into with any Governmental Authorities; (c) is the subject of any government payor program investigation conducted by any federal or state enforcement agency; (d) is a defendant in any qui tam or False Claims Act litigation; or (e) has been served with or received any currently effective search warrant or subpoena (except in connection with medical services provided to third-parties who may be

defendants or the subject of investigation into conduct unrelated to the operation of the healthcare businesses conducted by the Tenant Entities or Affiliates of Tenant).

24.9 Certification. Each Subtenant has obtained and holds (or has applied for during the Interim Period) and will continue to hold any and all Authorizations, including, but not limited to, the Facility Provider Agreements, necessary or advisable to operate its Facility(ies) for its Primary Intended Use and to be, and to continue to be, validly licensed and Medicare and Medicaid certified to operate its applicable Facility in accordance with all applicable governmental rules and regulations and the requirements of all applicable Governmental Authorities, including, but not limited to, CMS.

24.10 Facility Provider Agreements; Resident Agreements. Each Subtenant is, and shall continue to be, certified by, and the holder of valid Facility Provider Agreements with Medicare and Medicaid issued by, the applicable Health Departments and/or CMS (or has applied for the same as of the date hereof). Any and all forms of Resident Agreements are in compliance with all Legal Requirements and Authorizations. No escrow requirement has been imposed against any Leased Property pursuant to any Legal Requirement or Authorization.

ARTICLE XXV

25.1 Landlord's Right to Inspect. Tenant shall permit Landlord and its authorized representatives to inspect the Leased Properties and Tenant's books and records pertaining thereto during normal business hours upon reasonable Notice to Tenant (provided that no such reasonable Notice shall be required if an Event of Default has occurred and is continuing hereunder).

25.2 No Waiver. No failure by Landlord to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach hereof, and no acceptance of full or partial payment of Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

25.3 Remedies Cumulative. To the extent permitted by law, each legal, equitable or contractual right, power and remedy of Landlord now or hereafter provided either in this Lease, the Transaction Documents or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy, and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers and remedies.

25.4 Acceptance of Surrender. No surrender to Landlord of this Lease or of the Leased Properties or any part thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Landlord, and no act by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord, shall constitute an acceptance of any such surrender.

25.5 No Merger of Title. There shall be no merger of this Lease or of the leasehold estate created hereby by reason of the fact that the same person, firm, corporation or other entity

may acquire, own or hold, directly or indirectly, (a) this Lease or the leasehold estate created hereby or any interest in this Lease or such leasehold estate, and (b) the fee estate in the Leased Properties.

25.6 No Partnership. Nothing contained in this Lease will be deemed or construed to create a partnership or joint venture between Landlord and Tenant or to cause either party to be responsible in any way for the debts or obligations of the other or any other party, it being the intention of the parties that the only relationship hereunder is that of Landlord and Tenant. In furtherance of the foregoing, neither Tenant, any Subtenant or Manager at any time represent to any Person (including any Person that is or is a prospective party to any Resident Agreement) that Landlord or any Affiliate thereof is affiliated with or otherwise acts for or on behalf of any Subtenant or is responsible for any obligations with respect to any Resident Agreement or any Entrance Fees.

25.7 Conveyance by Landlord. If Landlord or any successor owner of the Leased Properties conveys the Leased Properties other than as security for a debt, and the grantee or transferee of the Leased Property expressly assumes all obligations of Landlord hereunder arising or accruing from and after the date of such conveyance or transfer, Landlord or such successor owner, as the case may be, shall be released from all future liabilities and obligations of Landlord under this Lease arising or accruing from and after the date of such conveyance or other transfer, and all such future liabilities and obligations shall be binding upon the new owner.

ARTICLE XXVI

26.1 Quiet Enjoyment. So long as Tenant pays all Rent as it becomes due and complies with all of the terms of this Lease and performs its obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Leased Properties for the Term, free of any claim or other action by Landlord or anyone claiming by, through or under Landlord, but subject to all to the Permitted Encumbrances and liens, covenants, restrictions, easements, encumbrances and other matters of record consented to by Tenant. Except as otherwise provided in this Lease, no failure by Landlord to comply with the foregoing covenant will give Tenant any right to cancel or terminate this Lease or abate, reduce or make a deduction from or offset against the Rent or any other sum payable under this Lease, or to fail to perform any other obligation of Tenant. Tenant shall, however, have the right, by separate and independent action, to pursue any claim it may have against Landlord as a result of a breach by Landlord of the covenant of quiet enjoyment contained in this Section.

ARTICLE XXVII

27.1 Notices. Any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid, or by hand delivery to the following address:

To Tenant: Senior Living Communities II, LLC
3530 Toringdon Way, Suite 204
Charlotte, NC 28277

Attention: Benjamin Thompson

With a copy to: Robinson, Bradshaw & Hinson, P.A.
600 S. Tryon Street, Suite 2300
Charlotte, NC 28202
Attention: Allen K. Robertson, Esq.

To Landlord: c/o Omega Healthcare Investors, Inc.
303 International Circle, Suite 200
Hunt Valley, MD 21030
Attn.: Vikas Gupta

With a copy to Thompson Coburn LLP
(which shall not 10100 Santa Monica Boulevard Suite 500
constitute notice): Los Angeles, CA 90067
Attn.: Simran S. Bindra

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation that such Notice was received at the number specified above or in a Notice to the sender. If Tenant has vacated the Leased Properties, Landlord's Notice may be posted on the door of a Leased Property.

ARTICLE XXVIII

28.1 Appraisers. If it becomes necessary to determine Fair Market Rent for any purpose under this Lease, the party required or permitted to give Notice of such required determination shall include in the Notice the name of a person selected to act as appraiser on its behalf. Within ten (10) days after such Notice, the party receiving such Notice shall give Notice to the other party of its selection of a person to act as appraiser on its behalf. The appraisers thus appointed, each of whom must be a member of the Appraisal Institute (or any successor organization thereto) and experienced in appraising facilities used for purposes similar to the Primary Intended Use of the Facilities, shall, within forty-five (45) days after the date of the Notice appointing the first appraiser, proceed to appraise the Leased Property or Leased Properties, as the case may be, to determine the Fair Market Rent thereof as of the relevant date (giving effect to the impact, if any, of inflation between the date of their decision and the relevant date); provided, however, that if only one appraiser has been so appointed, or if two appraisers have been so appointed but only one such appraiser has made such determination within fifty (50) days after the date of the Notice appointing the first appraiser, then the determination of such appraiser shall be final and binding upon the parties. To the extent consistent with sound appraisal practice at the time of any such

appraisal, such appraisal shall be made on a basis consistent with the basis on which the Leased Property or Leased Properties were appraised for purposes of determining its fair market value at the time of Landlord's acquisition thereof. If two appraisers have been appointed and have made their determinations within the respective requisite periods set forth above, and if the difference between the amounts so determined does not exceed ten percent (10%) of the lesser of such amounts, then the Fair Market Rent shall be an amount equal to fifty percent (50%) of the sum of the amounts so determined. If the difference between the amounts so determined exceeds ten percent (10%) of the lesser of such amounts, then such two appraisers shall within twenty (20) days appoint a third appraiser. If no such appraiser is appointed within such twenty (20) days or within ninety (90) days of the date of the Notice appointing the first appraiser, whichever is earlier, either Landlord or Tenant may apply to any court having jurisdiction to have such appointment made by such court. Any appraiser appointed by the original appraisers or by such court shall be instructed to determine the Fair Market Rent within forty-five (45) days after appointment of such appraiser. The determination of the appraiser which differs most in terms of dollar amount from the determinations of the other two appraisers shall be excluded, and the average of the remaining two determinations shall be final and binding upon Landlord and Tenant as the Fair Market Rent of the Leased Property or Leased Properties, as the case may be. If the Fair Market Rent is being determined for more than one year, the Fair Market Rent may include such annual increases, if any, as the appraisers determine to be in accordance with the terms of this Lease. Landlord and Tenant shall each pay the fees and expenses of the appraiser appointed by it and each shall pay one-half (1/2) of the fees and expenses of any third appraiser.

28.2 Enforceability. This provision for determining by appraisal shall be specifically enforceable to the extent such remedy is available under applicable law, and any determination hereunder shall be final and binding upon the parties except as otherwise provided by applicable law, and judgment may be entered upon such determination in a court of competent jurisdiction. Landlord and Tenant shall each pay the fees and expenses of the appraiser appointed by it and each shall pay one-half of the fees and expenses of the third appraiser and one-half of all other costs and expenses incurred in connection with each appraisal.

ARTICLE XXIX

29.1 Compliance With Facility Mortgage. Tenant covenants and agrees that it will duly and punctually observe, perform and comply with all of the terms, covenants and conditions (including, without limitation, covenants requiring the keeping of books and records and delivery of Financial Statements and other information) of any Facility Mortgage and that it will not directly or indirectly do any act or suffer or permit any condition or thing to occur, that would or might constitute a default under a Facility Mortgage. Anything in this Lease to the contrary notwithstanding, if the time for performance of any act required of Tenant by the terms of a Facility Mortgage is shorter than the time allowed by this Lease for performance of such act by Tenant, then Tenant shall perform such act within the time limits specified in the Facility Mortgage.

ARTICLE XXX

30.1 Facility Trade Names. If this Lease is terminated after the occurrence of an Event of Default, Tenant shall be deemed to have assigned to Landlord the exclusive right to use the Facility Trade Names in perpetuity in the markets in which the Facilities are located, and Tenant

shall not after any such termination use the Facility Trade Names in any business that competes with the Facilities.

30.2 Transfer of Operational Control of the Facilities.

30.2.1 Tenant acknowledges and agrees that, subject to applicable law, the certificates of need and licenses necessary to operate the Leased Properties for the Primary Intended Use are appurtenant to the Leased Properties, both during and following the expiration or earlier termination of the Term. If the certificates of need or licenses to operate the Leased Properties for the Primary Intended Use are issued to Tenant, the Subtenants or the Manager, Tenant agrees that it will cooperate with Landlord to turn over to Landlord or its designee, upon the expiration or earlier termination of the Term, all of Tenant's rights in connection with the certificate of need and/or licenses.

30.2.2 Upon (i) the expiration or earlier termination of the Term, (ii) the rejection of this Lease in any bankruptcy proceeding, or (iii) upon Landlord's termination of Tenant's right of possession to one or more of the Leased Properties under this Lease, Tenant shall cooperate fully in transferring operational control of the Facilities to Landlord or Landlord's nominee and shall use its good faith efforts to cause the business conducted at the Facility to continue without interruption. Upon the request of Landlord, Tenant shall execute and deliver an Operations Transfer Agreement to Landlord and any new operator identified by Landlord in substantially the same form as the Operations Transfer Agreement attached as Exhibit E. The obligation of Tenant regarding the Operations Transfer Agreement shall survive the rejection or termination of this Lease. To that end, pending completion of the transfer of the operational control of the Facility to Landlord or its nominee:

(a) Tenant will provide all necessary information requested by Landlord or its nominee for the preparation and filing of any and all necessary applications or notifications of any Governmental Authorities having jurisdiction over a change in the operational control of the Facility, and any other information reasonably required to effect an orderly transfer of the Facility, and Tenant will use its best efforts to cause all operating health care licenses to be transferred to Landlord or to Landlord's nominee; and

(b) Tenant shall engage only in transactions or other activities with respect to the Facility that are in the ordinary course of its business and shall perform all maintenance and repairs reasonably necessary to keep the Facility in satisfactory operating condition and repair, and shall maintain the supplies and foodstuffs at levels that are consistent and in compliance with all health care regulations, and shall not sell or remove any personal property except in the ordinary course of business and in accordance with the terms and conditions of this Lease.

30.3 Intangibles and Personal Property. Notwithstanding any other provision of this Lease, but subject to Section 6.4 relating to the security interest in favor of Landlord, Landlord's Personal Property shall not include goodwill nor shall it include any other intangible personal property that is severable from Landlord's "interests in real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto.

ARTICLE XXXI

31.1 Combination of Leases. If Landlord and/or any Affiliate of Landlord are the landlords under both this Lease and any other lease with Tenant or an Affiliate of Tenant as the tenant under such other Lease (the “Other Lease”), Landlord shall have the right, at any time during the Term, by written notice to Tenant, to require that this Lease and such Other Lease (the “Combination Lease”) be combined into a single lease and to require Tenant to execute an amendment to this Lease whereby (i) if this Lease is the Surviving Lease, the Leased Properties covered by the Combination Lease (“Additional Properties”) are added as Leased Properties under this Lease and otherwise merged into this Lease or (ii) if the Combination Lease is the Surviving Lease, the Leased Properties covered by this Lease are added as Leased Properties under the Combination Lease and otherwise merged into the Combination Lease, in each case subject to the terms and conditions of this Article.

31.2 Surviving Lease. References in this Lease to the “Surviving Lease” shall mean and refer to whichever of this Lease or the Combination Lease is chosen by Landlord to be the Surviving Lease.

31.3 Additional Properties. If this Lease is the Surviving Lease, effective as of the date specified in Section 31.5 below (the “Combination Date”), this Lease shall be deemed to be amended as follows:

31.3.1 The Additional Properties shall be included as Leased Properties under this Lease and the appropriate exhibits to this Lease shall be amended to add the addresses and legal descriptions of such Additional Properties.

31.3.2 Base Rent under this Lease shall be the combination of the respective amounts of the Base Rent under this Lease and the Combination Lease.

31.3.3 Any rental escalations that are to be made with respect to the Leased Properties under this Lease shall also be made with respect to the Additional Properties as if such Additional Properties had been Leased Properties under this Lease since the beginning of the Term.

31.3.4 Tenant under this Lease shall be responsible for the payment, performance and satisfaction of all duties, obligations and liabilities arising under the Combination Lease, insofar as they relate to the Additional Properties, that were not paid, performed and satisfied in full prior to the Combination Date, and, without limitation of the foregoing, (i) any Event of Default that had occurred, arisen or accrued under the Combination Lease prior to the Combination Date shall be, and shall be deemed to be, an Event of Default under this Lease, as to which the rights and remedies and other provisions of this Lease shall be applicable, (ii) any breach or default that had occurred, arisen or accrued under the Combination Lease prior to the Combination Date but had not yet become an Event of Default under the Combination Lease as of the Combination Date shall be, and be deemed to be, a breach or default under this Lease, as to which the cure periods, rights and remedies and other provisions of this Lease shall be applicable, and (iii) with respect to any breach or default described in subsection (ii) above, although the cure periods, rights and remedies and other provisions of this Lease shall be applicable, the portion of any cure period

under the Combination Lease that had elapsed as of the Combination Date shall be counted in determining whether and when the applicable cure period under this Lease has expired.

31.3.5 The Additional Properties shall otherwise be incorporated into this Lease as Leased Properties included under this Lease the same as if this Lease, from the inception of the Lease, had included such Leased Properties as Leased Properties hereunder on the rent, lease terms and other economic terms described in the Combination Lease (and, in such regard, any provisions of the Combination Lease that apply particularly, or in a particular manner, to any or all of the Additional Properties shall continue to apply thereto under this Lease (e.g. if an Additional Property is located in a particular jurisdiction and, under the Combination Lease, particular provisions apply thereto on account thereof, such provisions shall continue to apply to such Additional Property under this Lease, as the Surviving Lease)).

31.4 Combination Lease. If this Lease is not the Surviving Lease, effective as of the Combination Date, this Lease shall be amended as necessary (i) to incorporate into the Combination Lease as Leased Properties thereunder the Leased Properties covered by this Lease the same as if the Leased Properties covered by this Lease had, from the inception of this Lease, been included in the Combination Lease as Leased Properties thereunder on the rent, lease terms and other economic terms described in this Lease and (ii) otherwise to comply with the requirements of the Combination Lease, as the Surviving Lease thereunder. Tenant acknowledges and agrees that, without limitation of Section 31.3.4 above, the amendment referenced in this Article shall not result in Tenant being released from any duties, liabilities or obligations that had accrued under this Lease through the Combination Date.

31.5 Combination Date. In the case of any combination of leases pursuant to this Article, such combination shall be effective on the date that is the earlier of (i) the date the required amendments to the Lease and the Combination Lease are fully executed and delivered by the parties thereto and (ii) the date specified in the written notice from Landlord to Tenant requiring a combination of this Lease and the Combination Lease as described above, which date shall be no sooner than ten (10) days, nor later than sixty (60) days, after the date such notice is issued.

31.6 Security; Cross Default and Cross Collateralization. Any such new Tenant or Subtenant shall grant (and its equity owners shall grant) equivalent (in both assets covered and priority of lien) security interests in the assets and equity of such entities as granted under the Transaction Documents with respect to Tenant and any Subtenant, and each of the other Transaction Documents shall be ratified and affirmed by the applicable Affiliates of Tenant and each Subtenant as being in full force and effect after giving effect to the proposed combination.

31.7 Additional Actions. Landlord and each Tenant shall take such actions and execute and deliver such documents, including, without limitation, required amendments to this Lease, the Transaction Documents and the Combination Lease, as are reasonably necessary and appropriate to effectuate fully the provisions and intent of this Article and, in the event any ambiguity, or actual or apparent conflict in the terms or provisions of this Lease and the Combination Lease, arises on account of any combination of leases pursuant to this Article, such ambiguity or conflict shall be resolved by Landlord, in its reasonable discretion.

ARTICLE XXXII

Landlord shall have the right, at any time and from time to time during the Term, by written notice to Tenant, to require Tenant to execute an amendment to this Lease whereby one or more Leased Properties (individually, a “Transferred Property” or collectively, “Transferred Properties”) are separated and removed from this Lease, and simultaneously to execute a substitute lease with respect to such Transferred Properties, on the terms and conditions of this Article.

32.1 New Lease Terms. Landlord and Tenant shall execute a new lease (the “New Lease”) for such Transferred Properties, effective as of the date specified in Section 32.3 below (the “Property Transfer Date”), in the same form and substance as this Lease, but with the following changes thereto:

32.1.1 Base Rent. The initial Base Rent for such Transferred Properties shall be an amount equal to the product of (i) a fraction, the numerator of which is the number of licensed beds in the Transferred Properties, and the denominator is the number of licensed beds in all of the Leased Properties prior to the Property Transfer Date (the “Rent Ratio”), and (ii) aggregate Base Rent in effect under this Lease immediately prior to the Property Transfer Date. Any rental escalations required under this Lease shall be made under the New Lease on the same date and in the same manner as is required under this Lease, in the full amount required as if such Transferred Properties had been under the New Lease for a full year, notwithstanding that the period from the Property Transfer Date to the rent escalation date may be less than one full year.

32.1.2 Liabilities and Obligations. The New Lease shall provide that each Tenant thereunder shall be responsible for the payment, performance and satisfaction of all duties, obligations and liabilities arising under this Lease, insofar as they relate to the Transferred Properties subject to the New Lease, that were not paid, performed and satisfied in full prior to the commencement date of the New Lease (and Tenant under this Lease shall also be responsible for the payment, performance and satisfaction of the aforesaid duties, obligations and liabilities not paid, performed and satisfied in full prior to the commencement date of such New Lease), and shall further provide that the Tenant thereunder shall not be responsible for the payment, performance or satisfaction of any duties, obligations and liabilities of Tenant under this Lease arising after the Property Transfer Date.

32.1.3 Single Leased Property. If the New Lease relates to a single Leased Property, the New Lease shall provide that (i) because, for example, such New Lease may thereafter be amended by agreement of Landlord and Tenant to include one or more other leased properties or such New Lease may thereafter be combined with a Combination Lease pursuant to such New Lease, with such New Lease as the Surviving Lease, Landlord and Tenant under such New Lease have, in creating such New Lease, nevertheless retained in such New Lease references to multiple Leased Properties and provisions and terms that apply to multiple Leased Properties and (ii) without limitation of and subject to such New Lease, for so long as such New Lease relates to a single Leased Property, the aforesaid references to multiple Leased Properties, and the aforesaid provisions and terms applicable to multiple Leased Properties, shall, if the context so requires in light of such New Lease relating to only a single Leased Property, be treated as references to a single Leased Property or as provisions and terms applicable to a single Leased Property.

32.1.4 Deletion of Provisions. At the election of Landlord, any one or more of the provisions of the New Lease pertaining to the REIT status of Landlord may be deleted. In addition, Landlord may delete and eliminate from such New Lease such provisions herein as it elects, provided such deletion and elimination do not materially and adversely affect the Tenant under such New Lease.

32.1.5 Security Deposit/Letter of Credit; Escrow Deposits; Capital Expenditures Deposits. Such New Lease shall contemplate both a security deposit or letter of credit and escrow and capital expenditures deposits in the same manner or fashion as contemplated by this Lease. Such amounts under the New Lease shall initially be funded by Landlord from the Security Deposit held by Landlord and the escrow and capital expenditures deposits held pursuant to this Lease, with the Security Deposit under the New Lease to be equal to the product of (i) the Rent Ratio and (ii) the aggregate Security Deposit held by Landlord under this Lease immediately prior to the Property Transfer Date.

32.2 Amendments to this Lease. Upon execution of such New Lease, and effective as of the Property Transfer Date, this Lease shall be deemed to be amended as follows: (i) the Transferred Properties shall be excluded from the Leased Properties hereunder; and (ii) the Base Rent hereunder shall be reduced by the amount of the Base Rent allocable to the Transferred Properties. Such amendments shall occur automatically and without the necessity of any further action by Landlord or Tenant, but, at Landlord's election, the same shall be reflected in a formal amendment to this Lease, which amendment shall be promptly executed by Tenant.

32.3 Effective Date. Any New Lease shall be effective on the date which is the earlier of: (i) the date the New Lease is fully executed and delivered by the parties thereto and (ii) the date specified in the written notice from Landlord to Tenant requiring a New Lease as described above, which date shall be no sooner than ten (10) days, nor later than sixty (60) days, after the date such notice is issued.

32.4 Security; Cross Default and Cross Collateralization. Any New Lease shall be secured by equivalent security interests in the assets and equity of the new Tenant, any Subtenant and their Affiliates as granted under the Transaction Documents with respect to Tenant and any Subtenant. At the election of Landlord, the New Lease shall be cross defaulted and cross collateralized with this Lease. Each of the other Transaction Documents shall be ratified and affirmed by the applicable Affiliates of Tenant and each Subtenant as being in full force and effect after giving effect to the proposed combination

32.5 Other Undertakings. Tenant shall take such actions and execute and deliver such documents, including without limitation the New Lease and new or amended Transaction Documents and, if requested by Landlord, an amendment to this Lease, as are reasonably necessary and appropriate to effectuate fully the provisions and intent of this Article, and Landlord shall execute and deliver such new or amended Transaction Documents as are reasonably necessary and appropriate to effectuate fully the provisions and intent of this Article and an amendment of this Lease in accordance with Section 32.2 above, as applicable.

ARTICLE XXXIII

33.1 Commissions. Tenant represents and warrants to Landlord that no real estate commission, finder's fee or the like is due and owing to any person in connection with this Lease. Tenant agrees to save, indemnify and hold Landlord harmless from and against any and all claims, liabilities or obligations for brokerage, finder's fees or the like in connection with this Lease or the transactions contemplated hereby, asserted by any person on the basis of any statement or act alleged to have been made or taken by Tenant.

ARTICLE XXXIV

34.1 Memorandum or Short Form of Lease. Landlord and Tenant shall, promptly upon the request of either, enter into a Memorandum or Short Form of this Lease, substantially in the form of attached Exhibit F, with such modifications as may be appropriate under the laws and customs of the States and in the customary form suitable for recording under the laws of each of the States. Tenant shall pay all costs and expenses of recording such memorandum or short form of this Lease.

ARTICLE XXXV

35.1 Security Deposit. Concurrently with Tenant's execution of this Lease, Tenant shall deliver to Landlord a security deposit in the amount of _____ Dollars (\$ _____), in the form of one or more absolute, unconditional site draft letters of credit for a term of one (1) year (renewable automatically) issued by an "A" rated financial institution ("Security Deposit"), which Landlord shall hold as security for the full and faithful performance by Tenant of each and every term, provision, covenant and condition of this Lease in accordance with, and subject to, the terms and conditions of the Letter of Credit Agreement. On the first day of the second and each subsequent Lease Year, the amount of the Security Deposit shall increase to an amount equal to three (3) months' Base Rent payable during such Lease Year and Tenant shall deliver an additional or replacement letter of credit (or, at Landlord's option, cash) in compliance with the terms of the Letter of Credit Agreement in the amount of such increase. If at any time the Security Deposit is in the form of cash, such amounts shall be held in an interest-bearing account, and Tenant shall be entitled to any interest on the Security Deposit commensurate with the rate of interest provided by Landlord to deposits held on behalf of similarly situated tenants (which interest shall continue to accrue and be deemed to be part of the Security Deposit) and Landlord may commingle the Security Deposit with its other funds. The Security Deposit shall not be considered an advance payment of Rent (or of any other sum payable to Tenant under this Lease) or a measure of Landlord's damages in case of a default by Tenant. The Security Deposit shall not be considered a trust fund, and Tenant expressly acknowledges and agrees that Landlord is not acting as a trustee or in any fiduciary capacity in controlling or using the Security Deposit. Landlord shall have no obligation to maintain the Security Deposit separate and apart from Landlord's general and/or other funds. The Security Deposit, less any portion thereof applied as provided in the Letter of Credit Agreement or Section 35.2, shall be returned to Tenant within ninety (90) days following the expiration of the Term.

35.2 Application of Security Deposit. If Tenant defaults in respect of any of the terms, provisions, covenants and conditions of this Lease or of any agreement or instrument with which

this Lease is cross-defaulted, including, but not limited to, payment of any Rent and other sums of money payable by Tenant, Landlord may, but shall not be required to, in addition to and not in lieu of any other rights and remedies available to Landlord, apply all or any part of the Security Deposit to the payment of any sum in default, or any other sum that Landlord may expend or be required to expend by reason of Tenant's default, including but not limited to, any damages or deficiency in reletting the Leased Properties. Whenever, and as often as, Landlord has applied any portion of the Security Deposit to cure Tenant's default hereunder or under any agreement with which this Lease is cross-defaulted, Tenant shall, within ten (10) days after Notice from Landlord, deliver a new letter of credit meeting the requirements of the Letter of Credit Agreement to Landlord (or, at Landlord's option, deposit additional money with Landlord) sufficient to restore the Security Deposit to the full amount then required to be deposited with Landlord pursuant to Section 35.1 above, and Tenant's failure to do so shall constitute an Event of Default without any further Notice.

35.3 Transfer of Security Deposit. If Landlord transfers its interest under this Lease, Landlord shall assign the Security Deposit to the new landlord and thereafter Landlord shall have no further liability for the return of the Security Deposit, and Tenant agrees to look solely to the new landlord for the return of the Security Deposit. The provisions of the preceding sentence shall apply to every transfer or assignment of Landlord's interest under this Lease. Tenant agrees that it will not assign or encumber or attempt to assign or encumber the Security Deposit and that Landlord, its successors and assigns may return the Security Deposit to the last Tenant in possession at the last address for which Notice has been given by such Tenant and that Landlord thereafter shall be relieved of any liability therefor, regardless of one or more assignments of this Lease or any such actual or attempted assignment or encumbrances of the Security Deposit.

ARTICLE XXXVI

36.1 General REIT Provisions. Tenant understands that, in order for Landlord or one or more of its' Affiliates, or any successor Affiliate that is a real estate investment trust (a "REIT Affiliate") to qualify as a real estate investment trust, certain requirements (the "REIT Requirements") must be satisfied, including the provisions of Section 856 of the Internal Revenue Code of 1986, as amended. Accordingly, Tenant agrees, and agrees to cause its Affiliates, permitted subtenants, if any, and any other parties subject to its control by ownership or contract, to reasonably cooperate with Landlord to ensure that the REIT Requirements are satisfied, including providing Landlord or any REIT Affiliate with information about the ownership of Tenant and its Affiliates. Tenant agrees, and agrees to cause its Affiliates, upon request by Landlord or any REIT Affiliate, to take all action reasonably necessary to ensure compliance with the REIT Requirements so long as the same are not at any material cost or expense to Tenant. In illustration of the foregoing, Tenant recognizes and acknowledges that avoiding (a) the loss of REIT status, (b) the receipt of any income derived under any provision of this Lease that does not constitute "rents from real property" (in the case of real estate investment trusts), and (c) the imposition of income, penalty or similar taxes (each a "REIT Adverse Event") is of material concern to Landlord and any REIT Affiliate. In the event that this Lease or any document contemplated hereby could, in the opinion of counsel to Landlord, result in or cause an Adverse Event, Tenant agrees to cooperate with Lessor in negotiating an amendment or modification thereof and shall at the request of Lessor execute and deliver such documents reasonably required to effect such amendment or modification so long as the same are not at any material cost or expense to Tenant. Any amendment or modification shall be structured so that the economic

results to Landlord and Tenant shall be substantially similar to those set forth in this Lease without regard to such amendment or modification. Without limiting any of Landlord's other rights pursuant to this provision, Landlord may waive the receipt of any amount payable to Landlord hereunder and such waiver shall constitute an amendment or modification of this Lease with respect to such payment.

ARTICLE XXXVII

37.1 Survival, Choice of Law. Anything contained in this Lease to the contrary notwithstanding, all claims against, and liabilities of, Tenant or Landlord arising prior to the date of expiration or termination of this Lease shall survive such expiration or termination. If any term or provision of this Lease or any application thereof is held invalid or unenforceable, the remainder of this Lease and any other application of such term or provisions shall not be affected thereby. If any late charge or any interest rate provided for in any provision of this Lease based upon a rate in excess of the maximum rate permitted by applicable law, such charges shall be fixed at the maximum permissible rate. Neither this Lease nor any provision hereof may be changed, waived, discharged or terminated except by an instrument in writing and by Landlord, Tenant and, to the extent required by any Facility Mortgage, by the applicable Facility Mortgagee. All the terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. This Lease shall be governed by and construed in accordance with the laws of the state of Maryland, except as to (i) those matters relating to the enforcement or exercise of any possessory or summary remedies of Landlord under this Lease, which shall be governed by the law of the applicable state where the Facility is located and (ii) matters which, under applicable procedural conflicts of laws rules require the application of laws of another State.

TENANT CONSENTS TO IN PERSONAM JURISDICTION BEFORE THE STATE AND FEDERAL COURTS OF THE STATES OF MARYLAND AND EACH STATE IN WHICH A FACILITY IS LOCATED, AND AGREES THAT ALL DISPUTES CONCERNING THIS AGREEMENT BE HEARD IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATES OF MARYLAND OR EACH STATE IN WHICH A FACILITY IS LOCATED. TENANT AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED UPON IT UNDER ANY METHOD PERMISSIBLE UNDER THE LAWS OF THE STATES OF MARYLAND OR EACH STATE IN WHICH A FACILITY IS LOCATED AND IRREVOCABLY WAIVES ANY OBJECTION TO VENUE IN THE STATE AND FEDERAL COURTS OF THE STATES OF MARYLAND OR EACH STATE IN WHICH A FACILITY IS LOCATED.

37.2 MUTUAL WAIVER OF RIGHT TO JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO: (i) THIS LEASE, OR ANY OF THE TRANSACTION DOCUMENTS; OR (ii) ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN OR AMONG THEM; OR (iii) ANY CONDUCT, ACTS OR OMISSIONS OF ANY PARTY HERETO OR ANY OF THEIR DIRECTORS, TRUSTEES, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH THEM; IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

37.3 Limitation on Recovery. Tenant specifically agrees to look solely to Landlord's interest in the Leased Properties for recovery of any judgment from Landlord, it being specifically agreed that no constituent shareholder, officer or director of Landlord shall ever be personally liable for any such judgment or for the payment of any monetary obligation to Tenant. Furthermore, Landlord (original or successor) shall never be liable to Tenant for any indirect or consequential damages suffered by Tenant from whatever cause.

37.4 Limitation of Landlord's Liability. Landlord, its agents, and employees, will not be liable for any loss, injury, death, or damage (including consequential damages) to persons, property, or Tenant's business occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition, order of governmental body or authority, fire, explosion, falling objects, steam, water, rain or snow, leak or flow of water (including water from the elevator system), rain or snow from the Leased Property or into the Leased Property or from the roof, street, subsurface or from any other place, or by dampness or from the breakage, leakage, obstruction, or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures of the Leased Property, or from construction, repair, or alteration of the Leased Property or from any acts or omissions of any other occupant or visitor of the Leased Property, or from any other cause, except to the extent such any such loss, injury, death, or damage is caused by the gross negligence or willful misconduct of Landlord, its Affiliates or its agents as determined by a court of competent jurisdiction in the final, non-appealable judgment.

37.5 Multiple Entities Comprising Tenant. If Tenant consists of more than one entity, then all entities comprising Tenant shall be jointly and severally liable for the all of the obligations of Tenant under this Lease.

37.6 Waivers. Tenant waives any defense by reason of any disability of Tenant, and waives any other defense based on the termination of Tenant's (including Tenant's successor's) liability from any cause. Tenant waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance, and waives all notices of the existence, creation, or incurring of new or additional obligations.

37.7 Consents. Whenever the consent or approval of Landlord is required hereunder, Landlord may in its sole discretion and without reason withhold that consent or approval unless otherwise specifically provided.

37.8 Tenant to Pay Reasonable Expenses. Tenant shall pay or reimburse Landlord for all reasonable costs and expenses incurred by Landlord in connection with or relating in any way to the administration of this Lease, including without limitation, search costs, audit fees, appraisal fees, attorneys' fees, and other costs paid or incurred by Landlord in the analysis, administration and enforcement of this Lease and the other Transaction Documents, the protection and defense of the rights of Landlord in and to the Leased Properties, the Collateral and the other Transaction Documents, or as otherwise referred to in this Lease or in the other Transaction Documents, and all costs and expenses relating to extensions, amendments, waivers, or consents requested by Tenant, pursuant to this Lease or any other Transaction Document or any agreements with other parties or termination of this Lease (collectively, "Reasonable Expenses"). All Reasonable Expenses for which Tenant is liable shall be reasonably documented in a manner that generally describes the services rendered, disbursements advanced, or fees charged or any other amounts for

which any party is or may be obligated pursuant to the terms of this Lease or any other Transaction Document, it being understood and agreed that certain documentation may be redacted to exclude confidential or strategic information. All such Reasonable Expenses shall be due on demand; provided, however, that so long as no Event of Default has occurred hereunder, Reasonable Expenses incurred after the date of this Lease which are unrelated to the closing shall be paid on or before the earlier of (i) 30 days following written notice thereof to Tenant or (ii) the date of expiration or earlier termination of this Lease. Any Reasonable Expenses not paid when due shall bear interest at the Overdue Rate.

37.9 Counterparts. This Lease may be executed in separate counterparts, each of which shall be considered an original when each party has executed and delivered to the other one or more copies of this Lease.

37.10 Options Personal. The renewal options and purchase option granted to Tenant in this Lease are granted solely to Tenant and are not assignable or transferable except in connection with a Transfer permitted in ARTICLE XXII.

37.11 Right of Setoff. In addition to and not in limitation of any other right or remedy under this Lease and the other Transaction Documents, Lessor may without prior notice to any person set off any sum or obligation (whether or not arising under this Lease) owed by Tenant or any Affiliate of Tenant to Landlord or any Affiliate of Landlord against any sum or obligation (whether or not arising under this Lease) owed by Landlord or any Affiliate of Landlord to Tenant or any Affiliate of Tenant.

37.12 Rights Cumulative. Except as provided herein to the contrary, the respective rights and remedies of the parties specified in this Lease shall be cumulative and in addition to any rights and remedies not specified in this Lease.

37.13 Entire Agreement. There are no oral or written agreements or representations between the parties hereto affecting this Lease. This Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, agreements and understandings, if any, between Landlord and Tenant.

37.14 Amendments in Writing. No provision of this Lease may be amended except by an agreement in writing signed by Landlord, Tenant and, to the extent required by any Facility Mortgage, by the applicable Facility Mortgagee.

37.15 Severability. If any provision of this Lease or the application of such provision to any person, entity or circumstance is found invalid or unenforceable by a court of competent jurisdiction, such determination shall not affect the other provisions of this Lease and all other provisions of this Lease shall be deemed valid and enforceable.

37.16 Time of the Essence. Time is of the essence with respect to all provisions of this Lease of which time is an element.

37.17 Electronic Versions of Documents. The exchange of copies of this Lease (and any amendment thereto) and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the

worldwide web), by electronic mail in "portable document format" (".pdf" format), or by any other electronic means (each an “Electronic Signature”) intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Lease (and any amendment thereto) as to the parties and may be used in lieu of an original Lease (and any amendment thereto) for all purposes. Electronic Signatures of the parties transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes. Any signature (including any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record) hereto or to any other certificate, agreement or document related to this transaction, and any contract formation or record-keeping through electronic means shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including Electronic Signatures in Global and National Commerce Act (15 U.S.C. Sec. 7001 et seq.), the Uniform Electronic Transactions Act, or any other Legal Requirement relating to or enabling the creation, execution, delivery, or recordation of any contract or signature by electronic means. Notwithstanding anything to the contrary contained in this Section 37.17, Tenant shall provide the Tenant’s handwritten original signature to this Lease (and any amendment hereto) concurrently with or as soon as reasonably practicable following the effective date of this Lease (or any applicable amendment hereto).

ARTICLE XXXVIII

38.1 Option to Purchase Initial Facility. In consideration of the execution of this Lease, subject to the terms and conditions set forth below, Landlord hereby grants to Tenant the option (the “Purchase Option”) to buy the Option Property (as that term is defined below) in accordance with, and subject to the terms and conditions of, this Article. The Purchase Option may be exercised only with respect to all of the Option Property, and may not be exercised in part or with respect to less than all the Option Property.

38.2 Option Property. The “Option Property” means all of Landlord’s right, title and interest in the Initial Facility, excluding the following items:

38.2.1 all tradenames and trademarks related to the corporate name of Landlord and related tradenames and trademarks; cash, general intangibles (other than (i) permits, licenses, approvals and authorizations issued, granted or given for the benefit of the Facilities by or under the authority of any federal, state or local governmental or quasi-governmental agency, authority, official or tribunal that may be assigned without cost or consent and (ii) rights to payments, reimbursements, or refunds from the United States, any State, any insurer, municipality, public utility or other agency, individual or entity, including without limitation, real estate and personal property tax refunds, payments, reimbursements and deposits with respect to the Facilities, each to the extent that such rights to payments, reimbursements, refunds or deposits relate to expenses paid or services rendered by Tenant or Manager during the Term), accounts, accounts receivable, deposits (including, without limitation, bank and demand deposit accounts), insurance policies, and contract rights of the Landlord, other than any accounts, accounts receivable, deposits, policies or rights relating to expenses paid or services rendered by Tenant or Manager during the Term;

38.2.2 books, records and financial statements of Landlord;

38.2.3 rights to payments, reimbursements or refunds from the United States of America, any State, or municipality relating to income taxes paid by Landlord;

38.2.4 all permits, licenses, approvals and authorizations issued, granted or given by or under the authority of any federal, state or local governmental or quasi-governmental agency, authority, official or tribunal which are not assignable, for which consent to assignment is not obtained, or for which an assignment will cause Landlord to incur costs (unless Tenant agrees to bear such costs on Landlord's behalf); and

38.2.5 actions, suits, claims, rights and choses in action, instruments, promissory notes, and documents owned by Landlord.

38.3 Exercise of Purchase Option. Tenant may exercise the Purchase Option at any time following the first day of the sixth (6th) Lease Year and prior to the first day of the ninth (9th) Lease Year (such period, the "Option Window"); provided, however, that Tenant may not exercise the Purchase Option at any time (a) when an Event of Default or Unmatured Event of Default has occurred and is continuing or would result after giving effect to the release of the Option Property from the terms hereof. Tenant shall exercise the option by delivering Notice thereof to Landlord, together with a non-refundable deposit in the amount of _____ (the "Option Deposit"). The Option Deposit shall be deemed to be fully earned by Landlord upon Landlord's receipt thereof, and shall only be returned to Tenant under certain circumstances as more particularly set forth below.

38.4 Option Price. If Tenant exercises its option to purchase the Option Property as set forth in this Lease, the purchase price for the Option Property (the "Option Purchase Price") to be paid by Tenant shall be an amount equal to

If the Purchase Option is not exercised during the sixth (6th) Lease Year, then in each of the seventh (7th) Lease Year and the eighth (8th) Lease Year, the Option Purchase Price Floor shall increase by two and one-half percent (2.5%) compared with the immediately preceding year. The Option Purchase Price shall be payable by Tenant in immediately available funds at closing. Both the Option Deposit and any amount of a cash Security Deposit actually held by Landlord shall be applied against the Option Purchase Price at closing.

38.5 Option Transaction Costs. Property taxes, utility costs and other items typically prorated between a seller and buyer at a sale closing will not be prorated but will continue to be the obligation of Tenant. At the Purchase Option Closing of the Purchase Option, Tenant shall pay all costs of Purchase Option Closing, including but not limited to, (i) Landlord's attorney's fees, (ii) any state, county or city documentary / transfer tax (if any), (iii) any filing or recording fees, (iv) the cost of the Title Policy and any title endorsements or extended coverages for the Title

Policy, (v) Tenant's attorney's fees, (vi) all escrow or other closing fees, and (vii) the cost of any due diligence.

38.6 Fair Market Value Determination. The Fair Market Value of the Option Property shall be such amount as may be agreed upon by Landlord and Tenant; provided, however, in the event Landlord and Tenant are unable to agree after negotiating in good faith for a period of fifteen (15) days upon the Fair Market Value of the Option Property, then the Fair Market Value of the Option Property shall be determined by an appraiser whom must be a member of the Appraisal Institute (or any successor organization thereto), as may be selected by Landlord. Landlord shall give Tenant notice of the identity of such appraiser. Landlord shall cause such appraiser to determine the Fair Market Value as of the relevant date and, absent Tenant's selection of a second appraiser within the time permitted and otherwise pursuant to the provisions of this Section, the determination of such appraiser shall be final and binding upon the parties. A written report of such appraiser shall be delivered and addressed to each of Landlord and Tenant. To the extent consistent with sound appraisal practice as then existing at the time of any such appraisal, an appraisal of Fair Market Value for purposes of this **Error! Reference source not found.** shall take into account and shall give appropriate consideration to the sales comparison approach and the income approach (the cost approach shall not be considered), and neither method or approach shall be deemed conclusive. This provision for determination by appraisal shall be specifically enforceable to the extent such remedy is available under applicable law, and any determination hereunder shall be final and binding upon the parties except as otherwise provided by applicable law. Landlord and Tenant shall each pay one-half (1/2) of the fees and expenses of the appraiser and one-half (1/2) of all other costs and expenses incurred in connection with such appraisal. If Tenant does not accept the choice of the appraiser selected by Landlord as provided above, then the following shall apply:

38.6.1 Within ten (10) days after Tenant's receipt of Landlord's selected appraiser, Tenant shall by notice to Landlord appoint a second appraiser meeting the requirements set forth above to act on its behalf. In such event, the appraisers thus appointed shall, within fifteen (15) days after the date of Landlord's notice of its originally selected appraiser, proceed to determine the Fair Market Value as of the relevant date; provided, however, that if Tenant fails to appoint its appraiser within the time permitted, or if two appraisers shall have been so appointed but only one such appraiser shall have made such determination within such thirty (30) day period, then the determination of such sole appraiser shall be final and binding upon the parties.

38.6.2 If the two appraisers shall have been appointed and shall have made their determinations within the respective requisite periods set forth above and if the difference between the amounts so determined shall not exceed ten percent (10%) of the lesser of such amounts, then the Fair Market Value of the Option Property shall be an amount equal to average of the two appraisals. If the difference between the amounts so determined shall exceed ten percent (10%) of the lesser of such amounts, then such two appraisers shall have five (5) days to appoint a third independent appraiser meeting the above requirements.

38.6.3 Following the determination by the third appraiser described above (if applicable), the determination of the appraiser which differs most in terms of dollar amount from the determinations of the other two appraiser s shall be excluded, and the average of the remaining two determinations shall be final and binding upon Landlord and Tenant as the Fair Market Value

of the Option Property. This provision for determination by appraisal shall be specifically enforceable to the extent such remedy is available under applicable law, and any determination hereunder shall be final and binding upon the parties except as otherwise provided by applicable law.

38.6.4 If the foregoing two (2) or three (3) appraiser system is utilized, then Landlord and Tenant shall each pay the fees and expenses of the appraiser appointed by it and each shall pay one-half (1/2) of the fees and expenses of any third appraiser.

38.7 Following the appraiser(s) determination of the Fair Market Value of the Option Property, Tenant shall have five (5) days to revoke its exercise of the Purchase Option, in which case the Option Deposit shall be returned to Tenant.

38.8 Brokers. Landlord and Tenant each represent to the other that it has dealt with no brokers or finders in connection with this Purchase Option and each shall indemnify, defend and hold the other party hereto harmless from any claim whatsoever (including without limitation, reasonable attorneys' fees, court costs and costs of appeal) from anyone claiming by or through the indemnifying party any fee, commission or compensation on account of this Agreement, its negotiation or the sale hereby contemplated.

38.9 Purchase Option Closing. The consummation of the transaction contemplated by the Purchase Option (the "Purchase Option Closing") shall occur on a date agreed to by Landlord and Tenant that is no later than the 60th day after Tenant exercises the Purchase Option (the "Purchase Option Closing Date"). The Purchase Option Closing shall take place at the offices of the title company issuing the Title Policy, or at such other place as is mutually acceptable to Landlord and Tenant. The Purchase Option Closing shall take place through a so-called "Mail-Away" closing, it being understood that neither Landlord nor Tenant nor their respective counsel need be physically present at the Purchase Option Closing so long as all documents that are required to be delivered at the Purchase Option Closing are fully executed, delivered in escrow to the escrow agent and available on the date of Closing. If the Purchase Option has been exercised during the Option Window, but the Purchase Option Closing has not yet occurred as of the end of the Term, the Option Window shall be automatically extended until the Purchase Option Closing Date.

38.10 Conveyance(s); State of Title; Title Insurance. On the Purchase Option Closing Date, Landlord shall, upon receipt from Tenant of the Option Purchase Price, together with full payment of any unpaid Rent due and payable with respect to any period (prorated on a per diem basis, if appropriate) ending on or before the Purchase Option Closing Date, deliver to Tenant: (1) a deed(s) conveying the Land underlying the Facilities and warranting only that Landlord has committed no act by which the Land has been encumbered except as set forth in instruments recorded in the real estate records of the applicable recording office, and (2) a bill of sale for that portion of the Option Property that is personal property, which bill of sale shall be delivered without warranty or recourse of any kind. The deed and bill of sale shall in any event be subject to the following:

38.10.1 This Lease, the Subleases, and all real estate taxes, assessments, water charges, requirements of municipal or other governmental authorities, or other covenants,

agreements, matters or things which are the obligation of Tenant to pay, comply with, conform to or discharge under the provisions of this Lease;

38.10.2 All liens, encumbrances, violations, charges or conditions that are due to any act or omission of Tenant;

38.10.3 building and use restrictions and easements, rights of way and similar matters;

38.10.4 the general printed exceptions contained in the extended coverage title policy provided that Landlord shall provide such affidavits or other assurances reasonably requested by the title company to remove such general printed exceptions, all recorded encumbrances to title set forth

38.10.5 in the Title Policy, and all other exceptions and limitations disclosed in the Title Commitment and not objected to by Tenant;

38.10.6 all matters shown on any existing survey or survey requested by Tenant of the Option Property.

Within fourteen (14) days after the exercise of the Purchase Option by Tenant, Tenant shall order a title commitment (the “Title Commitment”) for the real estate portion of the Option Property. If, within ten (10) days of the receipt of the Title Commitment, Tenant determines that the matters listed in the Title Commitment are not acceptable to Tenant, then Tenant shall provide Landlord with a written list of Tenant’s objections to title (the “Objections”); provided, however, that Tenant shall have no right to object to any of the matters listed in paragraphs (.1), (.2) and (.3) above. If Landlord is unable or unwilling to eliminate one or more of the Objections, then Tenant may either (1) proceed to close and, by doing so, waive any such Objections that Landlord is unable or unwilling to eliminate; or (2) terminate this Purchase Option by written notice to Landlord, in which case Tenant shall be entitled to a return of the Option Deposit; provided, however, that Landlord shall be obligated to remove any financial encumbrances placed on the Option Property by or through Landlord and all judgment or involuntary liens on the Option Property that secure obligations of Landlord not arising from a failure of Tenant to perform its obligations under this Lease and the other Transaction Documents. At closing, Landlord shall deliver to Tenant standard owner’s policies of title insurance (the “Title Policy”) with respect to the real estate. The cost of the Title Policy and any endorsements to it shall be paid by Tenant.

38.11 Tenant Acknowledgment. TENANT ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY PROVIDED IN THIS ARTICLE AND AS MAY BE EXPRESSLY SET FORTH IN THE CLOSING DOCUMENTS DELIVERED BY LANDLORD IN CONNECTION WITH THE PURCHASE OPTION CLOSING, LESSOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (I) VALUE; (II) THE INCOME TO BE DERIVED FROM THE OPTION PROPERTY; (III) THE SUITABILITY OF THE OPTION PROPERTY FOR ANY AND

ALL ACTIVITIES AND USES WHICH TENANT MAY CONDUCT THEREON, INCLUDING THE POSSIBILITIES FOR FUTURE DEVELOPMENT; (IV) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE OPTION PROPERTY; (V) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE OPTION PROPERTY; (VI) THE NATURE, QUALITY OR CONDITION OF THE OPTION PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (VII) THE COMPLIANCE OF OR BY THE OPTION PROPERTY OR THEIR OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (VIII) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY; (IX) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS, INCLUDING BUT NOT LIMITED TO, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U. S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C. F. R., PART 261, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, THE TOXIC SUBSTANCE CONTROL ACT, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING; (X) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE OPTION PROPERTY; (XI) THE CONTENT, COMPLETENESS OR ACCURACY OF THE DUE DILIGENCE MATERIALS OR PRELIMINARY REPORT REGARDING TITLE; (XII) THE CONFORMITY OF THE IMPROVEMENTS TO ANY PLANS OR SPECIFICATIONS FOR THE PROPERTY, INCLUDING ANY PLANS AND SPECIFICATIONS THAT MAY HAVE BEEN OR MAY BE PROVIDED TO TENANT; (XIII) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (XIV) DEFICIENCY OF ANY UNDERSHORE; (XV) DEFICIENCY OF ANY DRAINAGE; (XVI) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; OR (XVII) WITH RESPECT TO ANY OTHER MATTER. TENANT FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO OCCUPY AND INSPECT THE OPTION PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING IT, TENANT IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE OPTION PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY LESSOR. TENANT FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION MADE AVAILABLE TO TENANT OR PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF LESSOR WITH RESPECT TO THE OPTION PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT LESSOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. LESSOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF,

FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. TENANT FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE OPTION PROPERTY AND AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT LESSOR HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS EXCEPT AS MAY OTHERWISE BE EXPRESSLY STATED HEREIN. TENANT REPRESENTS, WARRANTS AND COVENANTS TO LESSOR THAT, EXCEPT FOR LESSOR'S EXPRESS REPRESENTATIONS AND WARRANTIES SPECIFIED IN THIS AGREEMENT AND IN THE INSTRUMENTS TO BE DELIVERED AT CLOSING, TENANT IS RELYING SOLELY UPON TENANT'S OWN INVESTIGATIONS.

38.12 Default; Remedies. In the event that either party hereunder fails to perform their respective duties or obligations under this Article, the other party shall give Notice thereof and, if the nonperforming Party fails to remedy such default within a ten (10) day period, the performing party's remedies shall be as follows: (i) Tenant may terminate this Purchase Option and the Deposit shall be returned to Tenant; or pursue an action for specific performance and (ii) Landlord's sole and exclusive remedy shall be to retain the Deposit as full liquidated damages, and not as a penalty, the parties hereby acknowledging Landlord's actual damages will be difficult, if not impossible, to calculate under the circumstances, and Landlord hereby waiving and releasing any right to pursue any other remedy hereunder, at law, in equity or otherwise, including without limitation the remedies of specific performance and damages. In no event will any default hereunder result in the termination of the Lease.

38.13 Assignments. Tenant shall have no right to assign the Purchase Option, or any interest therein, without Landlord's consent, which may be withheld in Landlord's sole discretion, except no later than ten (10) days prior to closing of the Purchase Option, Tenant may assign to an entity(ies) owned or controlled by the principals of Tenant that are formed to take title to the Option Property.

38.14 Lease Termination. Effective upon the closing of Landlord's sale of the Option Property to Tenant, this Lease will automatically terminate. Notwithstanding such termination, those provisions of this Lease which by their terms survive the termination of the Lease shall survive the termination of the Lease.

SIGNATURE PAGES FOLLOW

Signature Page to
MASTER LEASE
(SLC II)

IN WITNESS WHEREOF, the parties have executed this Master Lease by their duly authorized officers as of the date first above written.

LANDLORD:

OHI Asset (NJ) Bridgewater LLC,
a Delaware limited liability company

By: _____
Name: Vikas Gupta
Title: Chief Investment Officer

THE STATE OF MARYLAND)
)
COUNTY OF BALTIMORE)

This instrument was acknowledged before me on _____, 2025, by Vikas Gupta, the Chief Investment Officer of the above listed limited liability companies, on behalf of such limited liability companies.

Notary Public

$$(SLC\ II)$$

TENANT:

a North Carolina limited liability company

Title: Manager

COUNTY OF _____)

company, on behalf of such company.

Notary Public

MASTER LEASE
(*SLC II*)

LIST OF EXHIBITS AND SCHEDULES TO LEASE

Exhibits A –	Facility Trade Names
Exhibits B-1 through B-__ –	Description of Land
Exhibit C –	Permitted Encumbrances
Exhibit D –	Form of Tenant’s Certificate
Exhibit E –	Form of Operations Transfer Agreement
Exhibit F –	Form of Memorandum and Short Form of Lease
Schedule 1	List of Landlords
Schedule 2	List of Subleases
Schedule 9.3	Capex Funding Requirements
Schedule 24.1	Organizational Structure

MASTER LEASE
(*SLC II*)

EXHIBIT A

FACILITY TRADE NAMES

Laurel Circle

Arbor at Laurel Circle

MASTER LEASE
(SLC II)

EXHIBIT B-1

DESCRIPTION OF LAND

BEGINNING AT A POINT IN THE WESTERN RIGHT OF WAY LINE OF JACKSON STREET, SAID POINT BEING THE INTERSECTION OF THE SOUTHEAST CORNER OF LOT 11 BLOCK 5319 AND THE WESTERN RIGHT OF WAY LINE OF SAID JACKSON STREET; THENCE

1. WESTERLY NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 480.00 FEET TO A POINT IN THE WESTERN RIGHT OF WAY LINE OF MONROE STREET; THENCE

2. SOUTHERLY ALONG THE WESTERN RIGHT OF WAY LINE OF SAID MONROE STREET, SOUTH 14 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 200.00 FEET TO A POINT; THENCE

3. WESTERLY ALONG THE SOUTHERN PROPERTY LINE OF LOTS 26 AND 60 BLOCK 5317, NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 200.00 FEET TO A POINT IN THE EASTERN RIGHT OF WAY LINE OF VAN BUREN STREET; THENCE

4. NORTHERLY ALONG THE EASTERN RIGHT OF WAY LINE OF VAN BUREN STREET, NORTH 14 DEGREES 32 MINUTES 51 SECONDS EAST, A DISTANCE OF 60.00 FEET TO A POINT; THENCE

5. WESTERLY CROSSING VAN BUREN STREET, NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST A DISTANCE OF 40.00 FEET TO A POINT; THENCE

6. SOUTHERLY ALONG THE WESTERN RIGHT OF WAY LINE OF VAN BUREN STREET, SOUTH 14 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 100.00 FEET TO A POINT; THENCE

7. WESTERLY ALONG THE SOUTHERN PROPERTY LINE OF LOT 20 BLOCK 5305, NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 99.59 FEET TO A POINT; THENCE

8. NORTHERLY ALONG THE WESTERN PROPERTY LINE OF LOTS 20 TO 87 INCLUSIVE BLOCK 5305, NORTH 14 DEGREES 27 MINUTES 19 SECONDS EAST, A DISTANCE OF 1358.65 FEET TO A POINT; THENCE

9. EASTERLY ALONG THE NORTHERN PROPERTY LINE OF LOT 87 BLOCK 5305, CROSSING VAN BUREN STREET EASTERLY ALONG LOTS 10 AND 43 BLOCK 5309 AND CROSSING THE WESTERN HALF OF MONROE STREET, SOUTH 75 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 361.78 FEET TO A POINT IN THE CENTERLINE OF MONROE STREET; THENCE

10. NORTHERLY ALONG THE CENTERLINE OF MONROE STREET, NORTH 14 DEGREES 32 MINUTES 51 SECONDS EAST, A DISTANCE OF 101.35 FEET TO A POINT; THENCE

11. EASTERLY CROSSING THE EASTERN HALF OF MONROE STREET AND ALONG THE NORTHERN PROPERTY LINE OF LOTS 15 AND 48 BLOCK 5310 AND CROSSING THE WESTERN HALF OF TAFT STREET, SOUTH 75 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 240.00 FEET TO A POINT IN THE CENTERLINE OF TAFT STREET; THENCE

12. NORTHERLY ALONG THE CENTERLINE OF TAFT STREET, NORTH 14 DEGREES 32 MINUTES 51 SECONDS EAST, A DISTANCE OF 80.00 FEET TO A POINT; THENCE

13. EASTERLY CROSSING THE EASTERN HALF OF TAFT STREET, ALONG THE NORTHERLY

MASTER LEASE
(SLC II)

PROPERTY LINE OF LOTS 19 AND 52 BLOCK 5311, CROSSING JACKSON STREET AND ALONG THE NORTHERLY PROPERTY LINE OF LOT 46 IN BLOCK 5312, SOUTH 75 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 360.00 FEET TO A POINT; THENCE

14. SOUTHERLY ALONG THE EASTERN PROPERTY LINE OF LOTS 46 AND 28 INCLUSIVE, BLOCK 5312, SOUTH 14 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 380.00 FEET TO A POINT; THENCE

15. WESTERLY ALONG THE SOUTHERLY PROPERTY LINE OF LOT 28 BLOCK 5312 AND CROSSING JACKSON STREET, NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 140.00 FEET TO A POINT IN THE WESTERN RIGHT OF WAY LINE OF JACKSON STREET; THENCE

16. SOUTHERLY ALONG THE WESTERN RIGHT OF WAY LINE OF JACKSON STREET, SOUTH 14 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 920.00 FEET TO A POINT; THE PLACE OF BEGINNING.

EXCEPTING THEREOUT AND THEREFROM THE FOLLOWING:
BLOCK 5309 LOTS 34 THROUGH 37, INCLUSIVE, NOW KNOWN AS BLOCK 206 LOTS 46 THROUGH 49
BLOCK 5314 LOTS 1 AND 2, NOW KNOWN AS BLOCK 206 LOT 43
BLOCK 5317 LOTS 72 THROUGH 77, INCLUSIVE, NOW KNOWN AS BLOCK 206 LOT 51

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

Block 206, Lot 5 on the official tax map of the Township of Bridgewater, County of Somerset, State of New Jersey

MASTER LEASE
(*SLC II*)

EXHIBIT C

PERMITTED ENCUMBRANCES

All covenants, easements, restrictions, conditions and other matters of record with respect to the Leased Properties as of the Commencement Date as to each Leased Property, including but not limited to those covenants, easements, restrictions, conditions and other matters of record listed on the Existing Surveys/Title Policies, except the following: (a) liens for past due real estate taxes and assessments; (b) mechanic's liens (other than resulting from the actions of Landlord and its Affiliates); (c) judgment liens (other than against Landlord and its Affiliates or, with respect to the Facilities previously covered by the Terminated Leases only, any predecessor of Landlord not an Affiliate of Tenant); and (d) monetary liens, mortgages or financing statements for the benefit of any third-party creditor of Tenant, other than Landlord and its Affiliates.

MASTER LEASE
(SLC II)

EXHIBIT D

FORM OF TENANT'S CERTIFICATE

The undersigned _____ ("Tenant") under that certain Lease (the "Lease") dated _____, ___, 20__ and made with _____, a _____ ("Landlord"), hereby certifies:

1. That it is Tenant under the Lease; that attached hereto as Exhibit "A" is a true and correct copy of the Lease; that the Lease is now in full force and effect and has not been amended, modified or assigned except as disclosed or included in Exhibit "A"; and that the Lease constitutes the entire agreement between Landlord and Tenant.

2. That there exist no defenses or offsets to enforcement of the Lease; and that there are, as of the date hereof, no breaches or uncured defaults on the part of Tenant or, to Tenant's knowledge, Landlord thereunder.

3. That the Base Rent under this Lease as of the current Lease Year is \$_____. All Rent which is due has been paid, and there are no unpaid Additional Charges owing by Tenant under the Lease as of the date hereof. No Base Rent or other items (including without limitation security deposit and any impound account or funds) have been paid by Tenant in advance under the Lease except for the security deposit held by Landlord [in the form of an irrevocable letter of credit] in the amount of \$ and the monthly installment of Base Rent that became due on .

4. That Tenant has no claim against Landlord for any security deposit, impound account or prepaid Rent except as provided in paragraph 3 of this Certificate.

5. That there are no actions, whether voluntary or otherwise, pending against the undersigned under the bankruptcy laws of the United States or any state thereof, nor has Tenant nor, to Tenant's knowledge has Landlord begun any action, or given or received any notice for the purpose of termination of the Lease.

6. That there are, as of the date hereof, no breaches or uncured defaults on the part of Tenant under any other agreement executed in connection with the Lease.

7. This Certificate has been requested by Landlord pursuant to Section 19.3 of this Lease and for the benefit of _____ ("Relying Party"). The Relying Party is entitled to rely on the statements of Tenant contained in this certificate.

8. All capitalized terms used herein and not defined herein shall have the meanings for such terms set forth in the Lease.

Dated: _____, 20__

TENANT:

By:

EXHIBIT E
FORM OF OPERATIONS TRANSFER AGREEMENT
OPERATIONS TRANSFER AGREEMENT

THIS OPERATIONS TRANSFER AGREEMENT ("Agreement") is entered into as of _____, 20__ (the "Effective Date") by and between _____, a _____ ("Operator"), _____, a _____ ("Tenant"), _____, a _____ ("Landlord"), and _____, a _____ ("New Operator").

BACKGROUND

- A. Landlord is the owner of the following _____ facility (the "Facility"): _____

- B. Tenant is leasing the Facility from Landlord pursuant to a Master Lease dated as of _____, 201_, as amended (as so amended, the "Lease").
- C. Operator is the operator of the Facility pursuant to a Sublease Agreement between Operator and Tenant (the "Management Agreement"). Tenant and Operator are each referred to as an "Tenant Entity" and sometimes collectively as the "Tenant Entities".
- D. This Agreement is being executed pursuant to the Lease.
- E. The parties to this Agreement desire to enter into this Agreement in order to facilitate an orderly transition of the possession and operation of the Facility to New Operator.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree that:

ARTICLE I
THE CLOSING

1.1 Effectiveness of Closing. The closing (the "Closing") under this Agreement shall be effective as of 11:59:59 p.m. on the date agreed to by the parties following New Operator obtaining all Regulatory Clearances (as hereinafter defined) (the "Closing Date").

1.2 Operator's Deliveries at Closing. Operator and Tenant, as applicable, shall deliver the following to New Operator at the Closing:

- (a) Executed warranty Bill of Sale for Personal Property (as hereinafter defined) pursuant to Section 2.2 of this Agreement;
- (b) Executed Assignments of the Third Party Contracts requested by New Operator pursuant to Section 2.3 of this Agreement;
- (c) Executed termination with respect to the Management Agreement;
- (d) Executed counterparts of a closing statement (the "Closing Statement") reflecting the estimated prorations and other payments and credits to be made at Closing pursuant hereto, which amounts are subject to post-closing reconciliation pursuant to Section 2.9 below; and
- (e) Payment in immediately available funds of amounts due New Operator, if any, from Operator pursuant to this Agreement at Closing as reflected in the Closing Statement.

1.3 New Operator's Deliveries at Closing. New Operator shall deliver the following to Operator at the Closing:

- (a) Executed counterpart of the Closing Statement;
- (b) Payment in immediately available funds of amounts due Operator, if any, from New Operator at Closing as reflected in the Closing Statement; and
- (c) Reasonable evidence that New Operator has obtained all Regulatory Clearances.

1.4 Payment. Any amounts owed under Sections 1.2 and 1.3 shall be set off against each other at Closing. To the extent a party is owed a payment after such set off, such payment shall be made in cash at Closing via wire transfer of immediately available funds to a bank account specified by the party owed a payment.

1.5 Liabilities Not Assumed. Neither Landlord nor New Operator shall assume or be responsible to pay, perform or discharge any obligations, liabilities, contracts or commitments of the Tenant Entities of any kind or nature whatsoever, other than those contracts and obligations New Operator expressly agrees to assume hereunder or at Closing.

ARTICLE II TRANSFER OF OPERATIONS

2.1 Cooperation. Operator agrees to cooperate with New Operator, and New Operator agrees to cooperate with Operator, to effect an orderly transfer of possession and the operation of the Facility.

2.2 Conveyance of Supplies and Personal Property. Each of the Tenant Entities hereby agree to sell, transfer and convey to New Operator as of the Closing Date, all of its right, title and interest, if any, in and to any furniture, fixtures, equipment (including, to the extent owned, if any, computer hardware and software, except (1) proprietary software and (2) computer hardware and software subject to lease), and supplies (including linens, consumables and foodstuffs, medical supplies, office supplies, and maintenance inventories) owned by an Tenant Entity and located at a Facility as of the Closing, but specifically excluding the Tenant Entities' proprietary brochures and any vehicles, copiers, facsimile machines, or other personal property (the "Leased Property") that are leased by the Tenant Entities as permitted by the Lease, and all signage bearing the Tenant Entities' names (or portions thereof) or trademarks or service marks owned by the Tenant Entities (or either of them) (collectively, the "Personal Property") for and in consideration of the mutual promises contained in this Agreement. The Tenant Entities shall also assign their interest in any telephone or facsimile numbers in use at the Facility. The Tenant Entities shall have no obligation to deliver the Personal Property to any location other than the Facility, and New Operator agrees that the presence of the Personal Property at the Facility at Closing shall constitute delivery thereof. Except for the Leased Property and any property leased to Operator pursuant to the Lease, all of the furniture, fixtures, equipment and supplies used by Operator in connection with the operation of the Facility is being transferred and conveyed to New Operator under this Agreement. On the Closing Date, Operator covenants that the supplies at the Facility will be sufficient to satisfy any minimum requirements established under applicable state law. Other than the vehicles, copiers and facsimile machines, Operator has no actual knowledge of any other Leased Property at the Facility.

2.3 Contracts.

- (a) New Operator shall not be obligated to assume any leases or executory contracts of an Tenant Entity in respect of the Facility; provided, however, that New Operator shall assume the obligations of Operator with respect to (1) residency agreements for residents at the Facility on the Closing Date for residency for periods after the Closing Date or for services or care provided after the Closing Date, and (2) post-Closing Date services provided pursuant to Designated Third Party Contracts (as hereinafter defined).
- (b) Prior to the Effective Date, Operator has provided New Operator with copies of all of Operator's current service contracts with third party vendors that are in effect on the Effective Date (the "Operating Contracts"). A list of those contracts is included as Schedule 2.3. In the event New Operator wishes Operator to terminate any such

contracts, New Operator shall give Operator notice of same within five (5) business days after the Effective Date, and upon the Closing Operator shall give notice to the appropriate vendors to terminate such contracts as soon as possible after the Closing. Operator and New Operator acknowledge and agree that in the event Operator terminates any of the Operating Contracts at the direction of New Operator but such termination will not be effective until after the Closing Date as a result of notice provisions set forth in such Operating Contracts (the "Termination Date"), if and to the extent that New Operator derives any benefit from the goods or services provided under such Operating Contracts between the Closing Date and the Termination Date, New Operator shall reimburse Operator as part of the reconciliation process for any payments under such Operating Contracts made by Operator between the Closing Date and the Termination Date.

- (c) All service contracts identified on Schedule 2.3 which New Operator does not specify that Operator should terminate, shall constitute the "Designated Third Party Contracts" and shall be assigned by Operator to New Operator at Closing; provided, however, that in no event shall New Operator assume any liability related to goods or services provided under the Designated Third Party Contracts on or before the Closing Date.
- (d) If Operator enters into any contract with a third party vendor after the Effective Date, (1) the contract shall provide that it may be terminated upon not more than thirty (30) days' notice, (2) Operator shall immediately provide New Operator with a copy of the contract, and (3) the contract shall be terminated by Operator on the Closing Date unless New Operator notifies Operator prior to the Closing Date that it wants Operator to assign the contract to New Operator, in which event it shall become a Designated Third Party Contract.

2.4 Transfer of Resident Trust Funds. On the Closing Date, Operator shall provide to New Operator a true, correct and complete accounting (properly reconciled) of any resident trust funds and an inventory of all residents' property held by Operator on the Closing Date for residents at the Facility. On the Closing Date, Operator shall assign and transfer to New Operator the resident trust accounts maintained by Operator and all residents' property held by Operator as of the Closing Date.

2.5 Resident Entrance Fees/Refund Liability. Operator and New Operator acknowledge and agree to the following:

- (a) For those entrance fees, loans, sales prices and related deposits paid by a Resident under its Resident Agreement ("Entrance Fees") collected by Operator prior to the Closing and for which no obligation to refund such Entrance Fees has occurred prior to the Closing (i.e., because the applicable resident has not moved out of the Facility prior to the Closing or no Resident was previously occupying such units), (A) Operator shall be entitled to retain such Entrance Fees without any payments

to New Operator on the Closing Date, and (B) New Operator shall assume all obligations to refund such Entrance Fees in accordance with such Resident Agreements.

- (b) For those Entrance Fees collected by Operator prior to the Closing and for which the obligation to refund such Entrance Fees has occurred prior to the Closing (i.e., because the applicable Resident has moved out of the Facility prior to the Closing thus triggering the refund obligation), Operator shall be obligated to refund such Entrance Fees to the applicable Resident as and to the extent set forth in the applicable Resident Agreements.
- (c) If Operator has, prior to the Closing, entered into any agreement to sell a unit at the Facility, but the closing of such unit sale has not occurred prior to the Closing, then, for each sale of such a unit that closes within ninety (90) days following the Closing Date (each, an “Attrition Sale”), Operator shall be entitled to receive from New Operator an amount equal to seventy-five percent (75%) of the Attrition Sale Proceeds. As used herein, “Attrition Sales Proceeds” shall mean the sum of: (x) the Entrance Fees received from the new Resident in connection with the closing of such an Attrition Sale, less (y) the amount of any Entrance Fee the previous Resident of such unit is entitled to receive upon closing of an Attrition Sale under the terms of such previous Resident’s Resident Agreement.
- (d) Notwithstanding the foregoing, for any Entrance Fees received with respect to Residents permanently assigned to the “health center” at the Facility, there shall be no adjustment whatsoever, and (i) Operator shall be (x) entitled to retain such Entrance Fees received by Operator prior to the Closing, and (y) obligated to refund the same, if applicable, in accordance with the applicable Resident Agreements; and (ii) New Operator shall be (x) entitled to retain such Entrance Fees received by New Operator from and after the Closing, and (y) obligated to refund the same, if applicable, in accordance with the applicable Resident Agreements.
- (e) Schedule 2.5 attached hereto sets forth all Entrance Fees as of the Effective Date to which each of New Operator or Operator, as applicable, shall be entitled pursuant to the terms of this Section 2.5. Operator shall update such Schedule 2.5 as of the Closing (subject to New Operator’s reasonable approval with respect to the accuracy thereof) and such updated schedule shall replace the previous Schedule 2.5 for all purposes hereof.
- (f) To the extent the exact amount of any adjustment item provided for in this Section 2.5 cannot be precisely determined on the Closing Date, such prorations and apportionments shall be tentatively prorated on the basis of the best data then available and re-prorated when the information is available. Notwithstanding the foregoing, any adjustment or re-proration pursuant to the immediately preceding sentence shall be made, if at all, within one hundred twenty (120) days after the

Closing Date. All payments to be made as a result of the final results of the adjustments shall be paid to the party entitled to the same within thirty (30) days after the final determination thereof.

(g) New Operator shall provide Operator with the following:

(i) In connection with each extension (if any) set forth in Section 2.5(a)-(c) above, and more frequently (but not more than once per month) if requested by Operator, New Operator shall provide Operator with a detailed written update with respect to New Operator's efforts to obtain Licensure Approval, including, without limitation, copies of all written notices from any governmental authority with respect to such Licensure Approval efforts;

(b) On the first of each month during the ninety (90) day period following the Closing Date, New Operator shall provide Operator with a written list (an "Entrance Fee Report") of (i) Residents that have moved out of the Facility during such time period, (ii) the Entrance Fee refund (if any) paid to such Residents, and (iii) the amount of the non-refunded portion of such Entrance Fees (if any) retained by New Operator and to be paid to Operator.

(c) Each year on the anniversary of the Closing Date, for a period of the earlier of (x) three (3) years following the Closing Date or (y) until all Residents that had been Residents on the Closing Date have moved out of the Facility, New Operator shall provide Operator with an Entrance Fee Report.

This Section 2.5 shall survive the Closing.

2.6 Cooperation. Operator and New Operator shall cooperate with each other in connection with any claim, demand, appeal, lawsuit or proceeding, arising out of or in any way relating to the operation of the Facility prior to the Closing Date, including providing and making available for inspection and copying, at the requesting party's sole cost and expense, any information that the requesting party reasonably deems necessary in prosecuting or defending any such claim, demand, appeal, lawsuit or proceeding.

2.6 Employees.

(a) Operator shall terminate all Hired Employees (as defined in Section 2.6(b) below) effective as of the end of business on the Closing Date, shall either terminate or reassign to other duties all other employees of the Facility who are not Hired Employees, and shall be solely responsible for all costs and expenses in so terminating or reassigning, as applicable, all employees of the Facility. Operator shall pay all wages due to all Facility employees (whether or not they are Hired Employees) as of 11:59:59 p.m. on the Closing Date. In addition, Operator shall be solely

liable for payment of all Employee Benefits (as defined in Section 2.8 below) due as of 11:59:59 p.m. on the Closing Date to all Facility employees (including all Hired Employees pursuant to Section 2.8 of this Agreement). There shall be no proration at closing of payroll for employees (whether or not they are Hired Employees), as all employees will be terminated by Operator as of the Closing Date.

(b) New Operator shall offer employment to at least two-thirds (2/3) of the employees of the Facility who, as of the Closing Date, work at the Facility and have been employed on an average of 20 hours or more per week in the month immediately preceding the Closing Date and have provided services solely to such Facility. Such employees, who accept employment with New Operator, shall be referred to as the “Hired Employees.” Any such employment of a Hired Employee by New Operator shall be on such terms as New Operator in its discretion elects. Operator and any of its affiliates shall have the right to employ or offer to employ in any other facility or corporate offices of Operator or its affiliates any employee of the Facility who declines to accept employment with New Operator; provided, however, that Operator shall not actively solicit such employment. Prior to the Closing Date, Operator shall grant New Operator reasonable access to the Facility’s employees for purpose of carrying out this Section 2.6(b).

(c) New Operator and Operator acknowledge and agree that the provisions of Section 2.6(b) are designed, in part, to ensure that Operator is not required to give notice to employees of the Facility of the “closure” thereof under the Worker Adjustment and Restraining Notification Act (the “WARN Act”) or any other comparable state law. Nothing in this Section 2.6 shall, however, create any rights in favor of any person not a party hereto, including employees of the Facility, or constitute an employment agreement or condition of employment for any employee of Operator or any affiliate of Operator who is a Hired Employee.

(d) Operator shall offer and provide, as appropriate, group health plan continuation coverage pursuant to the requirement of Section 601 *et. seq.* of ERISA and Section 4980B of the Internal Revenue Code (“COBRA”) to all the employees of the Facility to whom it is required to offer the same under applicable law. New Operator in its discretion may also elect to provide group health plan coverage to Hired Employees on such terms as New Operator elects.

(e) For a period of ninety (90) days after the Closing Date, Operator shall retain and continue to make available for consultation with New Operator the Directors of Nursing, Facility Administrators and employees of Operator who are not employed at the Facility but who provide essential services to the Facility, such as billing, collection, filing Medicaid cost reports, attending to licensing issues and similar services, and investigating, documenting and filing proof of claims with respect to potential claims arising under the Facility’s insurance policies.

2.7 Accounts Receivable.

(a) Subject to (i) the terms of the Transaction Documents (as defined in the Lease), including the grant of security interests and exercise of any remedies thereunder in favor of Landlord, and (ii) Section 2.9 below with respect to the proration of revenues and expenses from operating the Facility, Operator shall retain all unpaid accounts receivable, including, but not

limited to, any arising on or prior to the Closing Date and any accounts receivable arising from rate adjustments which relate to the period on or prior to the Closing Date even if such adjustments occur after the Closing Date, as of 11:59:59 p.m. on the Closing Date with respect to the Facility, but only to the extent that such accounts receivable relate to services rendered on or prior to the Closing Date, and shall provide New Operator with copies of Operator's records with respect thereto upon request. Operator shall, during the period prior to the Closing Date, use and continue to use commercially reasonable efforts to collect accounts receivables relating to periods prior to the Closing Date from the responsible party therefor. All accounts receivable that relate to services rendered after the Closing Date shall be the sole property of New Operator free and clear of any liens or any security interests granted by Operator.

(b) If at any time after the Closing Date, New Operator shall receive any payment, which payment represents payment for, or reimbursement with respect to, payments or underpayments made to Operator for services rendered on or prior to the Closing Date, then New Operator shall remit such payments to Operator. If at any time before or after the Closing Date, Operator shall receive any payment, which payment represents payment for, or reimbursement with respect to, payments or underpayments made to New Operator for services to be rendered after the Closing Date, then Operator shall remit such payments to New Operator. All non-designated payments received during the first thirty (30) days after the Closing Date will first be applied to any pre-Closing Date accounts receivable of Operator due from such payee and not older than sixty (60) days since the date of invoice, with the excess, if any, applied to the extent of any balances due for services rendered by New Operator after the Closing Date. All non-designated payments thereafter shall be retained by New Operator; provided, however, that if New Operator has been paid all amounts due from a resident during the period that New Operator operates the Facility and that resident is no longer a resident of the Facility, any non-designated payments shall be remitted to Operator if Operator documents that it has a balance due from that resident.

(c) To the extent either party receives any proceeds from the accounts receivable of the other party, both parties acknowledge that the party receiving the payment belonging to the other party shall hold the payment in trust, that neither party shall have any right to offset with respect to such accounts receivable, and that the party erroneously receiving the payment shall have no right, title or interest whatsoever in the payment and shall remit the same to the other within ten (10) days of receipt.

2.8 Employment Benefits. On or before the Closing Date, Operator shall prepare an accounting of all accrued and earned paid time off due to all employees in accordance with Operator's standard policies and state and federal law as of 11:59:59 p.m. on the Closing Date (collectively, "Employee Benefits"). On the next regularly occurring payday following the Closing Date, Operator shall pay to the respective employees their respective Employee Benefits in their final paychecks. Operator acknowledges that:

- (a) Neither Landlord nor New Operator shall have any liability to any employees terminated by Operator on or prior to the Closing Date for benefits pursuant to Section 601, *et seq.* of ERISA and COBRA; and
- (b) Operator shall be solely responsible for providing required notices to all employees of the Facility as of the Closing Date pursuant to COBRA.

Operator acknowledges and agrees that neither Landlord nor New Operator is assuming any of Operator's obligations under COBRA, and that all such obligations shall remain the obligations of Operator.

2.9 Prorations at Closing.

(a) Expenses, Costs and Charges. The following items shall be prorated between Operator and New Operator effective as of the Closing Date, with Operator responsible for such items prior to and as of the Closing Date and New Operator responsible for such items after the Closing Date:

- (i) real and personal property taxes for the calendar year in which the Closing occurs, giving recognition to any discount available for earliest payment. If taxes are prorated on an estimated basis rather than the actual tax for the year in which the Closing occurs, the parties shall adjust the prorated amount when such actual tax is known, based on the final tax bill for the year in which the Closing occurs; and
- (ii) water, fuel, electricity, telephone, garbage collection, sewage, and other utility service charges and expenses; and
- (iii) any other accrued and apportionable operating costs, charges and expenses.

Operator is not appealing any ad valorem tax assessment or otherwise engaged in a tax contest. Any refund or reduction in taxes applicable to any year prior to the year in which the Closing occurs shall be and remain the property of Operator and if any such tax refund is paid to, received by or credited to New Operator, New Operator shall promptly remit such payment or a check for such credit to Operator.

Operator and New Operator acknowledge and agree that many, if not all, of the items referenced in (ii) and (iii) may not be readily or easily determinable as of the Closing Date, and as such will be part of the reconciliation process more particularly described below.

(b) Resident Rents and Services Fees; Reconciliation. Resident rents and service fees for the month of Closing, shall be allocated as of the Closing Date; the portion thereof allocable to all time periods on and prior to the Closing Date shall be credited to Operator and the portion thereof allocable after the Closing Date shall be credited to New Operator.

(c) Within forty-five (45) days after the Closing Date representatives of Operator and New Operator shall prepare and deliver to each other a schedule itemizing the prorations and adjustments to costs, charges and expenses under Section 2.9(a), together with resident rents and service fees actually collected (the "Initial Reconciliation"). The Initial Reconciliation shall include appropriate detail to identify the items being adjusted. A final reconciliation of all such expenses, costs, charges, service fees and resident rents shall be prepared and delivered by representatives of New Operator and Operator to each other within seventy-five (75) days after the Closing Date (the "Final Reconciliation"). The Final Reconciliation shall appropriately net all items to reflect the net amount owed to New Operator or to Operator as a result of such reconciliation. After approval by both parties of the Final Reconciliation, the party determined to owe cash as a result of such Final Reconciliation shall promptly pay such cash to the other party.

2.10 Resident Deposits. Operator represents that there are no traditional security deposits posted by residents of the Facilities with Operator. In some instances, Operator collects move-in fees from residents, which fees are deemed earned on their payment by the resident to Operator. Under limited circumstances, such as the death of the resident or if the resident's physician determines that the resident needs care not offered by Operator within the first ninety (90) days after the resident moves into the Facility, the Operator will refund a pro-rated portion of one-half of the move-in fee. New Operator and Operator shall not prorate the move-in fees at Closing. Operator shall be responsible for paying directly to a resident any refund of a move-in fee that may be owed to such resident post-Closing under the terms of the residency agreement between Operator and the resident.

2.11 Transfer of Records. Prior to the Closing, New Operator shall review the files physically located at the Facility, including without limitation all employment files, medical records, cost reports, surveys with plans of correction, historical financial records related to the Facility, nonproprietary electronic files, and any other nonproprietary operational data reasonably necessary to the operation of the Facility as authorized by applicable law and notify Operator in writing not less than ten (10) days before the Closing which files, if any, Operator wants removed from the Facility at Closing. At Closing, Operator shall remove the designated files and shall transfer to New Operator all other files at the Facility; provided, however, Operator shall be entitled to keep copies of all of the foregoing as it deems necessary.

2.12 Computer Systems. Operator represents to New Operator that it does not own any computer hardware used at the Facility as of the date of this Agreement. The Tenant Entities agree to provide New Operator, upon its written request, with such unaudited financial and operating reports for the Facility relating to the period on or prior to the Closing Date as New Operator may request from time to time, and which can be produced by such Tenant Entity on an automated basis, provided that any such request is made no later than ninety (90) after the Closing Date.

2.13 Operations Pending Transition. (a) Prior to the Closing Date, Operator shall operate the Facility in accordance with its normal and customary business practices, including the continued marketing and admission of residents (utilizing the form of residency agreement in effect on the Effective Date without material deviation), hiring and management of employees,

and compliance with governmental regulations. Operator shall use its commercially reasonable best efforts to transition the Facility to New Operator in substantially the same condition as exists at the Facility as of the date of this Agreement. New Operator and Landlord acknowledge that the news of a change in management often results in employee retention decreases and drops in occupancy levels.

(b) Operator agrees not to actively solicit for transfer any residents of the Facility.

(c) Operator agrees not to directly solicit any employees of the Facility for employment at any other facility of Operator prior to the Closing Date and agrees not to directly solicit any Hired Employees for employment at any other facility of Operator for a period of one year after the Closing Date.

(d) Operator agrees not to increase salaries of employees at the Facility except in the ordinary course of business consistent with Operator's practices at other facilities.

(e) Operator agrees to provide New Operator with copies of accounts receivable aging reports as soon as such reports are available, but in no event later than forty-five (45) days after the end of each calendar month.

2.14 Regulatory Clearances. New Operator shall be responsible for obtaining all Regulatory Clearances and Operator shall use its commercially reasonable efforts to assist New Operator in such efforts. As used herein, "Regulatory Clearances" means receipt by New Operator of either: (i) a license issued by the Agency to operate the Facility of the type and kind which is substantially consistent with the operations of the Facility as of the Effective Date, or (ii) reasonable assurances by the Agency that the Agency will issue a license authorizing New Operator to operate the Facility in a manner substantially consistent with the manner that the Facility is being operated as of the Effective Date, and permission to commence such operation. As used herein, "Agency" means collectively any and all agencies and departments responsible for licensure of _____ facilities in the state in which the Facility is located or their successor agencies or departments.

2.15 Advances by Landlord and Security for Obligations. To the extent that the Tenant Entities are unable to perform their obligations under this Agreement, which performance requires in whole or in part the payment of money, Landlord may advance funds on behalf of any such Tenant Entity for purposes of fulfilling such obligation. To the extent that Landlord advances funds on behalf of an Tenant Entity, as contemplated by the immediately preceding sentence, to effectuate a Facility transfer pursuant to this Agreement, including funds advanced for purposes of preparing bills, invoices or claims for payment with third party payors with respect to services rendered or goods delivered at the Facility, or to fund the Employee Benefits, the Tenant Entities agree that any amounts advanced pursuant to this Agreement shall constitute additional secured obligations of the Tenant Entities, due and payable upon demand, and shall be secured by the Transaction Documents. The obligations of the Tenant Entities under this Agreement to the extent they are owed to, or ultimately performed pursuant to this Section 2.15 by, Landlord are secured by all the liens, encumbrances, security interests, pledges and guaranties given or granted pursuant

to the Transaction Documents. Landlord agrees that the Personal Property and all receivables related to post-Closing Date services are being transferred free of any liens, encumbrances or security interests given or granted by any of the Tenant Entities to Landlord or any of its affiliates.

ARTICLE III INDEMNIFICATION

3.1 Operator Indemnification of New Operator. The Tenant Entities shall defend, indemnify and hold harmless each of Landlord and New Operator from and against any and all losses, damages, costs, expenses, liabilities, obligations and claims of any kind of any nature, whether arising in contract or tort, at law or in equity, or otherwise, from or arising out of or in connection with the management and operation of the Facility on or prior to the Closing Date, including, but not limited to, (i) bodily injury or property damage occurring within or about the Facility on or prior to the Closing Date, (ii) labor disputes, including unfair labor practice allegations, from acts or occurrences on or prior to the Closing Date, (iii) accounts payable with respect to goods or services provided to the Facility on or prior to the Closing Date and which have not been assumed by New Operator under this Agreement or which are not subject to proration hereunder, and (iv) claims made by Landlord or New Operator against the Tenant Entities with respect to the Tenant Entities' indemnification obligations under this Agreement, including without limitation claims relating to civil monetary penalties and fraud offsets relating to the period on or prior to the Closing Date.

3.2 New Operator Indemnification of Operator. New Operator shall defend, indemnify and hold harmless Operator, its directors, officers and shareholders, from and against any and all losses, damages, costs, expenses, liabilities, obligations and claims of any kind of any nature, whether arising in contract or tort, at law or in equity, or otherwise, from or arising out of or in connection with the management and operation of the Facility by New Operator after the Closing Date, including, but not limited to, (i) bodily injury or property damage occurring within or about the Facility after the Closing Date, (ii) labor disputes, including unfair labor practice allegations, from acts or occurrences after the Closing Date, (iii) accounts payable with respect to goods or services provided to the Facility after the Closing Date, and (iv) claims made by Operator against New Operator with respect to New Operator's indemnification obligations under this Agreement, including without limitation claims relating to civil monetary penalties and fraud offsets relating to the period after the Closing Date.

3.3 Claims. As soon as is reasonably practicable after Operator, Landlord or New Operator becomes aware of any claim that it has to recover against the other under this Article III, the party to be indemnified ("Indemnified Party") shall notify the other party ("Indemnifying Party") in writing, which notice shall describe the claim in reasonable detail, and shall indicate the amount (estimated, if necessary and to the extent feasible) of the claim. The failure of any Indemnified Party to promptly give any Indemnifying Party such notice shall not preclude such Indemnified Party from obtaining indemnification under this Agreement, except to the extent that such Indemnified Party's failure has materially prejudiced the Indemnifying Party's rights or materially increased its liabilities and obligations hereunder. In the event of a third party claim

which is subject to indemnification under this Agreement, the Indemnifying Party shall promptly defend such claim by counsel of its own choosing, subject to the approval of the Indemnified Party, which approval shall not unreasonably be withheld, and the Indemnified Party shall cooperate with the Indemnifying Party in the defense of such claim including the settlement of the matter on the basis stipulated by the Indemnifying Party (with the Indemnifying Party being responsible for all costs and expenses of such settlement). If the Indemnifying Party within a reasonable time after notice of a claim fails to defend the Indemnified Party, the Indemnified Party shall be entitled to undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of the Indemnifying Party.

ARTICLE IV RESPRESENTATIONS, WARRANTIES AND AGREEMENTS OF LESSOR

Landlord represents and warrants to Operator and New Operator that the following representations and warranties are true and correct on the date hereof:

4.1 Authority, Validity and Binding Effect. Landlord has all necessary power and authority to carry on its business as it is now being conducted. Landlord has all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by Landlord and is enforceable against Landlord in accordance with its terms.

4.2 Survival. All representations and warranties of Landlord shall survive the Closing Date.

ARTICLE V RESPRESENTATIONS, WARRANTIES AND AGREEMENTS OF NEW OPERATOR

New Operator represents and warrants to Operator and Landlord that the following representations and warranties are true and correct on the date hereof:

5.1 Authority, Validity and Binding Effect. New Operator has all necessary power and authority to carry on its business as it is now being conducted. New Operator has all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by New Operator and is enforceable against New Operator in accordance with its terms.

5.2 Access to Records. Subsequent to the Closing Date, New Operator shall allow Operator and its agents and representatives, at Operator's sole cost and expense, to have reasonable access to (upon reasonable prior notice), and to make copies of, the books and records and supporting material of the Facility relating to the period prior to and including the Closing Date, to the extent reasonably necessary to enable Operator to investigate and defend malpractice,

employee or other claims, to file or defend cost reports and tax returns, to verify accounts receivable collections due Operator, and to perform similar matters. New Operator will maintain such books, records and other material comprising records of the Facility's operations prior to the Closing Date that have been received by New Operator from Operator or otherwise, including, but not limited to, resident records and records of resident funds, to the extent required by law, but in no event less than a period of three (3) years (provided that New Operator will have no liability for failure to maintain any records which are destroyed as a result of a fire or other similar casualty). Notwithstanding the above, (1) Operator shall remove from the Facility any records that New Operator requests it to remove prior to the Closing; and (2) with respect to any records that New Operator does not request Operator to remove at Closing, New Operator may deliver any such records to Operator at any time after Closing and shall thereafter not be required to maintain such records except to the extent required by law.

5.3 Licenses and Permits. New Operator shall represent and warrant to Operator as of the Closing Date that it has obtained all Regulatory Clearances as of the Closing Date.

5.4 Survival. All representations and warranties of New Operator shall survive the Closing Date.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF THE EMERITUS ENTITIES

Each of the Tenant Entities hereby, jointly and severally, represents and warrants as follows:

6.1 Authority, Validity and Binding Effect. Each of the Tenant Entities has all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by each of the Tenant Entities and is enforceable against each of the Tenant Entities in accordance with its terms.

6.2 Personal Property. Operator has maintained Personal Property, including inventories of linens, consumables and foodstuffs, and medical supplies prior to the Closing Date consistent with the operation of the Facility in the ordinary course of business and the requirements of applicable law, and the Personal Property transferred to New Operator pursuant to this Agreement reflects supply levels required to be maintained by Operator in order to operate a _____ facility.

6.3 Survival. All representations and warranties of the Tenant Entities shall survive the Closing Date.

ARTICLE VII
MISCELLANEOUS

7.1 Further Assurances. Each of the parties hereto agrees to execute and deliver any and all further agreements, documents or instruments necessary to effectuate this Agreement and the transactions referred to herein or contemplated hereby or reasonably requested by the other party to perfect or evidence their rights hereunder.

7.2 Notices. Any notice, request or other communication ("Notice") to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid, or by hand delivery or electronic mail transmission to the following addresses:

To the Tenant Entities:

Telephone No.: (____) _____
E-Mail: (____) _____

With copy to

Telephone No.: (____) _____

To Landlord:

Telephone No.: (____) _____
Facsimile No.: (____) _____

With copy to

Telephone No.: (____) _____
Facsimile No.: (____) _____

To New Operator:

Telephone No.: (____) _____
Facsimile No.: (____) _____

With copy to
(which shall not

constitute notice): _____

Telephone No.: () _____

Facsimile No.: () _____

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a business day, or if not, on the first business day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation (electronic or verbal) that such Notice was received at the number specified above.

7.3 MUTUAL WAIVER OF RIGHT TO JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS AGREEMENT.

7.4 Entire Agreement; Amendment; Waiver. This Agreement together with the other agreements referred to herein, constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. This Agreement may not be modified or amended except in writing signed by the parties hereto. No waiver of any term, provision or condition of this Agreement, in any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder.

7.5 Assignment. Neither this Agreement nor the rights, duties or obligations arising hereunder shall be assignable or delegable by either party hereto without the express prior written consent of the other parties hereto; provided, however, that, (a) the rights but not the obligations under this Agreement shall be assignable by Landlord in whole or in part without Operator's prior consent (but after notice to Operator and New Operator) to any entity that is owned or controlled directly or indirectly by Landlord, any entity that controls, is controlled by or is under common control with Landlord, including, without limitation, through any merger or acquisition, (b) any assignment by New Operator may only be to a party who will have all necessary Regulatory Clearances to operate the Facility as of the Closing Date and (c) this Agreement may be assigned as a matter of law to any successor entity to Operator.

7.6 Joint Venture; Third Party Beneficiaries. Nothing contained herein shall be construed as forming a joint venture or partnership between the parties hereto with respect to the subject matter hereof. The parties hereto do not intend that any third party shall have any rights under this Agreement.

7.7 Representation by Counsel. The parties hereto acknowledge that they have been represented by independent legal counsel of their choosing throughout all of the negotiations which preceded the execution of this Agreement, and that each party has executed this Agreement with

the consent and on the advice of such independent legal counsel. This Agreement is a negotiated document. As a result, any rule of construction providing for any ambiguity in the terms of this Agreement to be construed against the draftsperson of this Agreement shall be inapplicable to the interpretation of this Agreement.

7.8 Attorneys' Fees. If any legal action or arbitration proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable and documented attorneys' fees and other costs actually incurred in that action in addition to any other relief to which it or they may be entitled.

7.9 Captions. The section headings contained herein are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

7.10 Counterparts. This Agreement may be executed in one or more counterparts and all such counterparts taken together shall constitute a single original Agreement.

7.11 Governing Law. This Agreement shall be governed by, interpreted, construed, applied and enforced in accordance with the laws of the State of Maryland applicable to contracts between residents of the State of Maryland which are to be performed entirely within the State of Maryland, regardless of (i) where this Agreement is executed or delivered; or (ii) where any payment or other performance required by this Agreement is made or required to be made; or (iii) where any breach of any provision of this Agreement occurs, or any cause of action otherwise accrues; or (iv) where any action or other proceeding is instituted or pending; or (v) the nationality, citizenship, domicile, principal place of business or jurisdiction of organization or domestication of any party; or (vi) whether the laws of the forum jurisdiction otherwise would apply the laws of the jurisdiction other than the State of Maryland; or (vii) any combination of the foregoing.

Signatures on following page.

IN WITNESS WHEREOF, the parties hereto have executed this Operations Transfer Agreement as of the day and year first above written.

TENANT:

By: _____
Name: _____
Its: _____

OPERATOR:

By: _____
Name: _____
Its: _____

NEW OPERATOR:

By: _____
Name: _____
Its: _____

LANDLORD:

By: _____
Name: _____
Its: _____

EXHIBIT F

MEMORANDUM OR SHORT FORM OF LEASE

THIS INSTRUMENT PREPARED BY:

Telephone: _____

THIS LEASE, made and entered into as of _____, 20__, by and between _____, having its principal office at 303 International Circle, Suite 200, Hunt Valley, MD 21030, as Landlord, and _____ Inc., a _____, having its principal office at _____, as Tenant with respect to the real property identified in Exhibit(s) “ ” attached hereto and located in _____.

WITNESSETH:

1. For and in consideration of the rents reserved and the other covenants contained in that certain Lease made by and between the parties hereto and dated the date hereof (“Lease”), Landlord has and does hereby lease to Tenant, and Tenant has and does hereby take and rent from Landlord, all of Landlord’s rights and interest in and to the parcel of real property described in Exhibit(s) “ ” and all fixtures and improvements thereto, and certain personal and other property associated with such real property as set forth in the Lease (collectively, the “Property”).

2. The Initial Term of the Lease is approximately _____ (_____) years, commencing _____, 200__ and ending on _____, 200__.

3. As more particularly provided in the Lease, Tenant may elect to renew the original term for ____ () ____ () year optional renewal periods for a maximum term, if exercised, of _____ () years after the Commencement Date.

4. Tenant has an option to purchase the Property as more particularly set forth in the Lease following the eighth Lease Year (as defined therein) and expiring as of the beginning of the 10th Lease Year (as defined therein), .

5. This instrument is executed and recorded for the purpose of giving notice of Tenant’s interest in the property covered by the Lease and giving notice of the existence of the Lease, to which reference is made for a full statement of the terms and conditions thereof. The respective addresses of the parties hereto are:

Tenant:

Attn:

Landlord:

Attn:

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their duly authorized [officer or officers] and [general partners] [managing partners], as applicable, all as of the day and date first above written.

Schedule 1

List of Landlords

	Facility	Landlord
1.	Laurel Circle	OHI Asset (NJ) Bridgewater ,LLC, a Delaware limited liability company
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Schedule 2

List of Subleases

	Facility	Subtenant
1.	Laurel Circle	Initial Subtenant
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Schedule 9.3

Capex Funding Requirements

- A. Tenant may not request reimbursement more than once per month;
- B. No request for reimbursement may include any invoice that is dated more than one hundred twenty (120) days prior to the request; any invoice submitted that is dated prior to this 120-day period will not be reimbursed by Landlord.
- C. With each request for reimbursement, Tenant shall deliver a certification from an officer of Tenant in substantially the form of attached Schedule 9.3-a;
- D. Tenant may not request reimbursement for less than Five Thousand Dollars (\$5,000); provided, however, that if all Initial Capex Improvements are completed and the amount remaining to be reimbursed is less than Five Thousand Dollars (\$5,000) then Tenant may request such lesser amount;
- E. The Initial Capex Improvements shall be constructed pursuant to plans and specifications and a cost statement approved by Landlord in writing, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that no plans and specifications shall be required for any cosmetic changes up to Fifty Thousand Dollars (\$50,000) in the aggregate at a Facility (any such matters so approved by Landlord, an "Approved Improvement");
- F. After the first disbursement to Tenant, sworn statements and lien waivers in an amount at least equal to the amount of funds previously paid to Tenant or such other adequate evidence of payment shall be delivered to Landlord from all contractors, subcontractors and material suppliers covering all labor and materials furnished through the date of the previous disbursement, provided that no such lien waiver shall be required from any subcontractor or material supplier to the extent that any such payment is \$10,000 or less or if the aggregate of all amounts due to such subcontractor is \$20,000 or less;
- G. Tenant shall deliver to Landlord such other evidence as Landlord reasonably may request, from time to time during the course of the work on the Initial Capex Improvements, as applicable, to evidence compliance with the approved plans and specifications for such work, the cost of work and the total amount needed to complete the Initial Capex Improvements, as applicable, and showing that there are no liens against the Leased Property arising in connection with the work;
- H. Landlord may reimburse itself as part of the costs of completing the Initial Improvements for its reasonable out-of-pocket costs and expenses incurred in connection with any disbursement, including, but not limited to, any search costs, filings fees, title company charges, and reasonable attorney fees and expenses;
- I. Landlord may, at its option, obtain such title lien searches as it may reasonably require to confirm there are no liens against the Property as a result of the Initial CapEx Improvements;
- J. Disbursements shall be made within thirty (30) days of the date Landlord receives a completed request for disbursement request satisfying the requirements of this Schedule 9.3, and the funds may

be disbursed by Landlord to Tenant or, at Landlord's option, may be paid (i) directly to, and disbursed by, a title agent acceptable to Landlord, or (ii) paid directly to the party to whom payment is owed. Landlord may, at its option, acquire title insurance coverage in connection with each draw and all costs and expense of such coverage shall be included in the Actual Cost of any such Initial Capex Improvements. In the case of any Initial Capex Improvements that changes the footprint of the improvements on the Leased Property, Landlord may, at its option, require completion and delivery of an "as-built" survey upon completion of such Initial Capex Improvements and the cost of such survey shall be included in the Actual Cost of any such Initial Capex Improvements.

FORM OF
ADVANCE REQUEST FOR
FUNDING OF APPROVED IMPROVEMENT ITEMS

c/o Omega Healthcare Investors, Inc.
303 International Circle, Suite 200
Hunt Valley, MD 21030

Attn.: [_____]
Telephone No.: (____)____-____
Facsimile No.: (____)____-_____

Re: Master Lease dated as of [_____, ___, 2025] (as amended and in effect from time to time, collectively, the "Lease").

Ladies and Gentlemen:

Unless otherwise defined herein, terms used herein with initial capital letters shall have the same meanings assigned to such terms in the Lease.

In accordance with the terms and conditions of the Lease, _____, ("Tenant"), desires to obtain an advance on _____, 202__ in the amount of \$ _____ (each increment shall not be less than \$5,000.00) for an Approved Improvement as more particularly set forth below (the "Advance").

In order to induce the Landlord under the Lease ("Landlord"), to make the Advance, Tenant hereby represents and warrants the following to Landlord:

1. No Event of Default exists under the Lease, no event has occurred or condition exists that with the giving of notice or the passage of time, or both, would constitute an Event of Default under the Lease, and no Event of Default will occur under the Lease as a result of the Advance requested herein.
2. All of Tenant's representations and warranties under the Lease are true and correct in all material respects as of the date hereof, and after giving effect to the making of the Advance, will continue to be true and correct in all material respects as of the date on which the Advance is made.
3. The requested Advance reimburses or will be used by Tenant to pay for certain costs incurred in connection with the Approved Improvement [fully] [partially] completed pursuant to and in accordance with all of the terms and conditions of the Lease, which costs are more particularly described in the invoices annexed hereto as Exhibit A.
4. Also attached to this request are copies of any receipts or other evidence verifying the costs of the applicable Approved Improvement.

5. With respect to any Approved Improvement (other than the purchase of equipment) with a cost exceeding \$20,000.00, attached to this request is an executed certification from an inspecting architect or other third party acceptable to Landlord describing the portion of the Approved Improvement completed and for which reimbursement is being requested and verifying its completion and value, together with any affidavits and executed lien waivers (which may be conditioned on payment from those Persons completing the Approved Improvement or providing any supplies in connection therewith. All final lien waivers and releases of lien (which may be conditioned on payment) are annexed hereto as Exhibit B.

6. The applicable conditions to the making of any Advance as set forth in the Lease have been satisfied as of the date hereof, including, without limitation, the Approved Improvement requirements set forth in the First Amendment to Lease.

7. The following information is true and correct as of the date hereof and will be true and correct as of the date on which the aforesaid requested Advance is to be made pursuant to the Lease:

Maximum Approved Improvement Funds:		\$
Less: Amount of Advance requested by Tenant:		\$
Less: Aggregate amount of all previous Advances requested by Tenant for Approved Improvements:		\$
Amount available for Approved Improvements:		\$

The information set forth herein (including the exhibits and attachments hereto) is true, correct and complete as of the date hereof and shall continue to be true, correct and complete as of the date on which the Advance is made, and Tenant acknowledges that, in connection with making each Advance, Landlord is relying on the information contained herein (including the attachments hereto) and certified, both on behalf of the Tenant and the undersigned, individually, as being true, correct and complete.

[Remainder of Page Left Intentionally Blank; Signature Pages to Follow]

Tenant

SENIOR LIVING COMMUNITIES II, LLC,
a North Carolina liability company

By: _____
Name: _____
Its: _____

THE STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 202__, by _____, the _____ of _____, a _____, on behalf of such company.

Notary Public

EXHIBIT A TO ADVANCE REQUEST

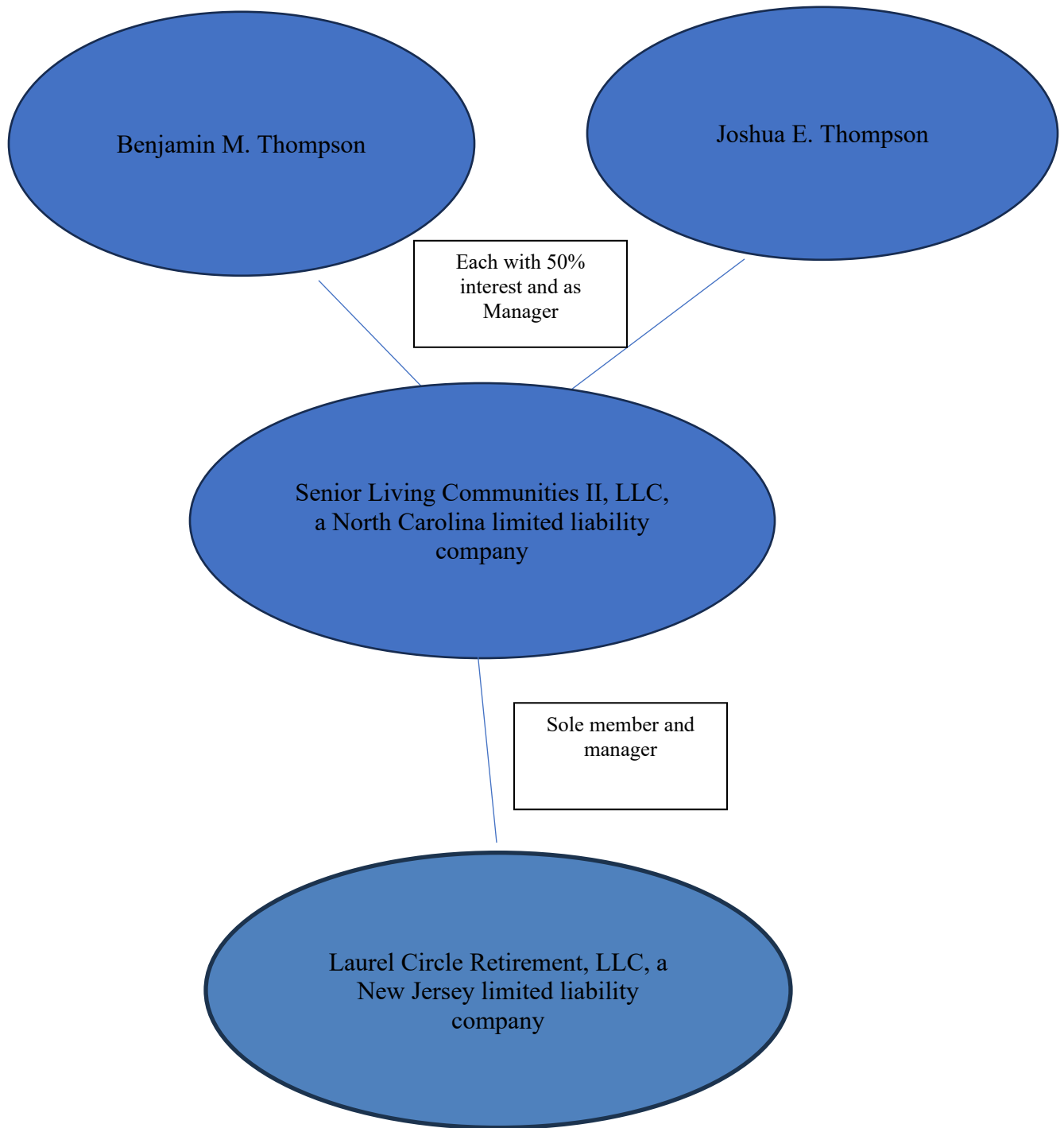
INVOICES

EXHIBIT B TO ADVANCE REQUEST

LIEN WAIVERS

Schedule 24.1

Tenant Organizational Structure



Redacted Copy of the Draft of the Sublease Agreement

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this “**Sublease**”) is effective as of _____, 2025 (the “**Effective Date**”), by and between **Senior Living Communities II, LLC**, a North Carolina limited liability company (“**Senior Living**” and “**Sublessor**”), and **Laurel Circle Retirement, LLC**, a New Jersey limited liability company (“**Sublessee**”), and is consented to by **OHI Asset (NJ) Bridgewater, LLC**, a Delaware limited liability company (“**Landlord**”).

W I T N E S S E T H:

WHEREAS, pursuant to that certain Master Lease effective as of the Effective Date (as the same may be amended or restated pursuant to its terms, the “**Master Lease**”), by and between the Landlord and Sublessor, the facility described on Exhibit A attached to this Sublease (the “**Facility**”) is demised and let to Sublessor;

WHEREAS, Sublessee is a wholly owned subsidiary of Sublessor and an Affiliate (as defined in the Master Lease) of Sublessor;

WHEREAS, Sublessor and Sublessee desire to enter into this Sublease with respect to the Facility as depicted and/or legally described on Exhibit A attached hereto and made a part hereof (the “**Premises**”);

NOW, THEREFORE, in consideration of the rents hereinafter reserved and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublessor and Sublessee hereby agree as follows:

1. **Sublease**. Sublessor hereby subleases, subdemises and sublets unto Sublessee, and Sublessee hereby subleases, subhires and takes from Sublessor, the Premises, for the Term (as hereinafter defined) and subject to the terms and conditions hereinafter set forth.

2. **Term**. The term of this Sublease (the “**Term**”) shall commence on the Effective Date and shall expire at 11:59 p.m. on the later of (a) _____, 2040 **[Note: 15 years after the Effective Date]**, or (b) the last day of the last properly exercised Renewal Term under the Master Lease (the “**Expiration Date**”), unless sooner terminated as provided herein. If the Master Lease terminates prior to the Expiration Date, Sublessee will, solely at the Landlord’s option, attorn to the Landlord and waive any right Sublessee may have to terminate this Sublease or to surrender possession of the Premises as a result of the termination of the Master Lease. Subtenant acknowledges that, at Landlord’s option, this Sublease shall terminate automatically and without further notice upon the termination or expiration of the Master Lease.

3. **Master Lease**. This Sublease is subject to, and subordinate in all respects to, the Master Lease. The Master Lease is incorporated herein by reference as if fully set forth herein, and Sublessee agrees to comply with any and all provisions applicable to Sublessee or the Facility set forth in the Master Lease as if it were a party thereto. Sublessee agrees that nothing herein contained shall be deemed to grant Sublessee any rights that would conflict with any of the covenants and conditions of the Master Lease, and Sublessee agrees that it will do nothing in, on or about the Premises which would result in the breach by Senior Living of its undertakings and obligations under the Master Lease. Except as specifically provided in this Sublease, nothing contained in this Sublease

shall be construed as a guarantee by Senior Living of any of the obligations, covenants, warranties, agreements or undertakings of Landlord in the Master Lease, nor as an undertaking by Senior Living to Sublessee on the same or similar terms as are contained in the Master Lease. From and after the Effective Date, except as set forth herein, with respect to the Premises Sublessee agrees to assume and be bound by all of the covenants and agreements made by Senior Living under the Master Lease and to perform all of the duties, responsibilities and obligations of Senior Living under the Master Lease (the “**Master Lease Obligations**”), where applicable substituting Senior Living for Landlord (as defined in the Master Lease) and Sublessee for Tenant (as defined in the Master Lease), and to hold Senior Living harmless from any damages, responsibility or liability which Senior Living may incur by virtue of Sublessee’s occupancy of the Premises or any failure of Sublessee to perform under this Sublease, including, but not limited to, performance of the Master Lease Obligations. Further, at the direction of any Landlord, Sublessee shall pay any and all amounts of rent or other charges or fees due and payable under this Sublease directly to Landlord. The provisions of this subordination are self-operative, and Landlord shall be a third party beneficiary of the provisions hereof.

4. Use and Improvements.

(a) Use. Sublessee shall use the Premises in strict accordance with the Master Lease. Sublessee’s use of the Premises shall at all times comply with any and all laws, rules, regulations and ordinances of all governmental authorities having jurisdiction over the Premises. Sublessee hereby agrees to take and accept the Premises “AS IS,” without requiring any alterations, improvements, repairs or decorations to be made by any party.

(b) Improvements.

(i) Sublessee shall not make or cause to be made any additions, improvements or alterations to the Premises without Sublessor’s prior written consent, which may be withheld in Sublessor’s sole discretion. In the event that Sublessor consents to any additions, improvements or alterations, such additions, improvements and alterations shall be completed at Sublessee’s sole cost and expense in accordance with plans approved by Senior Living and, if required by the Master Lease, Landlord and in compliance with the Master Lease and all applicable laws, statutes, ordinances, codes, rules and regulations of governmental authorities having jurisdiction over the Premises.

(ii) Each Lease Year (s defined in the Master Lease) Sublessee shall expend with respect to the Facility at least _____ per-unit for Qualified Capital Expenditures (as defined in the Master Lease) to improve the Facility, which amount shall be increased each Lease Year, beginning with the second Lease Year, in proportion to increases in the CPI (as defined in the Master Lease). The amount of Qualified Capital Expenditures in any Lease Year shall be referred to herein as the “**Targeted Expenditure Amount.**” The Targeted Expenditure Amount is subject to modification pursuant to the terms of the Master Lease.

5. Rent. Sublessee shall pay as rent for the Premises, the aggregate of the following, all of which are hereby declared to be “**Rent**”:

(a) Base Rent. Sublessee shall pay to Sublessor at such place as Sublessor may from time to time designate, base rent (“**Base Rent**”) for the Premises in amounts equal to the amount of the

Base Rent (as defined in the Master Lease) due under the Master Lease. Base Rent shall be paid when Base Rent (as defined in the Master Lease) is due under the Master Lease, without any set-off or deduction whatsoever.

(b) Initial CapEx Rent. Sublessee shall pay to Sublessor at such place as Sublessor may from time to time designate, initial capex rent (“**Initial CapEx Rent**”) for the Premises in amounts equal to the amount of the Initial CapEx Rent (as defined in the Master Lease) due under the Master Lease. Initial CapEx Rent shall be paid when Initial CapEx Rent (as defined in the Master Lease) is due under the Master Lease, without any set-off or deduction whatsoever.

(c) Utilities. Sublessee shall pay any and all additional sums for heating, ventilating or air-conditioning, water, sewer and other utilities in connection with the Premises as and when such charges may become due. Sublessee shall promptly pay to Sublessor when requested such utility costs for the Premises, as reasonably determined by Sublessor.

(d) Additional Rent. Any sums due to Sublessor by Sublessee under this Sublease which are not Base Rent shall be deemed and considered to constitute “**Additional Charges**.” Rent due under the Master Lease, other than Base Rent (as defined in the Master Lease) and Initial CapEx Rent (as defined in the Master Lease), including, without limitation Impositions (as defined in the Master Lease), shall constitute Additional Charges under this Sublease. Additional Charges (as defined in the Master Lease) shall be payable as Additional Charges under this Sublease by the Sublessee.

(e) Default by Senior Living under Master Lease.

(i) After the occurrence of an Event of Default (as defined in the Master Lease), and until such Event of Default is acknowledged by Landlord in writing to be cured or waived, Sublessee shall not make any payment or distribution (including without limitation, salary, bonuses, fees, principal, interest, dividends, liquidating distributions, management fees, cash flow distributions or lease payments) to any shareholder, member or partner of Sublessee, as applicable, or to any Affiliate (as defined in the Master Lease) of Sublessee.

(ii) If the Sublessee receives a written notice from Landlord or Landlord’s assignee, if any, stating that Sublessor is in default under the Master Lease, the Sublessee shall thereafter be obligated to pay all rentals accruing under this lease directly to the party giving such notice, or as such party may direct, which payments shall be credited against the amounts owing by Sublessor under the Master Lease. Sublessee further acknowledges that pursuant to a security agreement made by Sublessee in favor of Landlord, upon the occurrence of an Event of Default under the Master Lease, Sublessee may be obligated to remit payments and collections directly to Landlord as and in the manner provided under any such security agreement.

6. Insurance under Master Lease. From and after the Effective Date Sublessee shall, at a minimum, obtain, pay for and provide or cause to be provided any and all insurance policies related to the Premises with the coverages and types of insurance carriers all as may be required to be obtained and carried by Senior Living under, and in strict conformance and compliance with, the Master Lease. From and after the Effective Date, Sublessee shall, at a minimum, provide or cause to be provided to Landlord and Senior Living in a timely fashion and in strict compliance and

conformance with the Master Lease all appraisals, certificates, endorsements and notices relating to or respecting insurance required of the Premises by the Master Lease. Senior Living shall be named as an additional insured under each of such insurance policies. The provisions of the Master Lease shall control with respect to the receipt and application of any proceeds of any insurance policies maintained thereunder.

7. Taking or Condemnation. If the Premises or any part thereof, shall, at any time or times after the Effective Date during the continuance of the Term of this Sublease, be subject to a Taking (as defined in the Master Lease) or condemnation by any competent public or quasi-public authority, then the terms of the Master Lease shall apply in all respects. In the event that, as a result of such Taking or condemnation, the Master Lease is terminated, this Sublease shall also terminate.

8. Sublessee Assignment. Sublessee shall not assign or sub-sublease all or any part of its right, title and interest in this Sublease or any part of its interest in the Premises or any part thereof, except pursuant to this Sublease or with the prior written consent of Senior Living and Landlord.

9. Management Agreement. Sublessee will enter into a Management and Marketing Services Agreement with Maxwell Group, Inc., dated as of the OTA Closing Date (defined in the Master Lease) (the “**Management Agreement**”). Sublessee shall not terminate the Management Agreement without the prior written consent of Sublessor and Landlord.

10. Sublessee’s Default.

(a) Default. Each of the following shall be a default under this Sublease:

(i) The non-payment by Sublessee to Sublessor of any installment of Rent within ten (10) days after such sum is due.

(ii) Breach, default, or non-compliance by Sublessee with any covenant contained in this Sublease other than those described in Section 10(a)(i), followed by notice as herein provided from Sublessor to Sublessee and failure of Sublessee to remedy or correct such breach, default or non-compliance as respects matters that are defaults under the Master Lease.

(iii) A petition is filed by or against Sublessee to declare Sublessee bankrupt or seeking a plan of reorganization or arrangement or substitution, therefor, or to delay payment of, reduce or modify Sublessee’s debts; or any petition is filed or other action taken to reorganize or modify Sublessee’s capital structure; or Sublessee is declared insolvent by law or any assignment of Sublessee’s property is made for the benefit of creditors; or a receiver is appointed for Sublessee or Sublessee’s property; provided, however, that in the event of any involuntary proceeding or appointment brought against Sublessee, Sublessee shall have thirty (30) days in which to have such a proceeding or appointment dismissed.

(iv) The Suspension or revocation of Sublessee’s license to operate the Facility as a provider of health care services in accordance with its Primary Intended Use (as defined in the Master Lease), or the suspension of its right to so operate the Facility, the effect of which suspension or revocation is not stayed or cured within three business days of Sublessee’s knowledge thereof.

(v) The suspension of Sublessee's right to accept residents, the effect of which is not stayed or cured within thirty (30) days of Sublessee's knowledge thereof.

(vi) The receipt by Sublessee of a citation or other notice with respect to the Facility and failure to cure the condition that is the subject of the citation or notice within the period of time required for such cure by the issuer of such citation or notice.

(b) Termination. In the event a default as provided in Section 10(a) above shall occur and not be cured within the time period provided, Sublessor shall have the right immediately to terminate this Sublease, and Sublessor shall have the immediate right to re-enter and repossess the Premises and remove all persons therefrom without being guilty of trespass and without prejudice to any remedies for accrued Rents or damages, and in such event Sublessor shall be additionally entitled to recover reasonable attorneys' fees incurred in connection with effecting such cancellation and termination. Sublessee shall quit and peacefully surrender the Premises (which shall include, for purposes of this Section 10(b), all Tenant's Personal Property, as such term is defined in the Master Lease and to the extent such personal property is owned by Sublessee) to Sublessor immediately upon such termination, and after such termination Sublessor may dispossess Sublessee and all persons from the Premises, and may have, hold and enjoy the Premises and the right to receive all rental income from the same. Sublessee further acknowledges that it has reviewed the provisions of the Master Lease with respect to any termination thereof, and in the event of any termination of the Master Lease or this Sublease, Sublessee shall cooperate with respect to the transfer of the licensure, provider agreements and any Facility operations to one or more replacement operators designated by Landlord (which shall include compliance with Article XXX of the Master Lease and/or entering into any operations transfer agreement as required thereunder).

(c) Other Remedies. In addition to the right of Sublessor to cancel and terminate this Sublease as above provided for in this Section 10, and without waiver or limitation of such right, Sublessor may after a default by Sublessee which is not timely cured (i) recover damages from Sublessee for non-compliance with any covenant, agreement or warranty contained in this Sublease or for non-payment of any sum required to be paid by Sublessee to Sublessor, (ii) seek specific performance or other equitable relief with respect to any covenant of this Sublease and (iii) terminate Sublessee's right to possession without terminating this Sublease, whereupon the right of Sublessee to possession of the Premises or any part thereof shall cease. The waiver of any one event of default shall not be construed as the waiver of any other event of default.

11. Notices. All notices or demands upon Sublessor or Sublessee desired or required to be given under any provisions hereof shall be in writing. Any notices or demands given under this Sublease shall be deemed to have been given if a copy thereof has been delivered as herein provided addressed as follows:

If to Sublessor:

Senior Living Communities II, LLC
3530 Toringdon Way, Suite 204
Charlotte, North Carolina 28277
Attn: Benjamin M. Thompson

If to Sublessee:

Laurel Circle Retirement, LLC
c/o Senior Living Communities II, LLC
3530 Toringdon Way, Suite 204
Charlotte, North Carolina 28277
Attn: Benjamin M. Thompson

or to such other address or addresses as the party entitled to such notice may hereafter from time to time specify by written notice to the other party. Unless personal delivery is specifically required under the provision of this Sublease the delivery of all notices shall be deemed effective upon receipt if by personal delivery or two (2) days after posting if by registered or certified United States mail.

12. Miscellaneous.

(a) Governing Law. This Sublease has been negotiated, executed and delivered in the State where the Premises is located, and the parties agree that the rights and obligations of the parties under this Sublease shall be governed and construed in accordance with the laws of the State where the Premises is located.

(b) Successors and Assigns. Each provision of this Sublease shall extend to and shall bind and inure to the benefit not only of Sublessor and Sublessee, but also their respective successors and assigns, but this provision shall not operate to permit any transfer, assignment, mortgage, encumbrance, lien, charge or subletting contrary to the provisions of the Master Lease or of this Sublease. The terms "Tenant" and "Landlord" as employed herein shall include and refer to the respective successors and assigns under the Master Lease of the parties so identified in the Master Lease.

(c) Amendments. No modification, waiver or amendment of this Sublease or of any of its conditions shall be binding upon Sublessor or Sublessee unless in writing signed by Sublessor, Sublessee and Landlord.

(d) Severability. The invalidity of any of the provisions of this Sublease will not impair or affect in any manner the validity, enforceability or effect of the rest of this Sublease.

(e) Conflict. In the event that any of the terms and provisions of this Sublease vis-a-vis Landlord are inconsistent with the Master Lease, the terms and provisions of the Master Lease shall control.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the day and year first above written.

SUBLESSOR:

SENIOR LIVING COMMUNITIES II, LLC,
a North Carolina limited liability company

By: _____
Benjamin M. Thompson
Manager

SUBLESSEE:

LAUREL CIRCLE RETIREMENT, LLC,
a New Jersey limited liability company

By: _____
Benjamin M. Thompson
Manager

Landlord joins in execution of this Sublease for the purpose of evidencing its consent hereto.

OHI ASSET (NJ) BRIDGEWATER, LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

Facility: Laurel Circle

BEGINNING AT A POINT IN THE WESTERN RIGHT OF WAY LINE OF JACKSON STREET, SAID POINT BEING THE INTERSECTION OF THE SOUTHEAST CORNER OF LOT 11 BLOCK 5319 AND THE WESTERN RIGHT OF WAY LINE OF SAID JACKSON STREET; THENCE

1. WESTERLY NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 480.00 FEET TO A POINT IN THE WESTERN RIGHT OF WAY LINE OF MONROE STREET; THENCE
2. SOUTHERLY ALONG THE WESTERN RIGHT OF WAY LINE OF SAID MONROE STREET, SOUTH 14 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 200.00 FEET TO A POINT; THENCE
3. WESTERLY ALONG THE SOUTHERN PROPERTY LINE OF LOTS 26 AND 60 BLOCK 5317, NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 200.00 FEET TO A POINT IN THE EASTERN RIGHT OF WAY LINE OF VAN BUREN STREET; THENCE
4. NORTHERLY ALONG THE EASTERN RIGHT OF WAY LINE OF VAN BUREN STREET, NORTH 14 DEGREES 32 MINUTES 51 SECONDS EAST, A DISTANCE OF 60.00 FEET TO A POINT; THENCE
5. WESTERLY CROSSING VAN BUREN STREET, NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST A DISTANCE OF 40.00 FEET TO A POINT; THENCE
6. SOUTHERLY ALONG THE WESTERN RIGHT OF WAY LINE OF VAN BUREN STREET, SOUTH 14 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 100.00 FEET TO A POINT; THENCE
7. WESTERLY ALONG THE SOUTHERN PROPERTY LINE OF LOT 20 BLOCK 5305, NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 99.59 FEET TO A POINT; THENCE
8. NORTHERLY ALONG THE WESTERN PROPERTY LINE OF LOTS 20 TO 87 INCLUSIVE BLOCK 5305, NORTH 14 DEGREES 27 MINUTES 19 SECONDS EAST, A DISTANCE OF 1358.65 FEET TO A POINT; THENCE
9. EASTERLY ALONG THE NORTHERN PROPERTY LINE OF LOT 87 BLOCK 5305, CROSSING VAN BUREN STREET EASTERLY ALONG LOTS 10 AND 43 BLOCK 5309 AND CROSSING THE WESTERN HALF OF MONROE STREET, SOUTH 75 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 361.78 FEET TO A POINT IN THE CENTERLINE OF MONROE STREET; THENCE
10. NORTHERLY ALONG THE CENTERLINE OF MONROE STREET, NORTH 14 DEGREES 32 MINUTES 51 SECONDS EAST, A DISTANCE OF 101.35 FEET TO A POINT; THENCE
11. EASTERLY CROSSING THE EASTERN HALF OF MONROE STREET AND ALONG THE NORTHERN PROPERTY LINE OF LOTS 15 AND 48 BLOCK 5310 AND CROSSING THE WESTERN HALF OF TAFT STREET, SOUTH 75 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 240.00 FEET TO A POINT IN THE CENTERLINE OF TAFT STREET; THENCE
12. NORTHERLY ALONG THE CENTERLINE OF TAFT STREET, NORTH 14 DEGREES 32 MINUTES 51 SECONDS EAST, A DISTANCE OF 80.00 FEET TO A POINT; THENCE
13. EASTERLY CROSSING THE EASTERN HALF OF TAFT STREET, ALONG THE NORTHERLY PROPERTY LINE OF LOTS 19 AND 52 BLOCK 5311, CROSSING JACKSON STREET AND ALONG THE NORTHERLY PROPERTY LINE OF LOT 46 IN BLOCK 5312, SOUTH 75 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 360.00 FEET TO A POINT; THENCE

14. SOUTHERLY ALONG THE EASTERN PROPERTY LINE OF LOTS 46 AND 28 INCLUSIVE, BLOCK 5312, SOUTH 14 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 380.00 FEET TO A POINT; THENCE

15. WESTERLY ALONG THE SOUTHERLY PROPERTY LINE OF LOT 28 BLOCK 5312 AND CROSSING JACKSON STREET, NORTH 75 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 140.00 FEET TO A POINT IN THE WESTERN RIGHT OF WAY LINE OF JACKSON STREET; THENCE

16. SOUTHERLY ALONG THE WESTERN RIGHT OF WAY LINE OF JACKSON STREET, SOUTH 14 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 920.00 FEET TO A POINT; THE PLACE OF BEGINNING.

EXCEPTING THEREOUT AND THEREFROM THE FOLLOWING:

BLOCK 5309 LOTS 34 THROUGH 37, INCLUSIVE, NOW KNOWN AS BLOCK 206 LOTS 46 THROUGH 49

BLOCK 5314 LOTS 1 AND 2, NOW KNOWN AS BLOCK 206 LOT 43

BLOCK 5317 LOTS 72 THROUGH 77, INCLUSIVE, NOW KNOWN AS BLOCK 206 LOT 51

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

Block 206, Lot 5 on the official tax map of the Township of Bridgewater, County of Somerset, State of New Jersey

Redacted Copy of the Draft of the Interim Sub-Sublease Agreement

INTERIM SUB-SUBLEASE AGREEMENT

LCS BRIDGEWATER OPERATIONS LLC,
an Iowa Limited Liability Company

(“LCS Existing Licensee”)

and

LAUREL CIRCLE RETIREMENT, LLC,
a New Jersey Limited Liability Company

(“Sub-sublandlord”)

[REDACTED], 2025

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LIST OF EXHIBITS:

Exhibit A	Insurance Requirements
Exhibit B	Index of Defined Terms
Exhibit C	Illustration of Article 6 Funding Obligations

INTERIM SUB-SUBLEASE

THIS INTERIM SUB-SUBLEASE (this “**Sub-Sublease**”) is dated as of [REDACTED], 2025 (the “**Effective Date**”), and is entered into by and between LAUREL CIRCLE RETIREMENT, LLC, a New Jersey limited liability company (“**Sub-Sublandlord**”), and LCS BRIDGEWATER OPERATIONS LLC, an Iowa limited liability company (“**LCS Existing Licensee**”).

WITNESSETH:

WHEREAS, pursuant to that certain Purchase and Sale Agreement dated as of [REDACTED], 2025, by and between Bridgewater Life Care Property, LLC, a Delaware limited liability company (“**Fee Owner**”), LCS Existing Licensee (collectively, with Fee Owner, “**Seller**”), and OHI Asset (NJ) Bridgewater, LLC, a Delaware limited liability company (“**Purchaser**”), as such Purchase and Sale Agreement may be amended from time to time (“**Purchase and Sale Agreement**”), Purchaser is acquiring on the Effective Date fee simple title to the real property, improvements, and fixtures constituting that certain assisted living facility, skilled nursing facility, and continuing care retirement community known as Laurel Circle, as described on **Exhibit A** of the Purchase and Sale Agreement and by this reference incorporated herein (the “**Facility**”);

WHEREAS, on the Effective Date, Purchaser, as landlord, will lease the Facility to Senior Living Communities II, LLC, a North Carolina limited liability company (“**Sublandlord**”) pursuant to a lease;

WHEREAS, on the Effective Date, Sublandlord will sublease the Facility to Sub-Sublandlord pursuant to a sublease (the “**Sublease**”);

WHEREAS, Sub-Sublandlord intends to operate the Facility as an assisted living facility, skilled nursing facility, and continuing care retirement community; and

WHEREAS, Sub-Sublandlord has submitted applications to the New Jersey Department of Health and New Jersey Department of Consumer Affairs for the necessary licensure or similar approvals to operate the Facility as an assisted living facility, skilled nursing facility, continuing care retirement community and health care services firm (“**New Licensee Permits**”) but such New Licensee Permits have not yet been obtained; and

WHEREAS, LCS Existing Licensee currently holds licenses to operate the Facility assisted living facility, skilled nursing facility, continuing care retirement community and health care services firm and is responsible for providing or arranging for all required services and care for the Facility’s residents; and

WHEREAS, LCS Existing Licensee and Sub-Sublandlord have entered into an Operations Transfer Agreement dated as of [REDACTED], 2025 (as the same may be amended from time to time, the “**OTA**”) to facilitate an orderly transfer of operations of the Facility as of the closing date thereunder (the “**OTA Closing Date**”), which will not occur until Sub-Sublandlord receives Licensure Approval; and

WHEREAS, Sub-Sublandlord and LCS Existing Licensee desire to facilitate the continued operation of the Facility by LCS Existing Licensee until the OTA Closing Date and, in order to do so, Sub-Sublandlord desires to sub-sublease the Facility to LCS Existing Licensee and LCS Existing Licensee desires to sub-sublease the Facility from Sub-Sublandlord pursuant to the terms, conditions and covenants herein set forth; and

WHEREAS, LCS Existing Licensee and Life Care Services LLC, an Iowa limited liability company (“**Existing Manager**”), have entered into a Management Agreement dated as of July 13, 2018 (as amended from time to time, the “**Existing Management Agreement**”), pursuant to which Existing Manager provides management services for the Facility; and

WHEREAS, during the period from the Effective Date to the OTA Closing Date, LCS Existing Licensee, as sub-subtenant, shall enter into an amendment and restatement of the Existing Management Agreement as described in Section 3 below so that Existing Manager shall continue to manage the Facility until the OTA Closing Date; and

WHEREAS, on the OTA Closing Date, Sub-Sublandlord will enter into a management agreement (the “**New Management Agreement**”) with Maxwell Group, Inc. a North Carolina corporation (“**Maxwell**,” and collectively Sublandlord and Sub-Sublandlord, the “**Maxwell Parties**”) to provide management services for the Facility commencing on the OTA Closing Date; and

WHEREAS, Sub-Sublandlord and LCS Existing Licensee have received approval from the New Jersey Department of Community Affairs to enter into this Sub-Sublease;

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

1. **Recitals; Definitions.** The recitals above are hereby incorporated into this Sub-Sublease. Capitalized terms used but not defined in this Sub-Sublease shall have the meanings ascribed to them in the OTA.

2. **Sub-Sublease.** Upon and subject to the terms and conditions hereinafter set forth, Sub-Sublandlord leases to LCS Existing Licensee, and LCS Existing Licensee leases from Sub-Sublandlord, all of Sub-Sublandlord’s right, title and interest in, to, under or relating to the real property, improvements, fixtures and related rights constituting the Facility. For the term of this Sub-Sublease, to the extent required by applicable law, LCS Existing Licensee hereby agrees to act as “sub-subtenant” of the Facility during the term hereof for the limited purpose of allowing LCS Existing Licensee to continue operating the Facility pending issuance of the New Licensee Permits or confirmation that the New Licensee Permits will be issued upon receipt of customary documentation (the “**Licensure Approval**”). During the term of this Sub-Sublease, LCS Existing Licensee will be licensed to operate an assisted living facility, skilled nursing facility, continuing care retirement community and health care services firm and for no other purpose. Sub-Sublandlord shall, on a monthly basis and upon request by LCS Existing Licensee, advise LCS Existing Licensee of the status of Sub-Sublandlord’s efforts to secure the Licensure Approval and promptly advise LCS Existing Licensee once the anticipated date of the Licensure Approval is

known to Sub-Sublandlord. LCS Existing Licensee represents, warrants and covenants that it has and will use commercially reasonable efforts to maintain throughout the term of this Sub-Sublease the necessary licenses to operate the Facility as presently operated, provided that the costs of maintaining such licenses shall be treated and paid for as an expense of the Facility as provided in Section 7.1 (Obligations) and Section 7.2 below.

3. Retention of Existing Manager; Amended and Restated Management Agreement. LCS Existing Licensee shall continue to engage Existing Manager pursuant to the Existing Management Agreement to provide management support services for the Facility for the term of this Sub-Sublease. Simultaneously with the execution and delivery of this Sub-Sublease, LCS Existing Licensee and Existing Manager shall enter into an amendment and restatement of the Existing Management Agreement in the form of **Exhibit M** attached to the Purchase and Sale Agreement (the “**Amended and Restated Management Agreement**”). After execution and delivery of the Amended and Restated Management Agreement, LCS Existing Licensee and Existing Manager shall not enter into any other amendment to the Existing Management Agreement during the term of this Sub-Sublease without the prior written consent of Sub-Sublandlord. LCS Existing Licensee and Existing Manager acknowledge and agree that upon termination of this Sub-Sublease, the Existing Management Agreement shall, by its terms and without the need for further action or the execution of further documents, automatically terminate.

4. Term. The term of this Sub-Sublease shall commence on the Effective Date and shall end automatically on the earlier to occur of (i) the OTA Closing Date or (ii) nine (9) months from the Effective Date unless automatically extended or terminated as provided in the OTA. Sub-Sublandlord shall notify LCS Existing Licensee at such time as Sub-Sublandlord receives Licensure Approval.

5. Rent. As full consideration for the use and occupancy of the Facility, from and after the Effective Date and throughout the duration of this Sub-Sublease, LCS Existing Licensee shall pay to Sub-Sublandlord as rent all Net Cash Flow. Provided that Sub-Sublandlord and its Affiliates are not in default under this Sub-Sublease, the Amended and Restated Management Agreement, OTA or Guaranty, as applicable, rent for each calendar month shall be payable to Sub-Sublandlord on the fifteenth (15th) day of the succeeding calendar month; provided, however that if Net Cash Flow for a particular calendar month is not sufficient to cover all rent payable for the succeeding calendar month by Sub-Sublandlord under its Sublease, then Sub-Sublandlord shall be solely responsible for paying such deficiency directly to Sublandlord prior to the same becoming a default under the Sublease (“**Sub-Sublandlord Rent Deficiency Obligation**”). LCS Existing Licensee shall direct Existing Manager pursuant to the Existing Management Agreement to pay all rent due hereunder directly to Sub-Sublandlord. Sub-Sublandlord shall provide LCS Existing Licensee, with a copy to Existing Manager, written direction as to which account rent due hereunder shall be deposited. For the avoidance of doubt, LCS Existing Licensee’s obligation to pay rent hereunder shall be fully subordinated to Gross Revenues and Entrance Fees being first used to replenish (i) the Statutory Reserve to the amount required by applicable Legal Requirements, and (ii) the Net Cash Flow Deficiency Reserve to the amount equal to the Net Cash Flow Deficiency Reserve Requirement, as increased by the Sub-Sublandlord Rent Excess Obligation, in each case, as more particularly set forth below in Section 6. Furthermore, if Net

Cash Flow for a particular calendar month exceeds the rent payable for the succeeding calendar month by Sub-Sublandlord under its Sublease, then Sub-Sublandlord shall not distribute any of such excess amounts to any of the Maxwell Parties, and instead, shall deposit such excess amounts into the Net Cash Flow Deficiency Reserve until such time, and after such time, thereafter during the term of this Sub-Sublease, such that the Net Cash Flow Deficiency Reserve equals (“**Sub-Sublandlord Rent Excess Obligation**”). The Net Flow Deficiency Reserve Requirement increases to the extent of Sub-Sublandlord Rent Excess Obligation, but not to exceed

Simultaneously with the payment of rent for each calendar month, LCS Existing Licensee shall deliver a written calculation of Net Cash Flow for such calendar month to Sub-Sublandlord. Upon request of Sub-Sublandlord, LCS Existing Licensee shall promptly provide Sub-Sublandlord with any additional data, information or documents that confirms and supports the calculation of Net Cash Flow for such month reasonably requested by Sub-Sublandlord. LCS Existing Licensee shall deliver a written calculation of Net Cash Flow for the final calendar month of this Sub-Sublease (i.e., the calendar month immediately preceding the OTA Cut-Off Time) on the fifteenth day of the succeeding calendar month. If the Facility cash transferred by the LCS Existing Licensee to the Sub-Sublandlord on the OTA Closing Date is less than the Net Cash Flow for such final calendar month, then LCS Existing Licensee shall pay such deficiency to Sub-Sublandlord on or before the fifteenth (15th) day following the OTA Closing Date. The obligations of LCS Existing Licensee under this Section shall survive the termination of this Sub-Sublease.

6. Reserves; Escrow.

6.1 Statutory Reserve. Pursuant to N.J.A.C. § 5:19-7.1 LCS Existing Licensee has established and shall maintain during the term of this Sub-Sublease (as more particularly set forth in Section 6.5 below) liquidity reserves in an amount equal to fifteen percent (15%) of the projected annual operating expenses of the Facility, exclusive of depreciation (the “**Statutory Reserve**”). As of the PSA Cut-Off Time, the required amount of the Statutory Reserve is¹ which is the PSA Cut-Off Time Statutory Reserve Amount as defined in the OTA. The Statutory Reserve is held by the Existing Manager under Section 9.b of the Existing Management Agreement.

6.2 Non-Statutory Reserve. LCS Existing Licensee established an additional reserve not required by Legal Requirements in the amount of _____ (the “**Non-Statutory Reserve**”), which Sub-Sublandlord acknowledges and agrees is the sole property of LCS Existing Licensee, may not be used or claimed by Sub-Sublandlord under any circumstances, and shall be released, in its entirety, together with any amounts held by LCS Existing Licensee that are not required to be so held pursuant to N.J.A.C. § 5:19-7.1 or N.J.A.C. § 5:19-7.4, to LCS Existing Licensee as of the PSA Closing Date.

6.3 Entrance Fee Escrow. Pursuant to N.J.A.C. § 5:19-7.4 LCS Existing Licensee has established and shall maintain during the term of this Sub-Sublease an escrow in an

¹ NTD: Figure to be confirmed immediately prior to Effective Date.

amount equal to the Entrance Fee deposits that are received by LCS Existing Licensee from an applicable Resident until the date such Resident is permitted to occupy the applicable living unit in the Facility (the “**Entrance Fee Escrow**”). As of the PSA Cut-Off Time, the amount on deposit in the Entrance Fee Escrow was ² which is the PSA Cut-Off Time Entrance Fee Escrow Amount as defined in the OTA. During the term of this Sub-Sublease, the Entrance Fee Escrow shall be controlled by LCS Existing Licensee subject to applicable Legal Requirements and the terms of the applicable escrow agreements (i.e., New Licensee shall not have access to the Entrance Fee Escrow during the term of this Sub-Sublease) and the amounts held in such Entrance Fee Escrow shall be maintained and/or released, as applicable, as and to the extent required by applicable Legal Requirements.

6.4 **Net Cash Flow Deficiency Reserve.** On the Effective Date, Sub-Sublandlord will fund a reserve account (the “**Net Cash Flow Deficiency Reserve**”) in an amount equal to (the “**Net Cash Flow Deficiency Reserve Requirement**”) to enable LCS Existing Licensee or Existing Manager on LCS Existing Licensee’s behalf to pay Facility Expenses and Entrance Fee Refunds from the Net Cash Flow Deficiency Reserve as opposed to from the Statutory Reserve to the extent Gross Revenues and gross Entrance Fees are not sufficient to pay Facility Expenses and Entrance Fee Refunds, as applicable. The initial funding requirement of Sub-Sublandlord under this Section 6.4 is referred to as the “**Sub-Sublandlord Initial Net Cash Flow Deficiency Reserve Funding Obligation**”). Sub-Sublandlord acknowledges and agrees to the Sub-Sublandlord Rent Excess Obligation in Section 5 hereof.

6.5 **Sub-Sublandlord Additional Obligations.** In the event that LCS Existing Licensee or Existing Manager needs to withdraw and utilize funds in the Net Cash Flow Deficiency Reserve because Gross Revenues and gross Entrance Fees are not sufficient to pay Facility Expenses and Entrance Fee Refunds, as applicable, LCS Existing Licensee or Existing Manager shall notify Sub-Sublandlord of the use of such funds and Sub-Sublandlord shall promptly replenish the Net Cash Flow Deficiency Reserve in the amount necessary to restore the Net Cash Flow Deficiency Reserve to the Net Cash Flow Deficiency Reserve Requirement (“**Sub-Sublandlord Reserve Replenishment Obligation**”). In addition if at any time, Gross Revenues or Entrance Fees (in each case, after use of available Net Cash Flow Deficiency Reserve funds are not sufficient to pay all due and payable Facility Expenses or Entrance Fee Refunds, as applicable, then Sub-Sublandlord shall be solely responsible for, and shall promptly (and in all cases within five (5) business days) of LCS Existing Licensee’s demand fund or otherwise reimburse LCS Existing Licensee for any such deficiency to enable LCS Existing Licensee or Existing Manager on LCS Existing Licensee’s behalf to pay such Facility Expenses and Entrance Fee Refunds (“**Sub-Sublandlord Funding Obligation**”). Furthermore, if at any time applicable Legal Requirements require that the amount contained in the Statutory Reserve be increased above the PSA Cut-Off Time Statutory Reserve Amount, then Sub-Sublandlord shall, upon the earlier of five (5) business days’ of LCS Existing Licensee’s demand and the date required by applicable Legal Requirements, fund such increase directly into the Statutory Reserve (“**Sub-Sublandlord**”).

² NTD: Figure to be confirmed immediately prior to Effective Date.

Statutory Reserve Increase Obligation,” and the amount so funded by Sub-Sublandlord, the **“Sub-Sublandlord Statutory Reserve Funded Amounts”**).

6.6 **Return of Reserves and Escrow.** Upon termination of this Sub-Sublease, (1) any portion of the Statutory Reserve existing as of the date of such termination that was funded by Sub-Sublandlord as Sub-Sublandlord Statutory Reserve Funded Amounts shall be released to the Sub-Sublandlord, (2) all other amounts in the Statutory Reserve not released to Sub-Sublandlord pursuant to clause (1) above shall be released to LCS Existing Licensee, (3) if the amounts released to LCS Existing Licensee pursuant to clause (2) above are not sufficient to fully repay LCS Existing Licensee for the full amount of the Effective Date Statutory Reserve Amount, then Sub-Sublandlord shall pay LCS Existing Licensee for the difference upon the earlier of (A) five (5) business days after such termination of this Sub-Sublease or (B) the OTA Closing Date (Sub-Sublandlord’s Obligations set forth in clauses (2) and (3) above, **“Sub-Sublandlord Reserve Return Obligations”**), (4) the amounts then existing in the Net Cash Flow Deficiency Reserve shall be released to Sub-Sublandlord, and (5) the amounts then existing in the Entrance Fee Escrow shall be released to Sub-Sublandlord.

6.7 **Illustration of Article 6 Requirements.** For illustrative purposes only, examples of how the various funding obligations under this Article 6 are to be treated is set forth on **Exhibit C** attached hereto.

7. **Obligations.**

7.1 Sub-Sublandlord shall be responsible for maintaining the Facility in good condition and repair, normal wear and tear, casualty and condemnation excepted, including all general repairs, but not structural repairs (such as repairs to the structure, foundation, roof, exterior walls, load-bearing walls, parking area and sidewalks). To the extent that Gross Revenues are insufficient to pay all such maintenance and repair expenses incurred in the operation of the Facility or insurance premiums, Sub-Sublandlord shall also be responsible for timely payment of such expenses. Provided that Sub-Sublandlord promptly funds the insurance premiums to the extent there is not sufficient Gross Revenues to fund such insurance premiums, LCS Existing Licensee shall at all times maintain insurance as described in **Exhibit A** attached hereto and incorporated herein by this reference and all such policies shall name Purchaser, Sublandlord, and Sub-Sublandlord as loss payees or additional insureds.

7.2 Throughout the term of this Sub-Sublease, all employees of the Facility shall continue to be employees of LCS Existing Licensee, Existing Manager or the Employer of Record. The costs of employing any such employees during the term of this Sub-Sublease shall be treated and paid for as a Facility Expense as provided in the Existing Management Agreement; the provisions of the Existing Management Agreement regarding employees are hereby incorporated by reference.

8. **Use; Compliance with Laws.** LCS Existing Licensee shall direct Existing Manager to operate, use and maintain the Facility in accordance with the Existing Management Agreement.

Notwithstanding any provision of this Sub-Sublease to the contrary, LCS Existing Licensee shall, to the extent required by applicable law, retain ultimate authority and responsibility for the operation of the Facility. In the event that LCS Existing Licensee determines that Existing Manager is not operating the Facility in full compliance with applicable laws or is in breach of the Existing Management Agreement, LCS Existing Licensee shall promptly notify Sub-Sublandlord of such noncompliance and shall promptly cause Existing Manager to take commercially reasonable efforts to remedy any such noncompliance.

9. Eminent Domain, Condemnation, Casualty Losses. If at any time during the term of this Sub-Sublease, any damage to, destruction of or condemnation of the Facility shall occur, any determination to repair or restore the Facility shall be made by Sub-Sublandlord in its sole discretion and such determination and such damage, destruction or condemnation shall not affect the rights and obligations of Sub-Sublandlord and LCS Existing Licensee under this Sub-Sublease unless Sub-Sublandlord advises LCS Existing Licensee in writing that, as a result thereof, it has elected to terminate this Sub-Sublease.

10. Surrender of Possession. At the end of the term of this Sub-Sublease, (a) if the term is ending on the OTA Closing Date, LCS Existing Licensee shall surrender the Facility to Sub-Sublandlord, or (b) if the term is ending and OTA Closing has not occurred, LCS Existing Licensee shall surrender the Facility to such other party as requested by Purchaser as more particularly set forth in the Purchase and Sale Agreement, subject to the receipt of any required governmental approvals.

11. No Subletting or Assignment. The rights and obligations under this Sub-Sublease may not be sublet or assigned, or otherwise transferred in whole or in part without the prior written consent of the other party, which may be withheld in its sole discretion. Notwithstanding the foregoing, LCS Existing Licensee shall be entitled to enter into additional Resident Agreements and to continue to recognize and perform all of its obligations under existing Resident Agreements.

12. Sub-Sublandlord Inspection. Subject to applicable law, Sub-Sublandlord shall have the right to enter the Facility at all reasonable times (but without disruption to operations) to inspect the Facility and review the operations of the Facility, and to inspect all books and records of LCS Existing Licensee that pertain to the Facility to confirm LCS Existing Licensee's compliance with the terms hereof. Sub-Sublandlord shall provide LCS Existing Licensee with at least two business days prior notice (which can be by e-mail) prior to entering the Facility unless there is an emergency and LCS Existing Licensee shall have the right to have a representative accompany Sub-Sublandlord during such inspection. Sub-Sublandlord agrees to keep the results of any inspection strictly confidential, but will share any inspection results with LCS Existing Licensee, and furthermore, Sub-Sublandlord agrees that any information and materials that are subject to HIPPA or that relate to a trade secret shall remain confidential in perpetuity.

13. Indemnification.

13.1 Each of the Maxwell Parties shall jointly and severally indemnify LCS Existing Licensee, Existing Manager, Fee Owner and each of their respective shareholders, members, partners, affiliates, directors, officers, employees, agents, representatives and advisors and hold each of them harmless from and against any and all demand, claim, loss, liability, damage

and expense, including reasonable attorneys' fees and costs of investigation, litigation, settlement and judgment, which any of them sustains or suffers or to which any of them may become subject as a result of: (a) the non-performance or breach of any representation, warranty, covenant or agreement made or undertaken by Sub-Sublandlord in this Sub-Sublease, or (b) except as provided in Section 13.2, any claims relating to the ongoing operations and management of the Facility during the term of this Sub-Sublease, including without limitation any claims from the Facility's residents pursuant to their respective Resident Agreements, continuing care agreements or otherwise or the billing and collection of monies owed for the goods and services provided by the Facility, or (c) any and all actions, suits, proceedings, demands, assessments, judgments, settlements (to the extent approved by Sub-Sublandlord), costs and legal and other expenses incident to any of the foregoing.

13.2 LCS Existing Licensee shall indemnify Sub-Sublandlord and Sublandlord and each of their respective shareholders, members, partners, affiliates, directors, officers, employees, agents, representatives and advisors (collectively, "**Sublandlord Indemnities**") and hold each of them harmless from and against any and all demand, claim, actual out-of-pocket loss, liability, damage and expense, including reasonable attorneys' fees and costs of investigation, litigation, settlement and judgment, which any of them sustains or suffers or to which any of them may become subject as a result of: (a) the non-performance or breach of any representation, warranty, covenant or agreement made or undertaken by LCS Existing Licensee in this Sub-Sublease or Existing Manager in the Existing Management Agreement, (b) any claims relating to the ongoing operations and management of the Facility during the term of this Sub-Sublease, including without limitation any claims from the Facility's residents pursuant to their respective Resident Agreements, continuing care agreements or otherwise or the billing and collection of monies owed for the goods and services provided by the Facility, but only to the extent resulting from any fraud, gross negligence or willful misconduct of LCS Existing Licensee or Existing Manager, or (c) any and all actions, suits, proceedings, demands, assessments, judgments, settlements (to the extent approved by LCS Existing Licensee), actual out-of-pocket costs and legal and other expenses incident to any claims in clause (c) above. Under no circumstances shall LCS Existing Licensee be liable for punitive or consequential damages hereunder. The indemnities in this Section 13.2 are subject to the limitations set forth in Section 11.3 (Limitation of Purchaser's Post-Closing Claims) of the Purchase Agreement regarding the Cap Amount (as defined in the Purchase Agreement and which does not apply to fraud) and shall survive until the OTA Survival Date (as defined in the OTA).

13.3 Nothing in this Section 13.3 shall be construed to limit any indemnity rights or obligations which Sub-Sublandlord, LCS Existing Licensee or Seller may have under the Purchase and Sale Agreement or the OTA, including without limitation, the responsibility of Sub-Sublandlord to repay all amounts due to residents under a Resident Agreement that becomes due and payable pursuant under the Purchase and Sale Agreement and OTA.

13.4 The provisions of this Section 13.4 shall survive the termination or expiration of the term of this Sub-Sublease or the term of the OTA.

14. Notices. Any notices or other communications under this Sub-Sublease must be in writing and shall be deemed duly given or made at the time and on the date when received by e-mail transmittal of. PDF files or similar electronic means or when personally delivered as shown on a receipt therefor (which shall include delivery by a nationally recognized overnight delivery service) to the address for each party set forth below. Attorneys for each party may give notices on behalf of the party that they represent. Any party, by written notice to the other in the manner herein provided, may designate an address different from that set forth below.

IF TO LCS EXISTING LICENSEE:

c/o Life Care Services
400 Locust Street, Suite 820
Des Moines, Iowa 50309
Attention: Tom Mathisen

COPY TO:

Dentons
215 10th Street, Suite 1300
Des Moines, Iowa 50309
Attention: Jason M. Stone

Special Situations Investing Group II, LLC
2001 Ross Avenue, Suite 2800
Dallas, TX 75201
Attention: Chris Brett

Goldman, Sachs & Co.
2001 Ross Avenue, Suite 2800
Dallas, TX 75201
Attention: General Counsel and Associate General Counsel

and

ArentFox Schiff LLP
1717 K Street NW
Washington, DC 20006
Attention: Kimberly A. Wachen, Esq.

IF TO SUB-SUBLANDLORD:

Laurel Circle Retirement, LLC
c/o Maxwell Group, Inc.
3530 Toringdon Way, Suite 204
Charlotte, NC 28277
Attention: Benjamin Thompson

COPY TO:

Robinson, Bradshaw & Hinson, P.A.
600 S. Tryon St., Suite 2300
Charlotte, NC 28202
Attention: Allen K. Robertson, Esq.

15. Miscellaneous.

15.1 All the terms and provision of this Sub-Sublease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

15.2 The headings in this Sub-Sublease are for convenience of reference only and shall not limit or otherwise affect the terms hereof.

15.3 This Sub-Sublease shall be governed by and construed in accordance with the laws of the State of New Jersey without giving effect to conflicts of law principles. If any legal action is necessary to enforce the terms and conditions of this Sub-Sublease, the parties hereby agree that the courts in the State of New Jersey shall be the sole jurisdiction and venue for the bringing of the action.

15.4 This Sub-Sublease may be executed in separate counterparts, each of which shall be considered an original, and all of which, when taken together, shall constitute one and the same instrument. The exchange of copies of this Sub-Sublease and of signature pages by facsimile transmission or electronic mail transmission (e.g., in PDF format) will constitute effective execution and delivery of this Sub-Sublease as to the parties. Signatures of the parties transmitted by facsimile or electronic mail (e.g., in PDF format) will be deemed to be their original signatures for any purpose whatsoever.

15.5 This Sub-Sublease (including any exhibits hereto), and the other documents and instruments specifically provided for herein and therein, contain the entire understanding

between the parties concerning the subject matter hereof and thereof, and except as expressly provided for herein or therein, supersede all prior understandings and agreements whether oral or written, between them with respect to the subject matter hereof and thereof.

15.6 Neither this Sub-Sublease nor any provision hereof may be changed, waived, discharged or terminated except by an instrument in writing signed by Sub-Sublandlord and LCS Existing Licensee.

15.7 Should any one or more of the provisions of this Sub-Sublease be determined to be invalid, unlawful or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

15.8 In the event of litigation or other proceedings involving the parties to this Sub-Sublease to enforce any provision of this Sub-Sublease, to enforce any remedy available upon a breach of this Sub-Sublease, or seeking a declaration of the rights of either party under this Sub-Sublease, the prevailing party shall be entitled to recover from the other such reasonable attorneys' fees and costs as may be actually incurred, including its costs and fees on appeal.

15.9 THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS SUB-SUBLEASE. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS SUB-SUBLEASE. IN THE EVENT OF LITIGATION, THIS SUB-SUBLEASE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties have caused this Interim Sub-Sublease Agreement to be executed by their respective officers hereunto duly authorized.

SUB-SUBLANDLORD:

LAUREL CIRCLE RETIREMENT, LLC,
a New Jersey limited liability company

By: _____
Benjamin M. Thompson
Manager

For purposes of agreeing to be bound by Section 13.1 (Indemnification) hereof:

SENIOR LIVING COMMUNITIES II, LLC,
a North Carolina limited liability company

By: _____
Benjamin M. Thompson
Manager

By: _____
Joshua E. Thompson
Manager

MAXWELL GROUP, INC., a North Carolina corporation

By: _____
Benjamin M. Thompson
President & Chief Executive Officer

[signatures continue on the following page]

LCS EXISTING LICENSEE:

LCS BRIDGEWATER OPERATIONS LLC,
an Iowa limited liability company

By: _____
Name: Daniel L. Lahey
Title: Executive Vice President

**For purposes of agreeing to be bound by Section
3 (Retention of Existing Manager) hereof:**

LIFE CARE SERVICES LLC,
an Iowa limited liability company

By: _____
Name: Daniel L. Lahey
Title: Executive Vice President

EXHIBIT A

INSURANCE REQUIREMENTS

LCS Existing Licensee shall maintain (as a Facility Expense for which Sub-Sublandlord shall be responsible pursuant to the terms hereof to the extent Gross Revenues are insufficient to pay for the same), with reputable and financially sound insurance firms rated “A” or better by A. M. Best, policies of insurance for commercial general liability (including personal injury and contractual liability), medical professional liability, automobile liability, excess liability, workers’ compensation, employment practices liability, crime, and cyber which are deemed as necessary and proper for the operation of the Facility. The following types and minimum amounts of insurance are to be maintained:

- (a) Workers’ Compensation in accordance with statutory requirements,
- (b) Crime \$500,000 per occurrence,
- (c) Commercial General Liability \$1,000,000 per occurrence and \$3,000,000 annual aggregate,
- (d) Medical Professional Liability \$1,000,000 per occurrence and \$3,000,000 annual aggregate,
- (e) Automobile Liability Coverage (including hired and Non-owned Auto) \$1,000,000 each accident,
- (f) Excess Liability coverage for (a), (c), (d), and (e) above in the amount of not less than \$5,000,000,
- (g) Employment Practices Liability \$1,000,000 per occurrence, and
- (h) Cyber liability insurance in an amount not less than \$1,000,000.

As employees at the Facility are employed by an Affiliate of the LCS Existing Licensee, coverages related to Workers Compensation in accordance with statutory requirements, and employment practices liability of at least \$1,000,000 are maintained by the Affiliate of LCS Existing Licensee and costs of such are passed through from LCS Existing Licensee to Sub-Sublandlord.

EXHIBIT B
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EXHIBIT C
ILLUSTRATION OF ARTICLE 6 FUNDING OBLIGATIONS

