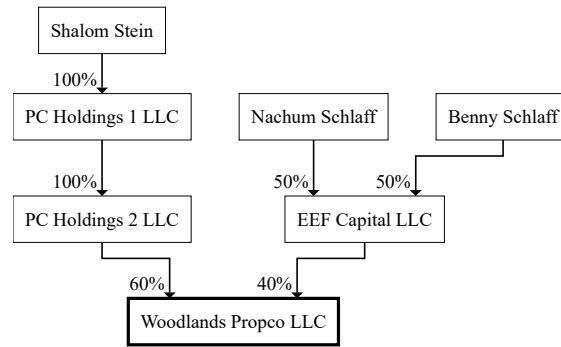


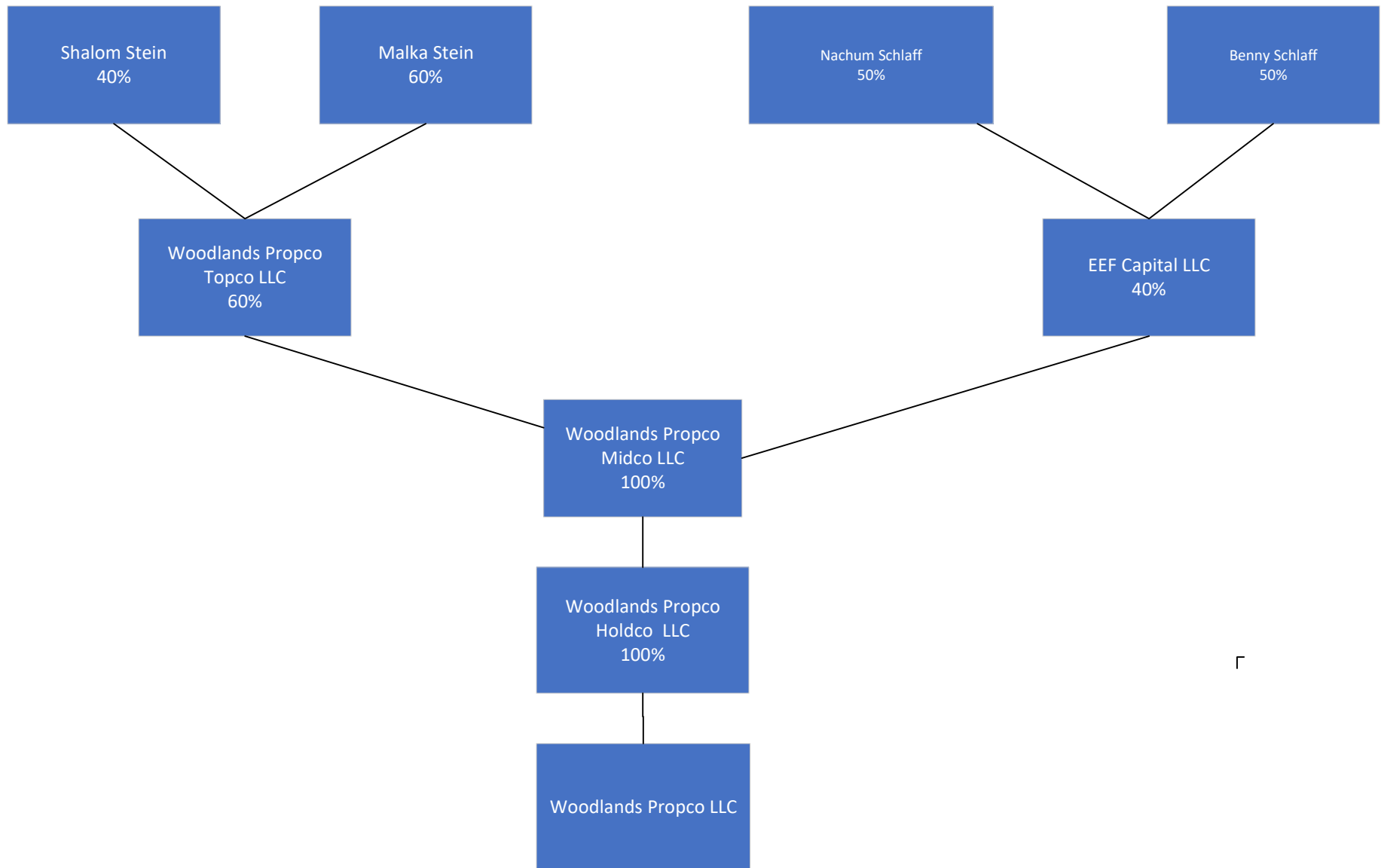
Complete Care at Woodlands LLC
1400 Woodland Avenue, Plainfield, NJ 07060-3362

Date Application Filed:	08/06/2025
Name of Facility:	Complete Care at Woodlands LLC
New Name of Facility:	N/A
License No.	062022
Address:	1400 Woodland Avenue, Plainfield, NJ 07060-3362
County:	Union County
Project Description:	This application involves changes to the ultimate beneficial ownership of the entity that owns the real property. The property will continue to be owned by Woodlands Propco LLC and leased to a licensed nursing home operator
Licensed Capacity:	120 LTC Beds
Current License Owner:	See organizational chart on next page
Proposed Licensed Owner:	See organizational chart on next page
Proposed Management Company:	N/A
Owner of Real Estate:	<u>Woodlands Propco LLC</u>
Location of stored medical records post-closing:	1400 Woodland Avenue, Plainfield, New Jersey 07060-3362 PHONE (908) 753-1113

Pre-Closing Propco Ownership org chart



WOODLANDS PROPCO STRUCTURE CHART (Post Closing)



AMENDMENT TO LEASE AGREEMENT

This Amendment to Lease Agreement, effective as of April 29, 2025 (this “***Amendment***”) is entered into by and between Complete Care at Woodlands LLC, a New Jersey limited liability company (“***Lessee***”), and Woodlands Propco LLC, a New Jersey limited liability company (“***Lessor***”).

WHEREAS, Pursuant to that Lease Agreement, dated as of April 1, 2020, by and between Lessor and Lessee (the “***Lease***”), Lessee leases from Lessor, and Lessor leases to Lessee, that certain premises located at 1400 Woodland Avenue, Plainfield, NJ 07060.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The third recital of the Lease is hereby amended by deleting such recital in its entirety and replacing with the following:

WHEREAS, Lessor will refinance its acquisition of the Leased Premises with a term loan (the “Loan”) from Greystone Servicing Company LLC, a Delaware limited liability company (together with its successors and/or assigns, the “Lender”), which Loan will be insured by the U.S. Department of Housing and Urban Development.

2. That certain Operator Lease Addendum dated as of even day herewith, between Lessor and Lessee is hereby incorporated into the Lease by reference as if fully set forth therein.

3. This Amendment shall become part of and amend the Lease and to the extent that any of the terms of this Amendment shall be inconsistent or contradict the terms of the Lease, the terms of this Amendment shall control.

4. Except as explicitly amended and modified herein, all other terms and conditions of the Lease shall remain in full force and effect and the Lease shall not be further amended or modified unless agreed to in writing by the parties hereto.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original and, taken together, shall constitute one and the same instrument., This Amendment may be executed by the parties by facsimile or email transmission with the same force and effect as original signatures.

[Signature page follows]

IN WITNESS WHEREOF, this Amendment has been duly executed by Lessor and Lessee, and consented to by Lender, as of the date first written above.

LESSOR:

WOODLANDS PROPCO LLC

By:  _____

Name: Shalom Stein

Title: Authorized Signatory

LESSEE:

COMPLETE CARE AT WOODLANDS LLC

By:  _____

Name: Shalom Stein

Title: Authorized Signatory

LEASE AGREEMENT

THIS LEASE ("Lease") made as of April 1, 2020, by and between Complete Care at Woodlands LLC, a New Jersey limited liability company ("Lessee"), and Woodlands Propco LLC, a New Jersey limited liability company ("Lessor").

RECITALS

WHEREAS, on the Commencement Date (hereinafter defined), Lessor will be the owner of the real property which is more particularly described on Exhibit A attached hereto and made a part hereof (the "Real Property"), upon which is built and there is currently operating a skilled nursing facility (including, without limitation, the license, Certificate of Need and certain other equipment and assets associated with the operation of the nursing facility), which is commonly known as Complete Care at Woodlands having an address at 1400 Woodland Avenue, Plainfield, NJ 07060 (the "Facility");

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

WHEREAS, Lessor will finance its acquisition of the Leased Premises with a term loan (the "Senior Loan") from Congressional Bank (together with its successors and/or assigns, the "Senior Lender") and a mezzanine loan (the "Mezz Loan", and together with the Senior Loan, the "Loan") from Greystone Servicing Company LLC (together with its successors and/or assigns, the "Mezz Lender", and together with the Senior Lender, collectively, the "Lender").

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

ARTICLE I

INCORPORATION OF RECITALS

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

ARTICLE II

LEASED PREMISES

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

- (a) The Real Property including, without limitation, all buildings, structures,

erections, improvements, appurtenances, easements and fixtures, including fixed machinery and fixed equipment situated thereon or forming a part thereof;

(b) All machinery, trade equipment, trade fixtures, furniture, furnishings, computers, motor vehicles, accessories and supplies of all kinds owned by Lessor and used in the operation of the Facility,

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

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

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

ARTICLE III

TERM AND RENT

3.1. Term of Lease. The term of this Lease shall be for a period commencing as of 12:01 A.M. on the date Lessor acquires ownership of the Leased Premises (the “Commencement Date”) and ending at 11:59 P.M. on December 31, 2030 (the “Term”). Under any and all circumstances, Lessor shall not be liable to Lessee, in damages or otherwise, for any delay in delivering the Leased Premises to Lessee and Lessee shall have no right to terminate or rescind this Lease on account thereof.

3.2. Rent.

(a) Base Rent. For each year during the Term, Lessee shall pay to Lessor annual fixed rent in an amount equal to the product obtained by multiplying 1.05 times the sum of (i) Lessor’s share of the annual principal and interest payments with respect to the Loan, (ii) Lessor’s annual mortgage insurance premiums with respect to the Loan, if any, (iii) Lessor’s annual deposits for reserves for replacements; (iv) the amount of the annual property insurance with respect to the Leased Premises, and (v) the amount of the annual property taxes with respect to the Leased Premises (such amount, “Base Rent”).

(b) Additional Rent. In addition to Base Rent, the Lessee shall pay to Lessor all Additional Rent. The terms “Additional Rent” or “additional rent” mean all sums, amounts, fees, expenses, costs (including, without limitation, legal fees and disbursements) and obligations of every kind and nature, whether known or unknown, general or special, ordinary or extraordinary, foreseen or unforeseen, direct or indirect, contingent or otherwise, relating to the operation, repair and maintenance of the Leased Premises (except Lessor’s income taxes) which

may arise or become due during the Term and are payable or reimbursable to Lessor under this Lease other than Base Rent, *plus* an amount equal to the net cash flow of the Lessee. "Net cash flow" means (A) the aggregate gross revenue and cash receipts of the Lessee *less* (B)(i) all operating expenses of the Lessee, other than any expense not involving a cash expenditure (such as any amount charged for amortization or depreciation); (ii) all payments on account of any loans made to, or obligations of, the Lessee; (iii) any sum expended by the Lessee for capital expenditures; (iv) reasonable and necessary reserves for working capital or other purposes determined after consideration of the Lessee's financial position; (v) any taxes imposed on the Lessee; (vi) any management fees payable by the Lessee pursuant to a Lessor approved management agreement; and (vi) any paid or payable tax distributions to the Lessee's members. The terms "Base Rent" and "Additional Rent" shall be collectively referred to as "Rent." Lessor shall have the same rights and remedies hereunder consequent upon a failure of Lessee to pay any item of Additional Rent as upon a failure of Lessee to pay any item of Base Rent.

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

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

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

3.4. Rent Tax. If any governmental taxing authority levies, assesses, or imposes any tax, sales or use tax, privilege tax, excise or assessment (other than income or franchise taxes) upon or against the Rent payable by Lessee to Lessor, either by way of substitution for or in addition to any existing tax on land and buildings or otherwise, then Lessee shall be responsible for and shall pay such tax, excise or assessment, or, if Lessor pays same, Lessee shall reimburse Lessor for the amount thereof within twenty (20) days after written demand by Lessor. It is the intent of this Section 3.4 and all other provisions of this Lease to insure that the Rent paid to Lessor by Lessee will be received by Lessor without diminution by any tax, assessment, charge or levy of any nature whatsoever, except United States, State of New Jersey and local net income taxes, and the terms and conditions of this Lease shall be liberally construed to effect such

purpose. Without limiting the generality of the foregoing, if any tax is assessed or based on gross income actually or constructively received by Lessor pursuant to this Lease, Lessee shall pay such amount which, when added to said gross income, shall yield to Lessor, after deduction of all such tax payable by Lessor with respect thereto, a net amount equal to that which Lessor would have realized therefrom had no such tax been imposed.

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

ARTICLE IV UTILITIES AND TAXES

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

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

ARTICLE V

MAINTENANCE AND REPAIR; IMPROVEMENTS

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

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

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

5.4. Surrender. Lessee shall deliver up and surrender to Lessor possession of the Leased Premises and all replacements thereof upon the expiration of this Lease or its termination

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

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

ARTICLE VI

INSURANCE

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

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

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

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

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

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

ARTICLE VII OTHER OBLIGATIONS

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

7.2. Compliance with Loan Documents. Lessee agrees to comply with all of applicable the terms of all loan documents pertaining to the Loan (collectively, the “Loan Documents”).

ARTICLE VIII

PERSONAL PROPERTY

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

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

ARTICLE IX

INDEMNIFICATION

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

9.2. Prorations.

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

(b) All income and expense attributable to the Leased Premises (measured on an accrual basis) through 11:59:59 p.m. on the day prior to the Commencement Date shall be for the account of Lessor. Thereafter, such income and expense shall be for the account of Lessee. All operating income and expense applicable to any periods commencing before the Commencement Date and continuing thereafter shall be prorated between Lessor and Lessee based on the Commencement Date and in accordance with Lessor's current accounting practices consistently applied. Apportionable income will include, but shall not be limited to, all Medicaid reimbursements, Blue Cross or other insurance payments or advances, and payments or advances from private pay patients and all federal Social Security payments or advances, whether the funds related to such services are received before, on or after the Commencement Date. Apportionable operating expenses shall include, but shall not be limited to, such items as power and utility charges, phone, insurance premiums, and rents. In effecting the prorations, Lessor shall be credited for items of expense paid in advance but relating to services or operations of the Leased Premises after the Commencement Date (if any) and debited for items of expense accrued but not paid for as of the Commencement Date. The adjustments and prorations required by this Section 9.2(b) shall be estimated and made at the Commencement Date to the extent reasonably possible. It is acknowledged and agreed that since all of the information necessary to arrive at such adjustments and prorations will not be available on the Commencement Date, the Parties will make provisional adjustments and prorations based upon the best available information, including reasonable estimates, and shall make final adjustments as soon as reasonably possible, but in any event within sixty (60) days after the Commencement Date. Final adjustments and prorations made after the Commencement Date shall be payable in cash promptly after all such adjustments are determined.

ARTICLE X

USE OF LEASED PREMISES

10.1. Compliance with Laws and Regulations. Lessee shall use the Leased Premises solely as a licensed Medicare- and Medicaid-certified skilled nursing facility and for no other purpose. On or before the Commencement Date, Lessee shall have acquired, and thereafter Lessee shall maintain all licenses, certificates, accreditations, approvals, permits, variances, waivers, provider agreements and other authorizations needed to operate the Leased Premises as a licensed, Medicare and Medicaid certified skilled nursing facility. Lessee hereby covenants, warrants and represents to Lessor that as of the Commencement Date and throughout the Term: (a) Lessee (and any subtenant, operator or manager of Lessee) shall be, and shall continue to be validly licensed and Medicare and Medicaid certified to operate a skilled nursing facility in accordance with the applicable rules and regulations of the New Jersey Department of Health ("DOH"), federal governmental authorities and accrediting bodies, including, but not limited to,

the United States Department of Health and Human Services (“DHHS”), the Centers for Medicare and Medicaid Services (“CMS”) and DOH; (b) Lessee (and any subtenant, operator or manager of Lessee) shall be, and shall continue to be, certified by and the holder of valid provider agreements with Medicare and Medicaid issued by DHHS, DOH and/or CMS and shall remain so certified and shall remain such a holder in connection with its operation of the Leased Premises as a licensed and Medicare and Medicaid certified skilled nursing facility; (c) Lessee (and any subtenant, operator or manager of Lessee) shall be, and shall continue to be in compliance with and shall remain in compliance with all applicable state and federal Laws, rules, regulations and procedures with regard to the operation of the Facility, including, without limitation, compliance under Laws governing patient confidentiality and privacy and the confidentiality of medical records; (d) Lessee (and any subtenant, operator or manager of Lessee) shall operate the Facility in a manner consistent with high quality skilled nursing services and sound reimbursement principles under the Medicare and Medicaid programs and as required under state and federal Law; and (e) Lessee (and any subtenant, operator or manager of Lessee) shall not abandon, terminate, vacate or fail to renew any licenses, certifications, accreditations, certificates, approvals, permits, variances, waivers, provider agreements or any other authorization which relates to the operation of the skilled nursing facility business or other permitted operations on the Leased Premises or in any way commit any act which will or may cause any such licenses, certifications, accreditations, certificates, approvals, permits, variances, waivers, provider agreements or other authorization to be revoked by any Governmental Authority or accrediting body having jurisdiction thereof. The term “Governmental Authority” shall mean any court, board, agency, arbitrator, commission, office or other authority of any nature whatsoever for any governmental unit (foreign, federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

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

ARTICLE XI

DAMAGE OR DESTRUCTION

11.1. Damage or Destruction.

(a) If the Facility is destroyed or so injured by any cause as to be unsuitable, in whole or in part, for the purpose of this Lease, Lessee shall immediately notify Lessor after the happening of such destruction or injury. If such destruction or injury renders the Facility unsuitable for the purpose of this Lease, as determined by DOH, if the Loan Documents so require, Lessor, upon notice to Lessee, Lessor may terminate this Lease and Lessor and Lessee shall be released from any further liability hereunder thereafter accruing with respect to the Facility. Notwithstanding the foregoing, if the Loan has been satisfied in full and DOH approves and agrees to reimburse the costs of rebuilding the Facility, Lessor shall not so terminate this Lease with respect to the Facility, and Lessor shall repair or reconstruct the Leased Premises in substantially the same condition as just prior to the incident with the proceeds of the property casualty insurance carried by Lessee, as required hereunder (if not otherwise paid to the Lender); provided, however, Lessor must be able to reasonably finance the rebuilding of the Facility and

achieve an economic return from its investment reasonably acceptable to Lessor. Regardless of any casualty, this Lease shall continue in full force and effect without any abatement of Rent, and Lessee shall not be entitled to surrender possession of the Leased Premises as a result of such casualty. Lessor's receipt of Rent from Lessee's rental interruption insurance shall be credited against Rent payments due from Lessee hereunder. Lessee shall proceed with reasonable diligence to repair or reconstruct the Leased Premises and Lessee shall be liable for any costs of repair or replacement to the Leased Premises, whether or not such damage, or the costs of repairing such damage, is fully covered by the proceeds of Lessee's insurance required to be carried hereunder. If Lessee fails to commence such repair or reconstruction within thirty (30) days of the destruction or injury, Lessor shall have the option, subject to the approval of DOH, to either terminate this Lease upon written notice to Lessee or repair and reconstruct the Leased Premises in substantially the same condition just prior to the incident and costs and expenses incurred as a result thereof shall be deemed Rent hereunder and shall be payable to Lessor by Lessee, upon demand. Upon payment of all such sums demanded by Lessor, Lessee may re-enter and resume possession of the Leased Premises pursuant to the terms of this Lease. All insurance proceeds collected under the Policies shall be paid to Lessor, and made available to Lessee to pay for or reimburse Lessee for the costs and expenses for such repairs and reconstruction subject to the terms, conditions and provisions of any Loan Documents. If the Lender does not make the insurance proceeds available to Lessor, then Lessor may terminate this Lease upon thirty (30) days' notice to Lessee.

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

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

ARTICLE XII

EMINENT DOMAIN

12.1. Eminent Domain.

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

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

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

ARTICLE XIII

NOTICES

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

If to Lessor:

Woodlands Propco LLC
457 Oak Glen Road Howell, New Jersey 07731
Attn: Shalom Stein
Telephone: 732-966-3091

If to Lessee:

Complete Care at Woodlands LLC
457 Oak Glen Road
Howell, New Jersey 07731
Attn: Shalom Stein
Telephone: 732-966-3091

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

Novack Burnbaum Crystal LLP
675 Third Avenue, 8th Floor
New York, New York 10017
Attn: Edward H. Burnbaum, Esq.
Fax: 212-986-2907
Telephone: 212-682-4002

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

ARTICLE XIV QUIET ENJOYMENT

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

ARTICLE XV SUBLETTING AND ASSIGNMENT

15.1. Subletting and Assignment. Lessee shall not, without the prior written consent of Lessor, assign this Lease or lease all or any part of the Leased Premises. There shall be no limitation on Lessor's ability to assign or lease. A transfer or series of transfers of membership or ownership interest in Lessee shall constitute an assignment for purposes of this Lease, requiring Lessor's consent. Notwithstanding the foregoing, Lessor consents to that certain Interim Sublease dated on or about the date hereof between Lessee and the existing licensed operator of the Facility.

ARTICLE XVI
RESIDENT RECORDS AND TRUST FUNDS

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

ARTICLE XVII
MEMORANDUM OF LEASE

17.1. Memorandum of Lease. If required by the Lender, Lessor and Lessee agree to record a memorandum of lease in which the Leased Premises and the Term are described.

ARTICLE XVIII
DEFAULT

18.1. Default by Lessee and Remedies of Lessor.

(a) If Lessee fails to pay any installment of Rent or fails to pay any other charges, costs or expenses payable by Lessee within ten (10) business days after the same becomes due; or defaults in the prompt and full performance of any other of Lessee's covenants, obligations or agreements hereunder, and fails to correct such failure within thirty (30) days of receipt of written notice from Lessor of such default (unless such default cannot reasonably be cured within thirty (30) days, in which event such period shall be extended for such additional time as is reasonably required to correct such default, provided Lessee shall have commenced in good faith to cure such default within the first such thirty (30) day period and shall proceed with all due diligence to correct such default thereafter); or if the leasehold interest of Lessee be levied upon under execution or be liened or attached and such levy, lien or attachment is not removed within sixty (60) days of the date Lessee receives notice of it; or Lessee makes an assignment for the benefit of creditors; or a receiver be appointed for any property of Lessee; or Lessee abandons the Leased Premises, then and in any such event, Lessor may terminate this Lease and Lessee's right to possession of the Leased Premises. Lessor, in addition to all other remedies given to Lessor at law or in equity, may by written notice to Lessee, terminate this Lease and reenter the Leased Premises by summary proceedings. In any event, Lessor may dispossess Lessee, it being the understanding that under no circumstances is this Lease to be an asset for Lessee's creditors by operation of law or otherwise. In the event of such reentry Lessor shall re-let the Leased Premises, and in the event of a reletting shall apply the Rent therefrom first to the payment of Lessor's cost and expenses, including reasonable attorneys' fees incurred by reason of Lessee's default, and the cost and expense of reletting and then to the amount of Rent and all other sums due from or payable by Lessee hereunder.

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

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

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

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

ARTICLE XIX
REPRESENTATIONS AND WARRANTIES

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

(a) Lessee is a limited liability duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business in the State of New Jersey;

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XX

OPERATION AND BUSINESS RESTRICTIONS

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

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

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

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

ARTICLE XXI MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21.14. Priority.

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

(b) If any Lender shall succeed to the rights of Lessor under this Lease, whether through possession, foreclosure action, or delivery of a new deed, then at the request of such party so succeeding to Lessor's rights ("Successor Lessor") and upon such Successor Lessor's written agreement to accept Lessee's attornment, Lessee shall attorn to and recognize Successor Lessor as Lessee's Lessor under this Lease, and shall promptly execute and deliver any instrument that Successor Lessor may reasonably request to evidence such attornment. Lessee hereby irrevocably appoints Lessor or Successor Lessor attorney-in-fact of Lessee to execute and deliver such instrument on behalf of Lessee, should Lessee refuse or fail to do so within seven (7) days after request therefor. Upon such attornment, this Lease shall continue in full force and

effect as, or as if it were, a direct lease between Successor Lessor and Lessee upon all of the terms, conditions, and covenants as are set forth in this Lease and shall be applicable after such attornment.

21.15. Default by Lessor. Lessor shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Lessor shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default) after notice to Lessor by Lessee properly specifying wherein Lessor has failed to perform any such obligations. Lessee agrees to give to the Lender notice simultaneously with any notice given to Lessor to correct any default of Lessor as hereinabove provided and agrees that the Lender shall have the right, within thirty (30) days after receipt of said notice, to correct or remedy such default before Lessee may take any action under this Lease by reason of such default. Lessor shall also give to the Lender copies of any notices of default which it may give or send to Lessee.

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

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

21.18. Arbitration. Except with respect to the provisions of Article XXI of this Lease, in the event of a dispute as to the rights and duties of the Parties under this Lease, the Parties shall meet and confer and attempt in good faith to resolve the dispute. The Parties agree that any and all disputes, claims or controversies arising out of or relating to this Lease that are not resolved by their mutual agreement within thirty (30) days shall be submitted to final and binding arbitration before the American Health Lawyers Alternative Dispute Resolution Service ("AHLA"), or its successor, pursuant to the United States Arbitration Act, 9 U.S.C. Sec. 1 et seq. The arbitration shall be conducted in accordance with the provisions of AHLA arbitration rules in effect at the time of filing of the demand for arbitration. The Parties are entitled to be represented by counsel at the arbitration hearing and the rights and remedies otherwise available to the Parties, if established, under applicable Federal, state or local law, shall remain available in the arbitration proceeding. Either Party may commence the arbitration process called for in

this Lease by filing a written demand for arbitration with AHLA, with a copy to the other Party. The Parties shall cooperate with AHLA and with one another in selecting an arbitrator from AHLA's panel of neutrals, and in scheduling the arbitration proceedings. The Parties shall participate in the arbitration in good faith and share the costs of the arbitration proceeding equally. The provisions of this Section 21.18 may be enforced by any court of competent jurisdiction, and the Party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys fees, to be paid by the Party against whom enforcement is ordered.


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

[signatures appear on following page]

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

LESSOR:

WOODLANDS PROPCO LLC

By: 
Name: Shalom Stein
Title: Manager

LESSEE:

COMPLETE CARE AT WOODLANDS LLC


By: 
Name: Shalom Stein
Title: Manager

EXHIBIT A

Legal Description

Parcel A (Block 21 Lot 1)

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Plainfield, County of Union, State of New Jersey.

BEGINNING at the intersection of the westerly line of Woodland Avenue (80.00 foot ROW) and the northerly line of Sprague Avenue (60.00 foot ROW) and running; thence

1. Along the northerly line of Sprague Avenue South 87 degrees 13 minutes 00 seconds West 330.00 feet to the southeast corner of Tax Map Lot 2, Block 51 as shown on the Borough of South Plainfield, Middlesex County Tax Map; thence
2. North 2 degrees 47 minutes 00 seconds West 926.22 feet to the southerly line of Bellevue Avenue (60.00 foot wide ROW) thence the following 5 courses along the southerly line of Bellevue Avenue:
3. North 81 degrees 25 minutes 00 seconds East, 171.77 feet to a point; and thence
4. North 88 degrees 58 minutes 00 seconds East, 42.55 feet to a point and; thence
5. South 70 degrees 22 minutes 00 seconds East, 41.88 feet to a point and; thence
6. South 60 degrees 16 minutes 00 seconds East 44.98 feet to a point and; thence
7. South 51 degrees 15 minutes 00 seconds East, 48.50 feet to the westerly line of Woodland Avenue thence the following 4 courses along the westerly line of Woodland Avenue:
8. Southerly and curving to the left with a radius of 1028.19 feet and an arc length of 248.72 feet to a point of tangency; thence
9. South 01 degree 34 minutes 43 seconds East, 194.88 feet to a point of curve; thence
10. Southerly and curving to the left with a radius of 863.46 feet and an arc length of 120.88 feet to a point of tangency; thence
11. South 09 degrees 36 minutes 00 seconds East, 311.07 feet to the point of BEGINNING.

EXCEPTING from the above, 0.383 acres being in the Borough of South Plainfield, Middlesex County and described thusly:

BEGINNING at the intersection of the westerly line of Woodland Avenue (60.00 foot wide ROW) and the northerly line of Sprague Avenue (60.00 foot wide ROW) and running; thence

1. Along the northerly line of Sprague Avenue, South 87 degrees 13 minutes 00 seconds West 330.00 feet to the southeast corner of Tax Map Lot 2, Block 51; thence
2. Along the easterly line of Lot 2, North 2 degrees 47 minutes 00 seconds West 68.39 feet to the municipal and county lines dividing the City of Plainfield in Union County to the North and the Borough of South Plainfield, Middlesex County to the South; thence
3. Along said municipal and county line South 86 degrees 42 minutes 13 seconds East, 327.82 feet to the westerly line of Woodland Avenue; thence
4. Along the westerly line of Woodland Avenue, South 9 degrees 36 minutes 00 seconds East 33.91 feet to the intersection of the westerly line of Woodland Avenue with the northerly line of Sprague Avenue and the Point of BEGINNING.

NOTE FOR INFORMATION: Being Lot 1 Block 21, Tax Map of the City of Plainfield, County of Union.

Parcel B (Block 51 Lot 1):

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of South Plainfield, County of Middlesex, State of New Jersey.

BEGINNING at the intersection of the westerly line of Woodland Avenue (60.00 foot wide ROW) and the northerly line of Sprague Avenue (60.00 foot wide ROW) and running; thence

1. Along the northerly line of Sprague Avenue, South 87 degrees 13 minutes 00 seconds West, 330.00 feet to the southeast corner of Tax Map Lot 2, Block 51; thence
2. Along the easterly line of Lot 2, North 2 degrees 47 minutes 00 seconds West, 68.39 feet to the municipal and county lines dividing the City of Plainfield in Union County to the North and the Borough of South Plainfield, Middlesex County to the South; thence
3. Along said municipal and county line South 86 degrees 42 minutes 13 seconds East, 327.82 feet to the westerly line of Woodland Avenue; thence
4. Along the westerly line of Woodland Avenue, South 9 degrees 36 minutes 00 seconds East, 33.91 feet to the intersection of the westerly line of Woodland Avenue with the northerly line of Sprague Avenue and the point of BEGINNING

NOTE FOR INFORMATION: Being Lot 1 Block 51, Tax Map of the Borough of South Plainfield, County of Middlesex.

**Operator Lease
Addendum
Section 232**

**U.S. Department of Housing
and Urban Development**
Office of Residential
Care Facilities

OMB Approval No. 2502-0605
(exp. 01/31/2026)

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

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

This Operator Lease Addendum, dated as of April 29, 2025, is attached to and made a part of that certain Operator Lease dated April 1, 2020, entered into by Lessor and Lessee, and amends and/or supplements the Operator Lease. The operator lease and this Operator Lease Addendum are collectively known as the “**Operator Lease**.” For so long as HUD is the holder or insurer of any indebtedness secured by the Healthcare Facility (as defined below), the provisions of this Operator Lease Addendum shall apply to the Operator Lease. In the event of any conflict between the terms of this Operator Lease Addendum and any other provision in the Operator Lease, the terms of this Operator Lease Addendum shall govern and control.

Covenants. Lessor and Lessee covenant and agree as follows:

I. DEFINITIONS.

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

“**Accounts Receivable**” has the meaning set forth in the Borrower’s Security Instrument.

“**Approved Use**” has the meaning set forth in the Operator’s Regulatory Agreement.

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

“**Borrower**” means Woodlands Propco LLC, a New Jersey limited liability company. When there is no Master Lease, Borrower is also the Lessor.

“Borrower’s Regulatory Agreement” means that certain Healthcare Regulatory Agreement – Borrower relating to the Project and entered into by Borrower for the benefit of HUD.

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

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

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

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

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

“HUD” means the U.S. Department of Housing and Urban Development.

“Intercreditor Agreement” is defined in Section 12.

“Lender” means Greystone Funding Company LLC, a limited liability company organized and existing under the laws of Delaware, and any future holder of the Borrower’s Security Instrument.

“Lessee” means Complete Care at Woodlands LLC, a limited liability company organized and existing under the laws of New Jersey, together with any successors, heirs and assigns (jointly and severally). Lessee may sometimes be referred to as a “tenant” under the terms of the Operator Lease.

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

“Loan” means the HUD-insured loan in the original principal amount of [REDACTED] made by Lender to Borrower, secured by the Healthcare Facility, as such Loan may be amended, increased or decreased.

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

“Master Lease” and **“Master Tenant”** have the meanings set forth in the Borrower’s Security Instrument.

“Operator’s Regulatory Agreement” means that certain Healthcare Regulatory Agreement – Operator relating to the Project and entered into by Lessee for the benefit of HUD.

“Operator’s Security Agreement” means that certain Operator Security Agreement relating to the Project, and made by Lessee.

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

“Project” has the meaning set forth in the Borrower’s Security Instrument.

II. HUD REQUIREMENTS

2. COMPLIANCE WITH PROGRAM OBLIGATIONS.

(a) Lessor and Lessee shall comply with, and agree that the Operator Lease shall conform to, the Loan Documents and all applicable Program Obligations. Lessee further agrees that the Operator Lease shall be part of the collateral pledged to Lender and HUD as security for

the Loan. Accordingly, Lessee shall not take any action which would violate the Loan Documents or Program Obligations.

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

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

3. SUBORDINATION TO THE LOAN DOCUMENTS.

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

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

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

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

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

5. PAYMENTS.

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

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

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

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

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

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

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

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

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

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

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

(b) Lessee acknowledges that Lessor is assigning the Operator Lease to Lender to further secure Lessor's and Borrower's obligations to Lender under the Loan Documents. All parties acknowledge that Lender is authorized to exercise all of the rights and remedies available

to Lessor in connection with the assignment of the Operator Lease as Lender may determine is reasonably necessary to cure a default by Lessor under any of the Loan Documents.

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

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

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

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

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

17. NOTICES TO LENDER AND HUD OF DEFAULT. Lessee and Lessor shall copy Lender and HUD on all notices of default under the Operator Lease. Such copies shall be provided at the same time and in the same manner as provided by Lessee or Lessor to the other party. Lender shall have the right, but not the obligation, to cure any default by Lessor under the Operator Lease. For the purpose of effecting such cure, Lessee grants Lender and Lessor such

period of time as may be reasonable to enable Lender and/or Lessor to cure (or cause to be cured) any default. In the event of any act or omission of Lessor which would give Lessee the right, immediately or after lapse of a period of time, to cancel or terminate the Operator Lease, or to claim a partial or total eviction, Lessee shall not exercise such right (i) until it has given written notice of such act or omission to Lender and HUD, and (ii) unless such act or omission shall be one which is not capable of being remedied by Lender or Lessor within a reasonable period of time, until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when Lender shall have become entitled under the Loan Documents in connection therewith, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Lessor would be entitled under the Operator Lease or otherwise, after similar notice, to effect such remedy).

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

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

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

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

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

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

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


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

[Signature Page Follows]

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

LESSOR:

WOODLANDS PROPCO LLC

By: 
Name: Shalom Stein
Title: Authorized Signatory

LESSEE:

**COMPLETE CARE AT WOODLANDS
LLC**

By: 
Name: Shalom Stein
Title: Authorized Signatory