1. Reason(s) for the request

   As noted in the original application, GGCC, LLC (a local developer) entered a 10 Year Lease agreement with Towne Square Care of Gladstone, LLC. Towne Square Care of Gladstone, LLC has defaulted under the Lease, so GGCC, LLC is retaking possession of the facility as the owner. The Lease calls for a transfer of the CON from the operator to the owner at the expiration or termination of the Lease (see [Attachment One](#): the original lease provided in the original CON).

2. Completed and signed Applicant ID & Certification stating the proposed owner;

   See [Attachment Two](#)

3. Documentation that the proposed owner is registered to do business in Mo.

   See [Attachment Three](#)

4. Statement as to whether or not the proposed owner is an affiliate of the current owner, and explanation of relationship;

   GGCC, LLC is not an affiliate of Towne Square Care of Gladstone, LLC, but was the landlord pursuant to a Lease as provided in the original CON (See [Attachment One](#)).

5. Evidence that the existing owner agrees to the change. This can be a statement or a contract;

   Section 18.2 of the Lease ([Attachment One](#)) notes transferring the CON back to GGCC, LLC. [Attachment Five](#) is a letter from the Stinson law firm discussing the cancelation of the lease with Towne Square Care of Gladstone, LLC.

6. Documentation that the proposed owner owns the site, or has an executed option to purchase or lease the real property

   [Attachment Four](#) shows the Deed (as included in the original CON) showing that GGCC owns the site.
1. **Reason(s) for the request**

   As noted in the original application, GGCC, LLC (a local developer) entered a 10 Year Lease agreement with Towne Square Care of Gladstone, LLC. Towne Square Care of Gladstone, LLC has defaulted under the Lease, so GGCC, LLC is retaking possession of the facility as the operator. The Lease calls for a transfer of the CON from the operator to the owner at the expiration or termination of the Lease (*see Attachment One: the original lease provided in the original CON*).

2. **Completed and signed Applicant ID & Certification stating the proposed operator**;

   *See Attachment Two*

3. **Documentation that the proposed operator is registered to do business in Mo.**

   *See Attachment Three*

4. **Statement as to whether or not the proposed operator is an affiliate of the current operator, and explanation of relationship**;

   GGCC, LLC is not an affiliate of Towne Square Care of Gladstone, LLC, but was the landlord pursuant to a Lease as provided in the original CON (*See Attachment One*).

5. **Evidence that the existing operator agrees to the change. This can be a statement or a contract**;

   *Section 18.2 of the Lease (Attachment One) notes transferring the CON back to GGCC, LLC. Attachment Four is a letter from the Stinson law firm discussing the cancelation of the lease with Towne Square Care of Gladstone, LLC.*
ATTACHMENT ONE
LEASE

Between

GGCC, LLC,

a Missouri limited liability company,

as "Landlord"

and

TOWNE SQUARE CARE OF GLADSTONE, LLC,

a Missouri limited liability company,

as "Tenant"

Dated: July 18, 2018

Towne Square Care of Gladstone
2900 NE Kendallwood Parkway
Gladstone, Missouri 64119
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Exhibit F – Landlord's Work
LEASE

This LEASE (this "Lease") is entered into as of July 18, 2018, by and between GGCC, LLC, a Missouri limited liability company ("Landlord"), and TOWNE SQUARE CARE OF GLADSTONE, LLC, a Missouri limited liability company ("Tenant").

ARTICLE I –
GRANT OF TENANCY; TERM; DEFINITIONS

1.1 Grant of Tenancy. Upon the terms and subject to the conditions set forth herein, Landlord leases to Tenant and Tenant leases from Landlord all of Landlord's rights and interest in and to the Premises.

1.2 Term. The term of this Lease (the "Term") shall be for the period commencing as of the Commencement Date (as defined below) and expiring at 11:59 p.m. on the day prior to the date which is ten (10) years after the Commencement Date (the "Expiration Date").

1.3 Commencement Date. The "Commencement Date" hereunder shall be the later of (i) the Delivery Date, (ii) the Authorizations Date, or (iii) April 1, 2019; provided however, that if the Commencement Date would occur on a date other than the first (1st) day of a calendar month, then the Commencement Date shall be the first (1st) day of the following calendar month.

1.4 Termination Right. If the Commencement Date has not occurred on or prior to July 1, 2019, either Landlord or Tenant may terminate this Lease prior to the Commencement Date occurring by providing written notice of such intention to the other, in which case, this Lease shall terminate upon the giving of such notice, and, neither Landlord nor Tenant shall have any further obligations to the other hereunder.

1.5 Definitions. Certain capitalized terms used herein are defined in Exhibit A. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP.

ARTICLE II –
LANDLORD'S WORK; AUTHORIZATIONS

2.1 Landlord's Work. Landlord shall use commercially reasonable efforts to complete Landlord's Work and deliver to Tenant physical possession of the Land, Leased Improvements, Fixtures, and Landlord's Personal Property in a timely manner. The date on which Landlord delivers to Tenant physical possession of the Land, Leased Improvements, Fixtures, and Landlord's Personal Property with Landlord's Work completed is referred to as the "Delivery Date".

2.2 Authorizations. Landlord and Tenant shall reasonable cooperate and use commercially reasonable efforts to obtain the Authorizations necessary to permit Tenant to operate the Premises for the Primary Intended Use. Upon obtaining any of the Authorizations, Landlord or Tenant shall promptly notify the other of the receipt of such Authorization. The date
on which the last of the Authorizations necessary to permit Tenant to operate the Premises for the Primary Intended Use is obtained is referred to as the "Authorizations Date".

ARTICLE III –
RENT

3.1 Base Rent.

3.1.1 During the Term, Tenant will pay to Landlord as base rent hereunder (the "Base Rent"), a monthly amount for the corresponding Lease Months as follows:

<table>
<thead>
<tr>
<th>Lease Month(s)</th>
<th>Monthly Base Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$40,000.00 / month</td>
</tr>
<tr>
<td>2</td>
<td>$46,000.00 / month</td>
</tr>
<tr>
<td>3</td>
<td>$52,000.00 / month</td>
</tr>
<tr>
<td>4</td>
<td>$58,000.00 / month</td>
</tr>
<tr>
<td>5</td>
<td>$64,000.00 / month</td>
</tr>
<tr>
<td>6</td>
<td>$70,000.00 / month</td>
</tr>
<tr>
<td>7</td>
<td>$76,000.00 / month</td>
</tr>
<tr>
<td>8</td>
<td>$82,000.00 / month</td>
</tr>
<tr>
<td>9-20</td>
<td>$88,000.00 / month</td>
</tr>
<tr>
<td>21-32</td>
<td>$89,320.00 / month</td>
</tr>
<tr>
<td>33-44</td>
<td>$90,659.80 / month</td>
</tr>
<tr>
<td>45-56</td>
<td>$92,019.70 / month</td>
</tr>
<tr>
<td>57-68</td>
<td>$93,399.99 / month</td>
</tr>
<tr>
<td>69-80</td>
<td>$94,800.99 / month</td>
</tr>
<tr>
<td>81-92</td>
<td>$96,223.01 / month</td>
</tr>
<tr>
<td>93-104</td>
<td>$97,666.35 / month</td>
</tr>
<tr>
<td>105-116</td>
<td>$99,131.35 / month</td>
</tr>
<tr>
<td>117-120</td>
<td>$100,618.32 / month</td>
</tr>
</tbody>
</table>

3.1.2 The Base Rent shall be payable in advance on or before the first (1st) Business Day of each Lease Month.

3.2 Additional Rent. In addition to the Base Rent, Tenant shall also pay and discharge as and when due and payable all other amounts, liabilities and obligations which Tenant assumes or agrees to pay under this Lease. In the event of any failure on the part of Tenant to pay any of those items referred to in the previous sentence, Tenant will also promptly pay and discharge every fine, penalty, interest and cost which may be added for non-payment or late payment of the same. Collectively, the items referred to in the first two sentences of this Section 3.2 are referred to as "Additional Rent". Except as may otherwise be set forth herein, any costs or expenses paid or incurred by Landlord on behalf of Tenant that constitute Additional Rent shall be reimbursed by Tenant to Landlord within ten (10) days after the presentation by Landlord to Tenant of invoices therefor.

3.3 Method of Payment. All Rent payable hereunder shall be paid in lawful money of the United States of America. Except as may otherwise be specifically set forth herein, Rent
shall be prorated as to any partial months at the beginning and end of the Term. Rent to be paid to Landlord shall be paid by electronic funds transfer debit transactions through wire transfer of immediately available funds and shall be initiated by Tenant for settlement on or before the Payment Date. Landlord shall provide Tenant with appropriate wire transfer information. If Landlord directs Tenant to pay any Base Rent to any party other than Landlord, Tenant shall send to Landlord, simultaneously with such payment, a copy of the transmittal letter or invoice and a check whereby such payment is made or such other evidence of payment as Landlord may reasonably require.

3.4 **Net Lease.** This Lease is intended to be and shall be construed as an absolutely net lease, commonly referred to as a "net, net, net" or "triple net" lease, pursuant to which Landlord shall not, under any circumstances or conditions, whether presently existing or hereafter arising, and whether foreseen or unforeseen by the parties, be required to make any payment or expenditure of any kind whatsoever or be under any other obligation or liability whatsoever, except as expressly set forth herein, in connection with the Premises. All Rent payments shall be absolutely net to Landlord, free of all Taxes, utility charges, operating expenses, insurance premiums or any other charges or expenses in connection with the Premises, all of which shall be paid by Tenant.

3.5 **Late Payment of Rent.** Tenant hereby acknowledges that the late payment of Rent will cause Landlord to incur costs not contemplated hereunder, the exact amount of which is presently anticipated to be extremely difficult to ascertain. Accordingly, if any installment of Rent other than Additional Rent payable to a Person other than Landlord (or a Premises Mortgagee) shall not be paid within five (5) days of its Payment Date, Tenant shall pay to Landlord, on demand, a late charge equal to the lesser of (a) five percent (5%) of the amount of such installment or (b) the maximum amount permitted by law. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. The parties further agree that such late charge is Rent and not interest and such assessment does not constitute a lender or borrower/creditor relationship between Landlord and Tenant. In addition, if any installment of Rent other than Additional Rent payable to a Person other than Landlord (or a Premises Mortgagee) shall not be paid within ten (10) days after its Payment Date, the amount unpaid, including any late charges, shall bear interest at the Overdue Rate compounded monthly from such Payment Date to the date of payment thereof, and Tenant shall pay such interest to Landlord on demand. The payment of such late charge or such interest shall neither constitute waiver of nor excuse or cure any default under this Lease, nor prevent Landlord from exercising any other rights and remedies available to Landlord.

**ARTICLE IV -- GUARANTIES; SECURITY DEPOSIT**

4.1 **Taxes.** Tenant's obligations under this Lease are guaranteed pursuant to (a) that certain Guaranty of Lease of even date herewith made by Towne Square Care Mgt Co, a Tennessee corporation, (b) that certain Guaranty of Lease of even date herewith made by Daniel Stockdale, and (c) that certain Guaranty of Lease of even date herewith made by Daniel Stockdale, II (such guaranty agreements, as they may be amended, renewed, supplemented, extended or replaced from time to time, are herein referred to as the "Guaranties," and such
guarantors, together with their successors and assigns, are herein referred to, individually, as "Guarantor", and collectively, as "Guarantors").

4.2 Security Deposit. Tenant agrees to deposit with Landlord, at the time of Tenant's execution hereof, the sum of One Hundred Thousand and 00/100 Dollars ($100,000.00) as security for the full and faithful performance of every provision of this Lease to be performed by Tenant (the "Security Deposit"). If Tenant defaults with respect to any provisions of this Lease, including but not limited to the provisions relating to the payment of Rent or other charges, Landlord may apply or retain all or any part of the Security Deposit for the payment of any Rent or other charge in default, or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall within ten (10) days after written demand therefor deposit cash with Landlord in amount sufficient to restore the Security Deposit to the full amount hereinabove stated and Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep the Security Deposit separate from its general accounts and Tenant shall not be entitled to interest on the Security Deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit, or so much thereof as has not therefor been applied by Landlord, shall be returned without payment of interest or other increment for its use, to Tenant at the expiration of the Term. The making by Tenant of the Security Deposit, or the application thereof by Landlord in the manner hereinabove provided, shall not constitute nor be construed as a limitation upon the exercise by Landlord of any other rights or remedies provided to Landlord under the terms of this Lease in the event of Tenant's default.

ARTICLE V – TAXES AND OTHER CHARGES

5.1 Taxes.

5.1.1 Tenant shall pay all Taxes attributable to a tax period, or portion thereof, occurring during the Term, irrespective of whether the Taxes for such tax period are due and payable after the Term, when due and before any fine, penalty, interest or cost may be added for non-payment. Where feasible, such payments shall be made directly to the taxing authorities. If any such Tax may, at the option of the taxpayer, lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Tax), Tenant may exercise the option to pay same (and any accrued interest on the unpaid balance of such Tax) in installments (provided no such installments shall extend beyond the Term) and, in such event, shall pay such installments during the Term before any fine, penalty, premium, further interest or cost may be added thereto.

5.1.2 Landlord shall prepare and file all tax returns and reports as may be required by Legal Requirements with respect to those Taxes, if any, based on Landlord's net income, gross receipts, franchise taxes and taxes on its capital stock, and, notwithstanding Section 5.1.1 to the contrary, Landlord may elect to pay such Taxes directly to the taxing authority and within ten (10) Business Days of Landlord delivering to Tenant notice and evidence of such payment, Tenant shall reimburse Landlord for such
paid Taxes. Tenant shall prepare and file all other tax returns and reports as may be required by Legal Requirements with respect to or relating to all other Taxes. Landlord and Tenant shall, upon request of the other, promptly provide such data as is maintained by the party to whom the request is made with respect to the Premises as may be necessary to prepare any required returns and reports.

5.1.3 Tenant may, upon notice to Landlord, at Tenant's option and at Tenant's sole cost and expense, protest, appeal or institute such other proceedings as Tenant may deem appropriate to effect a reduction of real estate or personal property assessments and Landlord, at Tenant's expense, shall reasonably cooperate with Tenant in such protest, appeal or other action.

5.1.4 Landlord or Landlord's designee shall use reasonable efforts to give prompt notice to Tenant of all Taxes payable by Tenant hereunder of which Landlord at any time has knowledge, provided, however, that any failure by Landlord to provide such notice to Tenant shall in no way relieve Tenant of its obligation to timely pay the Taxes. Tenant shall deliver to Landlord, not less than five (5) days prior to the due date of each Tax, copies of the invoice for such Tax, the check delivered for payment thereof and an original receipt evidencing such payment or other proof of payment satisfactory to Landlord.

5.1.5 Taxes imposed or assessed in respect of the tax-fiscal period during which the Term terminates shall be adjusted and prorated between Landlord and Tenant, whether or not such Tax is imposed or assessed before or after such termination, and Tenant's obligation to pay its prorated share thereof shall survive such termination.

5.2 **Utilities; CC&Rs.** Tenant shall pay any and all charges for electricity, power, gas, oil, water and other utilities used in connection with the Premises during the Term. Tenant shall also pay all costs and expenses of any kind whatsoever which may be imposed against Landlord during the Term by reason of any of the covenants, conditions and/or restrictions affecting the Premises or any portion thereof, or with respect to easements, licenses or other rights over, across or with respect to any adjacent or other property which benefits the Premises, including any and all costs and expenses associated with any utility, drainage and parking easements. If Landlord is billed directly for any of the foregoing costs, Landlord shall send Tenant the bill and Tenant shall pay the same before it is due.

5.3 **Insurance.** Tenant shall pay or cause to be paid all premiums for the insurance coverage required to be maintained by Tenant hereunder.

5.4 **Other Charges.** Tenant shall pay all other amounts, liabilities, obligations, costs and expenses paid or incurred with respect to the ownership, repair, replacement, restoration, maintenance and operation of the Premises.

5.5 **Real Property Tax and Insurance Premium Impounds.**

5.5.1 If required under the terms of any Premises Mortgage Document or at Landlord's option following the occurrence of an Event of Default (to be exercised by thirty (30) days' written notice to Tenant), Tenant shall include with each payment of
Base Rent a sum equal to one-twelfth (1/12th) of the amount required to discharge the annual amount of Real Property Taxes and/or one-twelfth (12th) of Tenant's annual insurance premiums. Landlord shall reasonably estimate such annual amounts, with an appropriate adjustment to be promptly made between Landlord and Tenant as soon as such amounts become determinable. Landlord may, at its option, from time to time require that any particular deposit be greater than one-twelfth (1/12th) of the estimated annual Real Property Taxes or Tenant's annual insurance premiums if such additional deposit is required to provide a sufficient fund from which to make payment of such Real Property Taxes or Tenant's annual insurance premiums on or before the next due date of any installment thereof. Additionally, Landlord may change its estimate of any Real Property Tax or Tenant's annual insurance premiums for any period on the basis of a change in an assessment or tax rate, a change in the amount of Tenant's annual insurance premiums, or for any other good faith reason. In such event, Tenant shall deposit with Landlord the amount in excess of the sums previously deposited with Landlord for the applicable period within ten (10) days after Landlord's request therefor. Tenant shall deliver to Landlord copies of all notices, demands, claims, bills and receipts in relation to such Real Property Taxes and Tenant's annual insurance premiums. The deposits made under this Section 5.5 shall not bear interest.

5.5.2 Any sums deposited by Tenant under this Section 5.5 shall be held by Landlord and may be commingled with the other assets of Landlord, and, provided no Event of Default then exists hereunder, shall be used to reimburse Tenant for any Real Property Taxes or Tenant's annual insurance premiums paid by Tenant, upon delivery by Tenant of documentation evidencing the payment of such Real Property Taxes or Tenant's annual insurance premiums, which reimbursement shall be provided within five (5) Business Days after the presentation of such evidence, subject to reasonable extension if required under the Premises Mortgage Documents. If Tenant fails to pay any Real Property Taxes or Tenant's annual insurance premiums when due and owing hereunder to the applicable taxing authority or insurance company, Landlord may, but shall not be obligated to, pay such Real Property Taxes or Tenant's annual insurance premiums from any funds held by it under this Section 5.5. Upon the occurrence of any Event of Default, Landlord may apply any funds held by it under this Section 5.5 to cure such Event of Default or on account of any damages suffered or incurred by Landlord in connection therewith.

5.5.3 If Landlord transfers this Lease, it shall transfer all amounts then held by it under this Section 5.5 to the transferee, and Landlord shall thereafter have no liability of any kind with respect thereto. As of the Expiration Date, any sums held by Landlord under this Section 5.5 shall be returned to Tenant, so long as no Event of Default then exists, and provided that any and all Real Property Taxes and Tenant's annual insurance premiums due and owing hereunder have been paid in full.

ARTICLE VI -
NO EFFECT OR IMPAIRMENT

The respective obligations of Landlord and Tenant shall not be affected or impaired by reason of (a) any damage to, or destruction of, the Premises, from whatever cause, or any
Condemnation of the Premises (except as otherwise expressly and specifically provided in Article XV or Article XVI); (b) the interruption or discontinuation of any service or utility servicing the Premises; (c) the lawful or unlawful prohibition of, or restriction upon, Tenant's use of the Premises due to the interference with such use by any Person or eviction by paramount title; (d) any claim that Tenant has or might have against Landlord on account of any breach of warranty or default by Landlord under this Lease or any other agreement by which Landlord is bound; (e) any bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding up or other proceedings affecting Landlord or any assignee or transferee of Landlord; (f) any Licensing Impairment; or (g) for any other cause whether similar or dissimilar to any of the foregoing. Tenant hereby specifically waives all rights, arising from any occurrence whatsoever, which may now or hereafter be conferred upon it by law or equity (x) to modify, surrender or terminate this Lease or quit or surrender the Premises, or (y) that would entitle Tenant to any abatement, reduction, offset, suspension or deferment of Rent. The obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements and Rent shall continue to be payable in all events until the termination of this Lease, other than by reason of an Event of Default. Tenant's sole right to recover damages against Landlord under this Lease shall be to prove such damages in a separate action.

ARTICLE VII — PREMISES; PERSONAL PROPERTY

7.1 Ownership of the Premises. Tenant acknowledges that the Premises are the property of Landlord and that Tenant has only the right to the possession and use of the Premises upon and subject to the terms and conditions of this Lease. Tenant will not, at any time during the Term, take any position, whether any tax return, public filing, contractual arrangement, financial statement or otherwise, other than that Landlord is the owner of the Premises for federal, state and local income tax purposes and that this Lease is a "true lease."

7.2 Tenant's Personal Property. Tenant shall obtain and install all items of furniture, fixtures, supplies and equipment not included as Landlord's Personal Property as shall be necessary or reasonably appropriate to operate the Premises in compliance with this Lease ("Tenant's Personal Property").

7.3 Landlord's Personal Property. Tenant may, from time to time, in Tenant's reasonable discretion, without notice to or approval of Landlord, sell or dispose of any item of Landlord's Personal Property; provided, however, that, unless such item is functionally obsolete, Tenant shall promptly replace such item with an item of similar quality, use and functionality, and any such replacement item shall, for all purposes of this Lease, continue to be treated as part of "Landlord's Personal Property." Tenant shall, promptly upon Landlord's request from time to time, provide such information as Landlord may reasonably request relative to any sales, dispositions or replacements of Landlord's Personal Property pursuant to this Section 7.3 and shall provide to Landlord with an inventory of Landlord's Personal Property.
ARTICLE VIII –
ACCEPTANCE OF PREMISES

By Tenant's acceptance of the Premises on the Delivery Date, Tenant acknowledges receipt and delivery of possession of the Premises and confirms that Tenant has examined and otherwise has knowledge of the condition of the Premises and has found the same to be in good order and repair, free from Hazardous Materials not in compliance with applicable Hazardous Materials Laws and satisfactory for its purposes hereunder. Regardless, however, of any examination or inspection made by Tenant and whether or not any patent or latent defect or condition was revealed or discovered thereby, Tenant is leasing the Premises "as is" in its condition upon the Delivery Date. Tenant waives any claim or action against Landlord in respect of the condition of the Premises including any defects or adverse conditions not discovered or otherwise known by Tenant as of the Delivery Date. LANDLORD MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IN RESPECT OF THE PREMISES, EITHER AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, OR AS TO THE NATURE OR QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR THE EXISTENCE OF ANY HAZARDOUS MATERIALS, IT BEING AGREED THAT ALL SUCH RISKS, LATENT OR PATENT, ARE TO BE BORNE SOLELY BY TENANT.

ARTICLE IX –
USE OF PREMISES

9.1 Primary Intended Use. During the entire Term, Tenant shall continually use the Premises for the Primary Intended Use (subject to Articles XV and XVI) and for no other use or purposes and shall operate the Premises in a manner consistent with a high quality independent living, assisted living, and skilled nursing facility, employing sound reimbursement principles under Medicare, Medicaid, and any other applicable Third Party Payor Programs.

9.2 Compliance with Requirements and Authorizations. Tenant, at its sole cost and expense, shall promptly (a) comply with all Legal Requirements and Insurance Requirements regarding the use, condition and operation of the Premises and Tenant's Personal Property, and (b) procure, maintain and comply with all Authorizations.

9.3 Preservation of Business. Tenant acknowledges that the diversion of residents or patient care activities from the Premises to other facilities owned or operated by Tenant or its Affiliates at any time during the Term will have a material adverse effect on the value and utility of the Premises. Therefore, Tenant agrees that during the Term and for a period of one (1) year thereafter, neither Tenant nor any of its Affiliates shall, without the prior written consent of Landlord: (a) operate, own, lease, manage, participate in or otherwise receive revenues from any other business providing services similar to those of the Primary Intended Use within a ten (10) mile radius of the Premises, (b) except as is necessary to provide residents or patients with an alternative level of care, recommend or solicit the removal or transfer of any resident or patient from the Premises to any other nursing, health care, senior housing, independent living or retirement housing facility or divert actual or potential residents, patients or care activities of the Premises to any other facilities owned or operated by Tenant or its Affiliates or from which they receive any type of referral fees or other compensation for transfers, or (c) employ for other
businesses any management or supervisory personnel working on or in connection with the Premises or the operations thereof.

**ARTICLE X – MAINTENANCE AND REPAIR**

10.1 **Tenant's Maintenance Obligation.** Tenant shall (a) keep and maintain the Premises in good appearance, repair and condition, and maintain proper housekeeping, (b) promptly make all repairs (interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen) necessary to keep the Premises in good and lawful order and condition and in compliance with all Legal Requirements, Insurance Requirements and Authorizations and to maintain the Premises in a high quality operating and structural condition for use for the Primary Intended Use, and (c) keep and maintain all of Landlord's Personal Property and Tenant's Personal Property in good condition and repair and replace such property consistent with prudent industry practice. All repairs performed by Tenant shall be done in a good and workmanlike manner. Landlord shall under no circumstances be required to repair, replace, build or rebuild any improvements on the Premises, or to make any repairs, replacements, alterations, restorations or renewals of any nature or description to the Premises, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto, or to maintain the Premises in any way. Tenant hereby waives, to the extent permitted by law or any equitable principle, the right to make repairs at the expense of Landlord pursuant to any law currently in effect or hereafter enacted.

10.2 **No Deferred Maintenance.** Tenant shall maintain, repair and replace the Premises such that no deferred maintenance items exist at, in or on the Premises at any time and all systems, components and elements (structural and otherwise) of the Premises have a useful life determined in the exercise of Landlord's reasonable judgment that exceeds the then applicable Expiration Date by not less than three (3) years (and not less than seven (7) years as to structural items).

10.3 **Notice of Non-Responsibility.** Nothing contained in this Lease and no action or inaction by Landlord shall be construed as (a) constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Premises or any part thereof; or (b) giving Tenant any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim or other encumbrance upon the estate of Landlord in the Premises or any portion thereof. Landlord may post, at Tenant's sole cost, such notices of non-responsibility upon, or of record against, the Premises to prevent the lien of any contractor, subcontractor, laborer, materialman or vendor providing work, services or supplies to Tenant from attaching against the Premises. Tenant agrees to promptly execute and record any such notice of non-responsibility at Tenant's sole cost.
10.4 **Alterations.** Tenant shall not (a) make any Capital Alterations, (b) enlarge or reduce the size of the Premises or (c) make any Capital Alterations or other Alterations that would tie in or connect with any improvements on property adjacent to the Land without Landlord's prior written consent, in each instance. Tenant may, without Landlord's consent, make any Alterations that are not of the type described in clause (a), (b) or (c) above, so long as in each case: (w) the same do not (i) decrease the value of the Premises, (ii) affect the exterior appearance of the Premises, or (iii) affect the structural components of the Premises or the main electrical, mechanical, plumbing, elevator or ventilating and air conditioning systems for the Premises, (x) the same are consistent in terms of style, quality and workmanship to the original Leased Improvements and Fixtures, (y) the same are constructed and performed in accordance with the provisions of Section 10.5 below and (z) the cost thereof does not exceed, in the aggregate, $100,000.00 for any consecutive twelve (12) month period. Except for those Alterations that expressly do not require Landlord's consent pursuant to the preceding sentence, all Alterations shall be subject to Landlord's prior written consent, which consent shall not be unreasonably withheld. To the extent Landlord's prior written consent shall be required in connection with any Alterations, Landlord may impose such conditions thereon in connection with its approval thereof as Landlord deems reasonably appropriate. Notwithstanding the foregoing, Landlord agrees that painting, landscaping and replacement of floor, wall and window coverings shall be deemed Alterations that do not require Landlord's consent, regardless of the cost thereof, so long as the same meet the requirements of clauses (x) and (y) above.

10.5 **Construction Requirements for all Alterations.** Whether or not Landlord's consent is required, for all Alterations, the following shall apply and shall be in addition to and not in lieu of any other requirements that Landlord may impose on Tenant in connection with the making of any Alterations:

10.5.1 Prior to commencing any Alterations, Tenant shall have submitted to Landlord a written proposal describing in reasonable detail such proposed Alteration and shall provide to Landlord for approval such plans and specifications, permits, licenses, construction budgets and other information (collectively, the "Alteration Plans") as Landlord shall request, showing in reasonable detail the scope and nature of the proposed Alteration.

10.5.2 Such construction shall not commence until Tenant shall have procured and paid for all municipal and other governmental permits and authorizations required therefor (as well as any permits or approvals required in connection with any Permitted Encumbrance), and Landlord shall join in the application for such permits or authorizations whenever such action is necessary; provided, however, that (a) any such joinder shall be at no liability, cost or expense to Landlord; and (b) any Alteration Plans required to be filed in connection with any such application that require the approval of Landlord shall have been so approved by Landlord.

10.5.3 Such construction shall not, and prior to commencement of such construction Tenant's licensed architect or engineer shall certify to Landlord that such construction shall not, impair the structural strength of any component of the Premises or overburden or impair the operating efficiency of the electrical, water, plumbing, HVAC or other building systems of the Premises.
10.5.4 Prior to commencing any Alterations, Tenant's licensed architect or engineer shall certify to Landlord that the Alteration Plans conform to and comply with all Insurance Requirements and all applicable Legal Requirements and Authorizations.

10.5.5 During and following completion of such construction, the parking that is located on the Land shall remain adequate for the operation of the Premises for its Primary Intended Use and in no event shall such parking be less than what is required by any applicable Legal Requirements or was located on the Land prior to such construction.

10.5.6 All work done in connection with such construction shall be done promptly and in a good and workmanlike manner using materials of appropriate grade and quality consistent with the existing materials and in conformity with all Legal Requirements.

10.5.7 Promptly following the completion of the construction of any Alterations, Tenant shall deliver to Landlord: (a) "as built" drawings of any Alterations included therein, if applicable, certified as accurate by the licensed architect or engineer selected by Tenant to supervise such work; and (b) a certificate from Tenant's licensed architect or engineer certifying to Landlord that such Alterations have been completed in compliance with the Alteration Plans and all applicable Legal Requirements.

10.5.8 If, by reason of the construction of any Alteration, a new or revised certificate of occupancy for any component of the Premises is required, Tenant shall obtain such certificate in compliance with all applicable Legal Requirements and furnish a copy of the same to Landlord promptly upon receipt thereof.

10.5.9 Upon completion of any Alteration, Tenant shall promptly deliver to Landlord final lien waivers from each and every general contractor and subcontractor that provided goods or services in connection with such Alteration indicating that such contractor or subcontractor has been paid in full for such goods or services, together with such other evidence as Landlord may reasonably require to satisfy Landlord that no liens have been created in connection with such Alteration.

10.6 **Required Capital Expenditures.**

10.6.1 Tenant agrees to expend, during each Lease Year, an amount (the "Required Capital Expenditures Amount") equal to the product of (a) the Required Per Bed Annual Capital Expenditures Amount, times (b) one hundred fourteen (114) beds/units, on Capital Expenditures. Within thirty (30) days following the end of each Lease Year, Tenant shall deliver to Landlord a report (a "Capital Expenditures Report"), certified as true, correct and complete by an officer of Tenant, summarizing and describing in reasonable detail all of the Capital Expenditures made by Tenant during the preceding Lease Year, and such receipts and other information as Landlord may reasonably request relative to the Capital Expenditures made by Tenant during the applicable Lease Year. If the amount of the Capital Expenditures so made and reported by Tenant during a particular Lease Year (the "Actual Capital Expenditures Amount") is less than the Required Capital Expenditures Amount applicable to such period, Tenant
shall, on or prior to the due date of the Capital Expenditures Report for such period, deposit (herein, a "Capital Expenditures Deposit") with Landlord an amount equal to the amount by which the Required Capital Expenditures Amount for the applicable period exceeds the Actual Capital Expenditures Amount for such period. If the Actual Capital Expenditures Amount so made and reported by Tenant during a particular Lease Year is greater than the Required Capital Expenditures Amount applicable to such period, then, provided no Event of Default then exists hereunder, within ten (10) days after Tenant's presentation of its Capital Expenditures Report reflecting such greater expenditure, subject to reasonable extension if required under the Premises Mortgage Documents, Landlord shall pay to Tenant the lesser of (x) the amount by which the Actual Capital Expenditures Amount so made and reported by Tenant during a particular period exceeds the Required Capital Expenditures Amount for such period or (y) the amount of funds then held by Landlord as Capital Expenditure Deposits.

10.6.2 Tenant's obligation to deliver the Capital Expenditures Report applicable to the last Lease Year, together with Tenant's obligation to deliver any Capital Expenditure Deposit associated therewith, shall survive the expiration or termination of this Lease. If, on the basis of such Capital Expenditures Report, Tenant is entitled to a payment as described in Section 10.6.1 above, then, notwithstanding anything to the contrary, such payment shall be due and payable to Tenant so long as no Event of Default then exists. Except as provided in the preceding sentence, upon the expiration or termination of this Lease, all Capital Expenditure Deposits held by Landlord (including, without limitation, any Capital Expenditure Deposits that are required to be deposited by Tenant with respect to the last Lease Year) shall automatically and without further action of the parties become the property of Landlord, without any obligation on Landlord's part to credit Tenant in any manner therefor.

10.6.3 The Capital Expenditure Deposits held by Landlord shall not bear interest and may be commingled with the other assets of Landlord. If Landlord transfers this Lease, it shall transfer all Capital Expenditure Deposits then held by it to the transferee, and Landlord shall thereafter have no liability of any kind with respect thereto.

ARTICLE XI –
LIENS

Subject to the provisions of Article XII relating to permitted contests and excluding Permitted Encumbrances, Tenant will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon the Premises, this Lease or Tenant's interest in the Premises or any attachment, levy, claim or encumbrance in respect of the Rent.

ARTICLE XII –
PERMITTED CONTESTS

Tenant, upon prior written notice to Landlord, on its own or in Landlord's name, at Tenant's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any licensure or
certification decision, Tax, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim; provided, however, that (a) in the case of an unpaid Tax, lien, attachment, levy, encumbrance, charge, or claim, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the Premises, (b) neither the Premises nor any Rent therefrom nor any part thereof or interest therein would be reasonably likely to be in danger of being sold, forfeited, attached or lost pending the outcome of such proceedings, (c) in the case of a Legal Requirement, neither Landlord nor Tenant would be in any danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings; (d) Tenant shall give such security as may be demanded by Landlord to insure ultimate payment of, or compliance with, the same and to prevent any sale or forfeiture of the Premises or the Rent by reason of such non-payment or non-compliance; (e) in the case of the contest of an Insurance Requirement, the coverage required by Article XIII shall be maintained, and (f) if such contest is resolved against Landlord or Tenant, Tenant shall pay to the appropriate payee the amount required to be paid, together with all interest and penalties accrued thereon, and otherwise comply with the applicable Legal Requirement or Insurance Requirement. Landlord, at Tenant's expense, shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such contest, and, if reasonably requested by Tenant or if Landlord so desires, shall join as a party therein. The provisions of this Article XII shall not be construed to permit Tenant to contest the payment of Rent or any other amount payable by Tenant to Landlord hereunder. Tenant shall indemnify, defend, protect and hold harmless Landlord from and against any Losses of any kind that may be imposed upon Landlord in connection with any such contest and any Losses resulting therefrom and the provisions of this Article XII shall survive the termination or expiration of this Lease.

ARTICLE XIII – INSURANCE

13.1 General Insurance Requirements. During the Term, Tenant shall at all times keep the Premises insured with the kinds and amounts of insurance described below. Each element of insurance described in this Article XIII shall be maintained with respect to the Premises and operations thereon. This insurance shall be written by companies authorized to do insurance business in the State. All liability type policies must name Landlord as an "additional insured." All property policies shall name Landlord as "loss payee." All business interruption policies shall name Landlord as "loss payee" with respect to Rent only. Losses shall be payable to Landlord and/or Tenant as provided herein. In addition, the policies, as appropriate, shall name as an "additional insured" or "loss payee" any Premises Mortgagee by way of a standard form of mortgagee's loss payable endorsement. Any loss adjustment shall require the written consent of Landlord, Tenant, and each Premises Mortgagee unless the amount of the loss is less than $100,000 in which event no consent shall be required. Evidence of insurance shall be deposited with Landlord and, if requested, with any Premises Mortgagee(s). The policies shall insure against the following risks with respect to the Premises:

13.1.1 Loss or damage by fire, vandalism and malicious mischief, extended coverage perils commonly known as "Special Risk," and all physical loss perils normally included in such Special Risk insurance, including but not limited to sprinkler leakage and windstorm, together with coverage for earthquake (including earth movement) and terrorism, to the extent not included or specifically excluded from such Special Risk
Insurance, all in an amount not less than the insurable value on a replacement cost basis (as defined below in Section 13.2), and including a building ordinance coverage endorsement;

13.1.2 Loss or damage by explosion of steam boilers, pressure vessels or similar apparatus, now or hereafter installed in the Premises, in such limits with respect to any one accident as may be reasonably requested by Landlord from time to time;

13.1.3 Flood (when the Premises are located in whole or in part within a designated 100-year flood plain area) and such other hazards and in such amounts as may be customary for comparable properties in the area;

13.1.4 Loss of rental value in an amount not less than twelve (12) months' Rent payable hereunder or business interruption in an amount not less than twelve (12) months of income and normal operating expenses including payroll and Rent payable hereunder with an endorsement extending the period of indemnity by at least ninety (90) days (Building Ordinance - Increased Period of Restoration Endorsement) necessitated by the occurrence of any of the hazards described in Sections 13.1.1, 13.1.2, and 13.1.3;

13.1.5 Claims for personal injury or property damage under a policy of comprehensive general public liability insurance with amounts not less than Two Million Dollars ($2,000,000) combined single limit and Four Million Dollars ($4,000,000) in the annual aggregate;

13.1.6 Medical professional liability with amounts not less than Two Million Dollars ($2,000,000) combined single limit and Four Million Dollars ($4,000,000) in the annual aggregate; and

13.1.7 During such time as Tenant is constructing any improvements, Tenant, at its sole cost and expense, shall carry, or cause to be carried (a) workers' compensation insurance and employers' liability insurance covering all persons employed in connection with the improvements in statutory limits, (b) a completed operations endorsement to the commercial general liability insurance policy referred to above, (c) builder's risk insurance, completed value form, covering all physical loss, in an amount and subject to policy conditions satisfactory to Landlord, and (d) such other insurance, in such amounts, as Landlord deems necessary to protect Landlord's interest in the Premises from any act or omission of Tenant's contractors or subcontractors.

13.2 Replacement Costs. The term "replacement cost" shall mean the actual replacement cost of the insured property from time to time with new materials and workmanship of like kind and quality (including the cost of compliance with changes in zoning and building codes and other laws and regulations, demolition and debris removal and increased cost of construction). If Landlord believes that the replacement cost has increased at any time during the Term, it shall have the right to have such replacement cost redetermined by an impartial national insurance company reasonably acceptable to both parties (the "impartial appraiser"). The determination of the impartial appraiser shall be final and binding, and, as necessary, Tenant shall increase, but not decrease, the amount of the insurance carried pursuant to this Article XIII.
to the amount so determined by the impartial appraiser. Each party shall pay one-half (1/2) of the fee, if any, of the impartial appraiser. If Tenant has made Alterations, Landlord may at Tenant's expense have the replacement cost redetermined at any time after such Alterations are made.

13.3 Additional Insurance. In addition to the insurance described above, Tenant shall at all times maintain adequate workers' compensation coverage and any other coverage required by Legal Requirements for all Persons employed by Tenant on the Premises in accordance with Legal Requirements.

13.4 Policy Requirements. All of the policies of insurance referred to in this Article XIII shall be written in form satisfactory to Landlord and any Premises Mortgagee and issued by insurance companies with a policyholder and financial rating of not less than "A-"/"X" in the most recent version of Best's Key Rating Guide. The property loss insurance policy shall contain a Replacement Cost Endorsement and shall expressly waive any right of subrogation on the part of the insurer against Landlord, so long as the same does not invalidate such policy. If Tenant obtains and maintains the general liability insurance coverage and/or professional malpractice insurance described in Sections 13.1.5 and 13.1.6 above on a "claims-made" basis, Tenant shall provide continuous liability coverage for claims arising during the Term either by obtaining an endorsement providing for an extended reporting period reasonably acceptable to Landlord in the event such policy is canceled or not renewed for any reason whatsoever, or by obtaining either (a) "tail" insurance coverage converting the policies to "occurrence" basis policies providing coverage for a period of at least three (3) years beyond the expiration of the Term, or (b) retroactive coverage back to the commencement date (which date shall be at least three (3) years prior to the expiration of the Term) for the policy in effect prior to the expiration of the Term and maintaining such coverage for a period of at least three (3) years beyond the expiration of the Term. Tenant shall pay all of the premiums therefor, and deliver such policies or certificates thereof to Landlord prior to their effective date (and with respect to any renewal policy, at least ten (10) days prior to the expiration of the existing policy), and in the event of the failure of Tenant either to effect such insurance in the names herein called for or to pay the premiums therefor, or to deliver such policies or certificates thereof to Landlord, at the times required, Landlord shall be entitled, but shall have no obligation, to effect such insurance and pay the premiums therefor, in which event the cost thereof, together with interest thereon at the Overdue Rate, shall be repayable to Landlord upon demand therefor. Each insurer shall agree, by endorsement on the policy or policies issued by it, or by independent instrument furnished to Landlord, that it will give to Landlord thirty (30) days' written notice before the policy or policies in question shall be altered, allowed to expire or cancelled. Each property policy shall have a deductible or deductibles, if any, which are no greater than $50,000, unless such requirement is specifically waived by Landlord. Each earthquake policy shall have a deductible of not more than five percent (5%) of real property, personal property and rental value limit at the subject location, unless such requirement is specifically waived by Landlord.

13.5 Blanket Policy. Notwithstanding anything to the contrary contained in this Article XIII, Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called "blanket" policy or policies of insurance carried and maintained by Tenant; provided, however, that the coverage afforded Landlord will not be reduced or diminished or otherwise be materially different from that which would exist under a
separate policy meeting all other requirements hereof by reason of the use of the blanket policy, and provided further that the requirements of this Article XIII (including satisfaction of the Premises Mortgagee's requirements and the approval of the Premises Mortgagee) are otherwise satisfied, and provided further that Tenant maintains specific allocations acceptable to Landlord. For any liability policies covering one or more other properties in addition to the Premises, Landlord may require excess limits as Landlord reasonably determines.

13.6 **No Separate Insurance.** Tenant shall not, on Tenant's own initiative or pursuant to the request or requirement of any third party, (a) take out separate insurance concurrent in form or contributing in the event of loss with that required in this Article XIII to be furnished by, or which may reasonably be required to be furnished by, Tenant or (b) increase the amounts of any then-existing insurance by securing an additional policy or additional policies, unless all parties having an insurable interest in the subject matter of the insurance, including in all cases Landlord and all Premises Mortgagees, are included therein as additional insureds and the loss is payable under such insurance in the same manner as losses are payable under this Lease. Notwithstanding the foregoing, nothing herein shall prohibit Tenant from insuring against risks not required to be insured hereby, and as to such insurance, Landlord and any Premises Mortgagee need not be included therein as additional insureds, nor must the loss thereunder be payable in the same manner as losses are payable hereunder except to the extent required to avoid a default under the Premises Mortgage.

**ARTICLE XIV – REPRESENTATIONS AND WARRANTIES**

14.1 **General.** Each party represents and warrants to the other that: (a) this Lease and all other documents executed or to be executed by it in connection herewith have been duly authorized and shall be binding upon it; (b) it is duly organized, validly existing and in good standing under the laws of the state of its formation and is duly authorized and qualified to perform this Lease within the State; and (c) neither this Lease nor any other document executed or to be executed in connection herewith violates the terms of any other agreement of such party.

14.2 **Anti-Terrorism Representations.**

14.2.1 Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (a) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (b) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (c) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons" (collectively, "Prohibited Persons"). Tenant hereby represents and warrants to Landlord that no funds tendered to Landlord by Tenant under the terms of this Lease are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. If the foregoing representations are untrue at any time
during the Term, an Event of Default will be deemed to have occurred, without the
necessity of notice to Tenant.

14.2.2 Tenant will not during the Term of this Lease engage in any transactions
or dealings, or be otherwise associated with, any Prohibited Persons in connection with
the use or occupancy of the Premises. A breach of the representations contained in this
Section 14.2 by Tenant shall constitute a material breach of this Lease and shall entitle
Landlord to any and all remedies available hereunder, or at law or in equity.

ARTICLE XV

DAMAGE AND DESTRUCTION

Tenant shall promptly notify Landlord of any damage or destruction of the Premises and
diligently repair or reconstruct the Premises to a like or better condition than existed prior to such
damage or destruction in accordance with Section 10.5. Any net insurance proceeds payable
with respect to the casualty shall be paid directly to Landlord and shall be made available to
Tenant for the repair or reconstruction of the Premises pursuant to Landlord's disbursement
requirements. If such proceeds are insufficient, Tenant shall provide the required additional
funds If such proceeds are more than sufficient, the surplus shall belong and be paid to Tenant.
Tenant shall not have any right under this Lease, and hereby waives all rights under applicable
law, to abate, reduce, or offset rent by reason of any damage or destruction of the Premises by
reason of an insured or uninsured casualty.

ARTICLE XVI

CONDEMNATION

Except as provided to the contrary in this Article XVI, a Condemnation of the Premises
or any portion thereof shall not terminate this Lease, which shall remain in full force and effect,
and Tenant hereby waives all rights under applicable law to abate, reduce or offset Rent by
reason of any such Condemnation. Following a Complete Taking, Tenant may at its election,
made within thirty (30) days of the effective date of such Complete Taking, terminate this Lease
and the current Rent shall be equitably abated as of the effective date of such termination.
Following a Partial Taking, the Rent shall be abated to the same extent as the resulting
diminution in the Fair Market Value of the Premises and, as necessary, Tenant at its sole cost
shall restore the Premises in accordance with Section 10.5. Landlord alone shall be entitled to
receive and retain any award for a Condemnation other than a Temporary Taking; provided,
however, Tenant shall be entitled to submit its own claim in the event of any such Condemnation
with respect to the value of Tenant's leasehold interest in the Premises and/or the relocation costs
incurred by Tenant as a result thereof. In the event of a Temporary Taking, Tenant shall be
entitled to receive and retain any and all awards for the Temporary Taking; provided, however,
that Base Rent shall not be abated during the period of such Temporary Taking.
ARTICLE XVII – DEFAULT

17.1 Events of Default. The occurrence of any of the following shall constitute an "Event of Default" and there shall be no cure period therefor except as otherwise expressly provided in this Section 17.1:

17.1.1 Tenant shall fail to pay any installment of Rent within five (5) Business Days of its Payment Date;

17.1.2 (a) The sale, transfer, revocation or termination of any Authorization that would have a material adverse effect on the operation of the Premises for the Primary Intended Use; (b) except as a result of damage, destruction or Condemnation, the voluntarily cessation of operations at the Premises; or (c) the use of the Premises other than for the Primary Intended Use;

17.1.3 Any material suspension, limitation or restriction placed upon Tenant, any Authorization, the Premises, the operations at the Premises or Tenant's ability to admit residents or patients at the Premises (e.g., an admissions ban or non-payment for new admissions by Medicare, Medicaid or any Thirty Party Payor Program resulting from an inspection survey); provided, however, if any such material suspension, limitation or restriction is curable by Tenant under the applicable Authorization or Legal Requirement, it shall not constitute an Event of Default if Tenant promptly commences to cure such breach and thereafter diligently pursues such cure to the completion thereof within the lesser of: (a) the time period in which the applicable governmental agency has given Tenant to undertake corrective action, or (b) thirty (30) days after the occurrence of any such material suspension, limitation or restriction;

17.1.4 A default shall occur under any other lease or agreement between Landlord or an Affiliate of Landlord and Tenant or an Affiliate of Tenant, or any letter of credit, guaranty, mortgage, deed of trust, or other instrument executed by Tenant or an Affiliate of Tenant in favor of Landlord or an Affiliate of Landlord, in every case, whether now or hereafter existing, where the default is not cured within any applicable grace period set forth therein;

17.1.5 Tenant, any Guarantor, or any Affiliate of Tenant or any Guarantor shall (a) admit in writing its inability to pay its debts generally as they become due; (b) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (c) make an assignment for the benefit of its creditors; (d) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; or (e) file a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

17.1.6 Any petition is filed by or against any Tenant, any Guarantor, or any Affiliate of any Tenant or any Guarantor under federal bankruptcy laws, or any other proceeding is instituted by or against any Tenant, any Guarantor or any Affiliate of any Tenant or any Guarantor seeking to adjudicate it a bankrupt or insolvent, or seeking
liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for any Tenant, any Guarantor or any Affiliate of any Tenant or any Guarantor, or for any substantial part of the property of any Tenant, any Guarantor or any Affiliate of any Tenant or any Guarantor, and Tenants fails to notify Landlord of such proceeding within three (3) Business Days of the institution thereof and such proceeding is not dismissed within sixty (60) days after institution thereof, or any Tenant, any Guarantor or any Affiliate of any Tenant or any Guarantor shall take any action to authorize or effect any of the actions set forth above in this Section 17.1.6;

17.1.7 Any of the representations or warranties made by Tenant hereunder or by any Guarantor in the Guaranties proves to be untrue when made in any material respect which materially and adversely affects Landlord;

17.1.8 Tenant fails to perform or comply with the provisions of Article XIII or Article XXI within the applicable time periods set forth therein;

17.1.9 Tenant fails to observe or perform any other term, covenant or condition of this Lease and such failure is not cured by Tenant within thirty (30) days after notice thereof from Landlord, unless such failure cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to be an Event of Default if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within one hundred twenty (120) days after such notice from Landlord; provided, however, that such notice shall be in lieu of and not in addition to any notice required under applicable law.

17.2 Remedies. Upon the occurrence of an Event of Default, Landlord may exercise all rights and remedies under this Lease and the laws of the State that are available to a lessor of real and personal property in the event of a default by its lessee, and as to the Lease Collateral, all remedies granted under the laws of the State to a secured party under its Uniform Commercial Code. Landlord shall have no duty to mitigate damages unless required by applicable law and shall not be responsible or liable for any failure to relet the Premises or to collect any rent due upon any such reletting. Tenant shall pay Landlord, immediately upon demand, all expenses incurred by it in obtaining possession and reletting the Premises, including fees, commissions and costs of attorneys, architects, agents and brokers.

17.2.1 Without limiting the foregoing, Landlord shall have the right (but not the obligation) to do any of the following upon an Event of Default: (a) sue for the specific performance of any covenant of Tenant as to which it is in breach; (b) enter upon the Premises, terminate this Lease, dispossess Tenant from the Premises and/or collect money damages by reason of Tenant's breach, including the acceleration of all Rent which would have accrued after such termination and all obligations and liabilities of Tenant under this Lease which survive the termination of the Term; (c) elect to leave this Lease in place and sue for Rent and other money damages as the same come due; (d) (before or after repossession of the Premises pursuant to clause (b) above and whether or not this Lease has been terminated) relet the Premises to such tenant, for such term
(which may be greater or less than the remaining balance of the Term), rent, conditions
(which may include concessions or free rent) and uses as it may determine in its sole
discretion and collect and receive any rents payable by reason of such reletting; and
(e) sell any Lease Collateral in a non-judicial foreclosure sale.

17.2.2 Upon the occurrence of an Event of Default, and upon commencement of
proceedings to enforce the rights of Landlord hereunder, Landlord shall be entitled, as a
matter of right, to appoint a receiver to take possession of the Premises, pending the
outcome of such proceedings, to manage the operation of the Premises, to collect and
disburse all rents, issues, profits and income generated thereby and to the extent
applicable and possible, to preserve or replace any Authorization or to otherwise
substitute the licensee or provider thereof. If a receiver is appointed pursuant hereto, the
receiver shall be paid a reasonable fee for its services and all such fees and other
expenses incurred by Landlord in connection with the appointment of the receiver shall
be paid in addition to, and not in limitation of, the Rent otherwise due to Landlord
hereunder. Tenant irrevocably consents to the appointment of a receiver following an
Event of Default and thus stipulates to and agrees not to contest the appointment of a
receiver under such circumstances and for such purposes.

17.2.3 If Tenant at any time shall fail to make any payment or perform any act on
its part required to be made or performed under this Lease, then Landlord may, without
waiving or releasing Tenant from any obligations or default hereunder, make such
payment or perform such act for the account and at the expense of Tenant, and enter upon
the Premises for the purpose of taking all such action as may be reasonably necessary.
No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and
all necessary and incidental costs and expenses (including reasonable attorneys' fees and
expenses) incurred in connection with the performance of any such act by it, together
with interest at the Overdue Rate from the date of the making of such payment or the
incurring of such costs and expenses, shall be payable by Tenant to Landlord upon
Landlord's written demand therefor.

17.2.4 No right or remedy herein conferred upon or reserved to Landlord is
intended to be exclusive of any other right or remedy, and each and every right and
remedy shall be cumulative and in addition to any other right or remedy given hereunder
or now or hereafter existing at law or in equity. Any notice or cure period provided
herein shall run concurrently with any provided by applicable law.

17.2.5 If Landlord initiates judicial proceedings or if this Lease is terminated by
Landlord pursuant to this Article XVII, Tenant waives, to the extent permitted by
applicable law, (a) any right of redemption, re-entry, or repossession; and (b) the benefit
of any laws now or hereafter in force exempting property from liability for rent or for
debt.
ARTICLE XVIII –
PROVISIONS ON TERMINATION

18.1 Surrender of Possession. On the Expiration Date, Tenant shall deliver to Landlord or Landlord's designee possession of the Premises in a neat and clean condition and in good repair.

18.2 Orderly Transition.

18.2.1 On the Expiration Date, Tenant shall use its best efforts to transfer to Landlord or Landlord's designee all Authorizations and shall cooperate with Landlord or Landlord's designee in connection with the processing of any applications related thereto. Tenant shall transfer, to the extent permitted by applicable law, to Landlord or Landlord's designee all contracts, including contracts with governmental or quasi-governmental entities, business records (other than corporate financial records or proprietary materials), data, patient and resident records, and patient and resident trust accounts, which may be necessary or useful for the operation of the Premises for the Primary Intended Use; provided that the costs and expenses of any such transfer or the processing of any such application shall be paid by Landlord or Landlord's designee.

18.2.2 Tenant shall cooperate fully to accomplish the transfer of the management and operation of the Premises to Landlord or Landlord's designee without interrupting the operations thereof. To the extent permitted by applicable law, Tenant agrees that Landlord or Landlord's designee may operate the Premises under any of Tenant's Authorizations pending the issuance of new Authorizations to Landlord or Landlord's designee.

18.3 Tenant's Personal Property. Provided that no Event of Default then exists, in connection with the surrender of the Premises, Tenant may upon at least five (5) Business Days prior notice to Landlord remove from the Premises in a workmanlike manner all of Tenant's Personal Property, leaving the Premises in good and presentable condition and appearance, including repairing any damage caused by such removal; provided that Landlord shall have the right and option to purchase for itself or its designee Tenant's Personal Property for its then net book value during such five (5) Business Day notice period, in which case Tenant shall so convey Tenant's Personal Property to Landlord or its designee by executing a bill of sale in a form reasonably required by Landlord. If there is any Event of Default then existing, Tenant will not remove any of Tenant's Personal Property from the Premises and instead will, on demand from Landlord, convey it to Landlord or its designee for no additional consideration by executing a bill of sale in a form reasonably required by Landlord. Title to any of Tenant's Personal Property which is not removed by Tenant as permitted above upon the expiration of the Term shall, at Landlord's election, vest in Landlord or its designee; provided, however, that Landlord may remove and store or dispose at Tenant's expense any or all of Tenant's Personal Property which is not so removed by Tenant without obligation or accounting to Tenant.

18.4 Premises Trade name. If this Lease is terminated by reason of an Event of Default or Landlord exercises its option to purchase or is otherwise entitled to retain Tenant's Personal Property pursuant to Section 18.3 above, Landlord or its designee shall be permitted to
use the name under which the Premises have done business during the Term (the "Premises Trade Name") in connection with the continued operation of the Premises for the Primary Intended Use, but for no other use and not in connection with any other property or facility.

18.5 **Holding Over.** If Tenant shall for any reason remain in possession of the Premises after the Expiration Date, such possession shall be a month-to-month tenancy during which time Tenant shall pay as rental on the first (1st) Business Day of each month one and one-half (1½) times the total of the monthly Base Rent payable with respect to the last Lease Month, plus all Additional Rent accruing during the month and all other sums, if any, payable by Tenant pursuant to this Lease. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the Expiration Date, nor shall anything contained herein be deemed to limit Landlord's remedies.

**ARTICLE XIX – INDEMNIFICATION**

In addition to the other indemnities contained herein, and notwithstanding the existence of any insurance carried by or for the benefit of Landlord or Tenant, and without regard to the policy limits of any such insurance, Tenant shall protect, indemnify, save harmless and defend Landlord and the Landlord Indemnified Parties from and against all Losses imposed upon or incurred by or asserted against Landlord or any Landlord Indemnified Parties by reason of: (a) any accident, injury to or death of Persons or loss of or damage to property occurring on or about the Premises; (b) any use, misuse, non-use, condition, maintenance or repair of the Premises by Tenant; (c) any failure on the part of Tenant to perform or comply with any of the terms of this Lease or the breach of any representation or warranty made by Tenant herein; and (d) any claim for malpractice, negligence or misconduct committed by any Person on or working from the Premises. Any amounts which become payable by Tenant under this Article XIX shall be paid within ten (10) days after demand by Landlord, and if not timely paid, shall bear interest at the Overdue Rate from the date of such demand until paid. Tenant, at its expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Landlord or any Landlord Indemnified Parties with counsel acceptable to Landlord in its sole discretion and shall not, under any circumstances, compromise or otherwise dispose of any suit, action or proceeding without obtaining Landlord's written consent. Landlord, at its election and sole cost and expense, shall have the right, but not the obligation, to participate in the defense of any claim for which Landlord or any Landlord Indemnified Parties are indemnified hereunder. If Tenant does not act promptly and completely to satisfy its indemnification obligations hereunder, Landlord may resist and defend any such claims or causes of action against Landlord or any Landlord Indemnified Party at Tenant's sole cost. The terms of this Article XIX shall survive the expiration or sooner termination of this Lease. For purposes of this Article XIX, any acts or omissions of Tenant, or by employees, agents, assignees, contractors, subcontractors or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Tenant.
ARTICLE XX —
LANDLORD'S FINANCING

20.1 Grant Lien. Without the consent of Tenant, Landlord may from time to time, directly or indirectly, create or otherwise cause to exist any Premises Mortgage upon the Premises or interest therein. This Lease is and at all times shall be subject and subordinate to any such Premises Mortgage which may now or hereafter affect the Premises or interest therein and to all renewals, modifications, consolidations, replacements, restatements and extensions thereof or any parts or portions thereof. This provision shall be self-operative and no further instrument of subordination shall be required to give it full force and effect; provided, however, that in confirmation of such subordination, Tenant shall execute promptly any certificate or document that Landlord or any Premises Mortgagee may request for such purposes. If, in connection with obtaining any Premises Mortgage for the Premises or interest therein, a Premises Mortgagee or prospective Premises Mortgagee shall request reasonable amendments or modifications to this Lease as a condition thereto, Tenant hereby agrees to execute and deliver the same so long as any such amendments or modifications do not (a) increase Tenant's monetary obligations under this Lease, (b) materially and adversely increase Tenant's non-monetary obligations under this Lease or (c) materially diminish Tenant's rights under this Lease.

20.2 Attorney. If Landlord's interest in the Premises or interest therein is sold, conveyed or terminated upon the exercise of any remedy provided for in any Premises Mortgage Documents (or in lieu of such exercise), or otherwise by operation of law: (a) at the request and option of the new owner or superior lessor, as the case may be, Tenant shall attorn to and recognize the new owner or superior lessor as Tenant's "landlord" under this Lease or enter into a new lease substantially in the form of this Lease with the new owner or superior lessor, and Tenant shall take such actions to confirm the foregoing within ten (10) days after request; and (b) the new owner or superior lessor shall not be (i) liable for any act or omission of Landlord under this Lease occurring prior to such sale, conveyance or termination; (ii) subject to any offset, abatement or reduction of rent because of any default of Landlord under this Lease occurring prior to such sale, conveyance or termination; (iii) bound by any previous modification or amendment to this Lease or any previous prepayment of more than one month's rent, unless such modification, amendment or prepayment shall have been approved in writing by such Premises Mortgagee or, in the case of such prepayment, such prepayment of rent has actually been delivered to such new owner or superior lessor; or (iv) liable for any security deposit or other collateral deposited or delivered to Landlord pursuant to this Lease unless such security deposit or other collateral has actually been delivered to such new owner or superior lessor.

20.3 Compliance with Premises Mortgage Documents.

20.3.1 Tenant acknowledges that any Premises Mortgage Documents executed by Landlord or any Affiliate of Landlord may impose certain obligations on the "borrower" or other counterparty thereunder to comply with or cause the operator and/or lessee of the Premises to comply with all representations, covenants and warranties contained therein related to the Premises and the operator and/or lessee of the Premises, including, covenants relating to (a) the maintenance and repair of the Premises; (b) maintenance and submission of financial records and accounts of the operation of the Premises and related financial and other information regarding the operator and/or lessee of the Premises and
the Premises themselves; (c) the procurement of insurance policies with respect to the Premises; and (d) without limiting the foregoing, compliance with all applicable Legal Requirements relating to the Premises and the operations thereof. For so long as any Premises Mortgages encumber the Premises or interest therein, Tenant covenants and agrees, at its sole cost and expense and for the express benefit of Landlord, to operate the Premises in strict compliance with the terms and conditions of the Premises Mortgage Documents (other than payment of any indebtedness evidenced or secured thereby) and to timely perform all of the obligations of Landlord relating thereto, or to the extent that any of such duties and obligations may not properly be performed by Tenant, Tenant shall cooperate with and assist Landlord in the performance thereof (other than payment of any indebtedness evidenced or secured thereby); provided, however, this Section 20.3.1 shall not be deemed to impose on Tenant obligations materially more burdensome than Tenant's obligations otherwise under this Lease. If any new Premises Mortgage Documents to be executed by Landlord or any Affiliate of Landlord would impose on Tenant any obligations under this Section 20.3.1, Landlord shall provide copies of the same to Tenant for informational purposes (but not for Tenant's approval) prior to the execution and delivery thereof by Landlord or any Affiliate of Landlord.

20.3.2 Without limiting Tenant's obligations pursuant to Section 20.3.1, during the Term, Tenant acknowledges and agrees that, except as expressly provided elsewhere in this Lease, it shall undertake at its own cost and expense the performance of any and all repairs, replacements, capital improvements, maintenance items and all other requirements relating to the condition of the Premises that are required by any Premises Mortgage Documents, and Tenant shall be solely responsible and hereby covenants to fund and maintain any and all impound, escrow or other reserve or similar accounts required under any Premises Mortgage Documents as security for or otherwise relating to any operating expenses of the Premises, including any capital repair or replacement reserves and/or impounds or escrow accounts for Taxes or insurance premiums (each a "Premises Mortgage Reserve Account"); provided, however, this Section 20.3.2 shall not be deemed to impose on Tenant obligations materially more burdensome than Tenant's obligations otherwise under this Lease. During the Term and provided that no Event of Default shall have occurred and be continuing hereunder, Tenant shall, subject to the terms and conditions of such Premises Mortgage Reserve Account and the requirements of the Premises Mortgagee(s) thereunder, have access to and the right to apply or use (including for reimbursement) to the same extent of Landlord all monies held in each such Premises Mortgage Reserve Account for the purposes and subject to the limitations for which such Premises Mortgage Reserve Account is maintained, and Landlord agrees to reasonably cooperate with Tenant in connection therewith.

20.3.3 If Tenant's obligations under this Lease are inconsistent with Tenant's obligation under any Premises Mortgage Documents, the terms of the Premises Mortgage Documents shall prevail and Tenant shall comply with the terms thereof but shall immediately notify Landlord in writing of any such apparent inconsistency.
ARTICLE XXI –
ASSIGNMENT AND SUBLETTING

21.1 General Prohibition. Without the prior written consent of Landlord, which may be withheld or conditioned in its sole discretion, Tenant shall not Transfer this Lease or any interest herein. Any such purported Transfer without Landlord's prior written consent (each an "Unapproved Transfer") shall be void and shall, at Landlord's sole option, constitute an Event of Default giving rise to Landlord's right, among other things, to terminate this Lease. If Landlord elects to waive its right to terminate this Lease as a result of any such Unapproved Transfer, this Lease shall continue in full force and effect; provided, however, that as of the date of such Unapproved Transfer, the Base Rent shall be increased by five percent (5%).

21.2 Consent to Transfer. If Landlord consents to a Transfer, such Transfer shall not be effective and valid unless and until the applicable transferee executes and delivers to Landlord any and all documentation reasonably required by Landlord. Any consent by Landlord to a particular Transfer shall not constitute consent or approval of any subsequent Transfer, and Landlord's written consent shall be required in all such instances. No consent by Landlord to any Transfer shall be deemed to release Tenant from its obligations hereunder and Tenant shall remain fully liable for payment and performance of all obligations under this Lease.

21.3 Affiliated Transfer. Notwithstanding Section 21.1 to the contrary, but subject to the rights of any Premises Mortgagee, Tenant may, without Landlord's prior written consent, assign this Lease or sublease the Premises to an Affiliate of Tenant or any Guarantor if all of the following are first satisfied: (a) such Affiliate fully assumes Tenant's obligations hereunder; (b) Tenant remains fully liable hereunder and Guarantors remain fully liable under the Guaranties; (c) the use of the Premises remains unchanged; (d) Landlord in its reasonable discretion shall have approved the form and content of all documents for such assignment or sublease and received an executed counterpart thereof; (e) Tenant delivers evidence to Landlord that such assignment or subletting is permissible under all applicable Authorizations or that all necessary consents have been obtained to consummate such assignment or subletting; and (f) Tenant and/or such Affiliate executes and delivers such other documents as may be reasonably required by Landlord to effectuate the assignment and continue the security interests and other rights of Landlord pursuant to this Lease or any other documents executed in connection herewith.

21.4 Permitted Occupancy Agreements. Notwithstanding Section 21.1 to the contrary, Tenant may enter into occupancy agreements with residents of the Premises without the prior written consent of Landlord provided that (a) the agreement does not contain any type of rate lock provision or rate guaranty for more than one calendar year; (b) the agreement does not provide for any rent reduction or waiver other than for an introductory period not to exceed thirty (30) days; (c) Tenant may not collect rent for more than one month in advance other than one month of rent collected as security for the performance of the resident's obligations to Tenant, which amount is held in a separate escrow account for the benefit of such resident; and (d) all residents of the Premises are accurately shown in accounting records for the Premises. Tenant shall submit to Landlord Tenant's proposed forms of resident occupancy agreement for each of the independent living units, the assisted living units/beds, and the skilled nursing units/beds prior to the Commencement Date. Once acceptable in form and substance to Landlord and
Tenant, Tenant shall not materially change the forms of resident occupancy agreement without the prior written consent of Landlord; provided, however, no consent will be required for changes required solely by applicable law, including applicable licensure laws, but all changes to the form of resident occupancy agreement will be provided to Landlord as and when such changes are made.

21.5 Costs. Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses incurred in conjunction with the processing and documentation of any Transfer, including reasonable attorneys' or other consultants' fees whether or not such Transfer is ultimately consummated or executed.

ARTICLE XXII –
REPORTING REQUIREMENTS; ESTOPPEL CERTIFICATE

22.1 Maintenance of Books and Records. Tenant shall keep and maintain, or cause to be kept and maintained, proper and accurate books and records in accordance with GAAP, and a standard modern system of accounting, in all material respects reflecting the financial affairs of Tenant and the results from operations of the Premises. Landlord shall have the right, from time to time during normal business hours after three (3) Business Days prior oral or written notice to Tenant, itself or through any of Landlord's Representatives, to examine and audit such books and records at the office of Tenant or other Person maintaining such books and records and to make such copies or extracts thereof as Landlord or Landlord's Representatives shall request and Tenant hereby agrees to reasonably cooperate with any such examination or audit; provided, however, the cost of such examination or audit shall be borne by Landlord, except during the continuation of an Event of Default, in which case, the cost of any such examination or audit shall be borne by Tenant and shall be payable within fifteen (15) days of Landlord's demand therefor.

22.2 Financial Management and Regulatory Reports. Tenant shall provide Landlord with the reports listed in Exhibit C within the applicable time specified therein. All financial information provided shall be prepared in accordance with GAAP and shall be submitted electronically in the form of unrestricted, unlocked ".xls" spreadsheets created using Microsoft Excel (2003 or newer editions). If Tenant or any Guarantor becomes subject to any reporting requirements of the Securities and Exchange Commission during the Term, it shall concurrently deliver to Landlord such reports as are delivered pursuant to applicable securities laws. Tenant shall be assessed with a $500 administrative fee for each instance in which Tenant fails to provide Landlord with the reports listed in Exhibit C within the applicable time specified therein, which administrative fee shall be immediately due and payable to Landlord.

22.3 Additional Information. In addition to the reports required under Section 22.2 above, upon Landlord's request from time to time, Tenant shall provide Landlord with such additional information and unaudited quarterly financial information concerning the Premises, the operations thereof and Tenant as Landlord may require for purposes of securing financing for the Premises or its ongoing filings with the Securities and Exchange Commission, under both the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, including, but not limited to, 10-Q Quarterly Reports, 10-K Annual Reports and registration statements to be filed by Landlord during the Term, subject to the conditions that neither Tenant
nor any Guarantor shall be required to disclose information that is material non-public information or is subject to the quality assurance immunity or is subject to attorney-client privilege or the attorney work product doctrine.

22.4 **Publication of Tenant’s Reports.** Tenant specifically agrees that Landlord may include financial information and such information concerning the operation of the Premises which does not violate the confidentiality of the facility-patient relationship and the physician-patient privilege under applicable laws, in offering memoranda or prospectuses, or similar publications in connection with syndications, private placements or public offerings of Landlord’s securities or interests, and any other reporting requirements under applicable federal or state laws, including those of any successor to Landlord.

22.5 **Estoppel Certificates.** Tenant shall, at any time upon not less than five (5) days prior written request by Landlord, have an authorized representative execute, acknowledge and deliver to Landlord or its designee a written statement certifying (a) that this Lease, together with any specified modifications, is in full force and effect, (b) the dates to which Rent and additional charges have been paid, (c) that no default by either party exists or specifying any such default and (d) as to such other matters as Landlord may reasonably request.

**ARTICLE XXIII – CERTAIN RIGHTS OF LANDLORD**

23.1 **Right of Entry.** Landlord and its representatives may enter on the Premises at any reasonable time after reasonable notice to Tenant to inspect the Premises for compliance to this Lease, to exhibit the Premises for sale, lease or mortgaging, or for any other reason; provided, however, that no such notice shall be required in the event of an emergency, upon an Event of Default or to post notices of non-responsibility under any mechanic’s or materialman’s lien law. No such entry shall unreasonably interfere with residents, patients, patient care or the operations of the Premises.

23.2 **Conveyance by Landlord.** If Landlord or any successor owner of the Premises shall convey the Premises other than as security for a debt, Landlord or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of the Landlord under this Lease arising or accruing from and after the date of such conveyance or other transfer and, subject to Section 20.2, all such future liabilities and obligations shall thereupon be binding upon the new owner.

23.3 **Granting of Easements, etc.** Landlord may, from time to time, with respect to the Premises: (a) grant easements, covenants and restrictions, and other rights in the nature of easements, covenants and restrictions, (b) release existing easements, covenants and restrictions, or other rights in the nature of easements, covenants or restrictions, that are for the benefit of the Premises, (c) dedicate or transfer unimproved portions of the Premises for road, highway or other public purposes, (d) execute petitions to have the Premises annexed to any municipal corporation or utility district, (e) execute amendments to any easements, covenants and restrictions affecting the Premises and (f) execute and deliver to any Person any instrument appropriate to confirm or effect such grants, releases, dedications and transfers (to the extent of its interests in the Premises) without the necessity of obtaining Tenant’s consent provided that such easement or
other instrument or action contemplated by this Section 23.3 does not unreasonably interfere with Tenant's operations at the Premises.

ARTICLE XXIV –
ENVIRONMENTAL MATTERS

24.1 Hazardous Materials. Tenant shall not allow any Hazardous Materials to be located in, on, under or about the Premises or incorporated in the Premises; provided, however, that Hazardous Materials may be brought, kept, used or disposed of in, on or about the Premises in quantities and for purposes similar to those brought, kept, used or disposed of in, on or about similar facilities used for purposes similar to the Primary Intended Use or in connection with the construction of facilities similar to the Premises and which are brought, kept, used and disposed of in strict compliance with all Hazardous Materials Laws.

24.2 Notices. Tenant shall immediately advise Landlord in writing of (a) any Environmental Activities in violation of any Hazardous Materials Laws; (b) any Hazardous Materials Claims against Tenant or the Premises; (c) any remedial action taken by Tenant in response to any Hazardous Materials Claims or any Hazardous Materials on, under or about the Premises in violation of any Hazardous Materials Laws; (d) Tenant's discovery of any occurrence or condition on or in the vicinity of the Premises that materially increase the risk that the Premises will be exposed to Hazardous Materials; and (e) all communications to or from Tenant, any governmental authority or any other Person relating to Hazardous Materials Laws or Hazardous Materials Claims with respect to the Premises, including copies thereof.

24.3 Remediation. If Tenant becomes aware of a violation of any Hazardous Materials Laws relating to any Hazardous Materials in, on, under or about the Premises or any adjacent property, or if Tenant, Landlord or the Premises becomes subject to any order of any federal, state or local agency to repair, close, detoxify, decontaminate or otherwise remediate the Premises or any property adjacent thereto, Tenant shall immediately notify Landlord of such event and, at its sole cost and expense, cure such violation or effect such repair, closure, detoxification, decontamination or other remediation. If Tenant fails to implement and diligently pursue any such cure, repair, closure, detoxification, decontamination or other remediation, Landlord shall have the right, but not the obligation, to carry out such action and to recover from Tenant all of Landlord's costs and expenses incurred in connection therewith.

24.4 Indemnity. Tenant shall indemnify, defend, protect, save, hold harmless and reimburse Landlord for, from and against any and all Losses (whether or not arising out of third-party claims and regardless of whether liability without fault is imposed, or sought to be imposed, on Landlord) incurred in connection with, arising out of, resulting from or incident to, directly or indirectly, during (but not before or after) the Term, (a) Environmental Activities, including the effects of such Environmental Activities on any Person or property within or outside the boundaries of the Land, (b) the presence of any Hazardous Materials in, on, under or about the Premises and (c) the violation of any Hazardous Material Laws. For purposes hereof, Losses include interest, costs of response, removal, remedial action, containment, cleanup, investigation, design, engineering and construction, damages (including actual, consequential and punitive damages) for personal injuries and for injury to, destruction of or loss of property or natural resources, relocation or replacement costs, penalties, fines, charges or expenses,
attorney's fees, expert fees, consultation fees and court costs, and all amounts paid in investigating, defending or settling any of the foregoing.

24.5 Environmental Inspections. Landlord shall have the right, from time to time, during normal business hours and upon not less than five (5) days written notice to Tenant, except in the case of an emergency in which event no notice shall be required, to conduct an inspection of the Premises to determine Tenant's compliance with this Article XXIV. Such inspection may include such testing, sampling and analyses as Landlord deems reasonably necessary and may be performed by experts retained by Landlord. All costs and expenses incurred by Landlord under this 24.5 shall be paid on demand by Tenant; provided, however, absent reasonable grounds to suspect Tenant's breach of its obligations under this Article XXIV, Tenant shall not be required to pay for more than one (1) such inspection in any two (2) year period. The obligations set forth in this Article XXIV shall survive the expiration or earlier termination of this Lease.

ARTICLE XXV
LANDLORD'S SECURITY INTEREST

25.1 Grant of Security Interest. For the purpose of securing the payment and performance obligations of Tenant hereunder, Tenant, as debtor, hereby grants to Landlord, as secured party, a security interest in and an express contractual lien upon, all of Tenant's right, title and interest in and to the Property Collateral, Accounts Collateral and Authorization Collateral (collectively, the "Lease Collateral"). This Lease constitutes a security agreement covering all such Lease Collateral. This security interest and agreement shall survive the termination of this Lease resulting from an Event of Default. Tenant shall pay all filing and reasonable record search fees and other costs for such additional security agreements, financing statements, fixture filings and other documents as Landlord may reasonably require to perfect or continue the perfection of its security interest. Additionally, Tenant shall promptly execute such other separate security agreements with respect to the Lease Collateral as Landlord may request from time to time to further evidence the security interest in the Lease Collateral created by this Lease.

25.2 Accounts Receivable Financing. With Landlord's prior written consent, which consent shall not be unreasonably withheld, the security interests and liens granted to Landlord in the Accounts Collateral may be subordinated to any first priority security interest granted in connection with accounts receivable financing secured by Tenant so long as: (a) Tenant's financiers execute an intercreditor agreement with Landlord in form and substance reasonably acceptable to Landlord, and (b) no Event of Default exists hereunder.

25.3 Certain Changes. In no way waiving or modifying the provisions of Article XXI above, Tenant shall give Landlord at least thirty (30) days' prior written notice of any change in Tenant's principal place of business, name, identity, jurisdiction of organization, or corporate structure.
ARTICLE XXVI –
QUIET ENJOYMENT

So long as Tenant shall pay the Rent as the same becomes due and shall fully comply with all of the terms of this Lease and fully perform its obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Premises for the Term, free of any claim or other action by Landlord or anyone claiming by, through or under Landlord, but subject to all liens and encumbrances of record as of the Commencement Date or thereafter provided for in this Lease or consented to by Tenant.

ARTICLE XXVII –
NOTICES

All notices and demands, certificates, requests, consents, approvals and other similar instruments under this Lease shall be in writing and sent by personal delivery, U. S. certified or registered mail (return receipt requested, postage prepaid) or FedEx or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows:

If to Tenant:

Towne Square Care of Gladstone, LLC
441 Walnut Street
PO Box 10380
Green Cove Springs, Florida 32043
Attn: Daniel R. Stockdale, II

If to Landlord:

GGCC, LLC
c/o Opes Commercial Real Estate
6051 North Chestnut Ave, Suite B
Gladstone, Missouri 64119
Attn: Chuck Cuda

With a copy to:

117 South Lexington St.
STE 100
Harrisonville, Missouri 64701
Attention: Northwest Registered Agent

With a copy to:

Stinson Leonard Street LLP
1201 Walnut, Suite 2900
Kansas City, Missouri 64106
Attention: Christopher B. Frantz

A party may designate a different address by notice as provided above. Any notice or other instrument so delivered (whether accepted or refused) shall be deemed to have been given and received on the date of delivery established by U.S. Post Office return receipt or the carrier's proof of delivery or, if not so delivered, upon its receipt. Notice to any one co-Tenant shall be deemed notice to all co-Tenants.

ARTICLE XXVIII –
MISCELLANEOUS

28.1 Memorandum of Lease. Landlord and Tenant shall, promptly upon the request of either, enter into a short form memoranda of this Lease, in form suitable for recording under the laws of the State. Tenant shall pay all costs and expenses of recording any such memorandum and shall fully cooperate with Landlord in removing from record any such memorandum upon the expiration or earlier termination of the Term.
28.2 **No Merger.** There shall be no merger of this Lease or of the leasehold estate created hereby by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, (a) this Lease or the leasehold estate created hereby or any interest in this Lease or such leasehold estate and (b) the fee estate in the Premises.

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

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

28.5 **Attorneys' Fees.** If Landlord or Tenant brings an action or other proceeding against the other to enforce any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Lease, or by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding and any appeal thereupon shall be paid all of its costs and reasonable outside attorneys' fees incurred therein.

28.6 **Brokers.** Landlord and Tenant each warrants to the other that it has not had any contact or dealings with any Person which would give rise to the payment of any fee or brokerage commission in connection with this Lease, and each shall indemnify, protect, hold harmless and defend the other from and against any liability for any fee or brokerage commission arising out of any act or omission of such indemnifying party.

28.7 **Survival.** Notwithstanding anything to the contrary herein, all claims against, and liabilities and indemnities of, Tenant or Landlord arising prior to the expiration or earlier termination of the Term shall survive such expiration or termination.

28.8 **Severability.** If any term or provision of this Lease or any application thereof shall be held invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby.

28.9 **Non-Recourse.** Tenant specifically agrees to look solely to the Premises for recovery of any judgment from Landlord; provided, however, the foregoing is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord, or any action not involving the personal liability of Landlord. Furthermore, in no event shall Landlord be liable to Tenant for any indirect or consequential damages suffered by Tenant from whatever cause.

28.10 **Successors and Assigns.** This Lease shall be binding upon Landlord and its successors and assigns and, subject to the provisions of Article XXI, upon Tenant and its successors and assigns.
28.11 **Governing Law; Jury Waiver.** This Lease shall be governed by and construed and enforced in accordance with the internal laws of the State, without regard to the conflict of laws rules thereof. **EACH PARTY HEREBY WAIVES ANY RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER IN CONNECTION WITH ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, INCLUDING RELATIONSHIP OF THE PARTIES, TENANT'S USE AND OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE RELATING TO THE FOREGOING OR THE ENFORCEMENT OF ANY REMEDY.**

28.12 **Entire Agreement.** This Lease constitutes the entire agreement of the parties with respect to the subject matter hereof, and may not be changed or modified except by an agreement in writing signed by the parties. Landlord and Tenant hereby agree that all prior or contemporaneous oral understandings, agreements or negotiations relative to the leasing of the Premises are merged into and revoked by this Lease. All exhibits and schedules to this Lease are hereby incorporated herein by this reference.

28.13 **Headings.** All titles and headings to sections, articles or other subdivisions of this Lease are for convenience of reference only and shall not in any way affect the meaning or construction of any provision.

28.14 **Counterparts.** This Lease may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

28.15 **Joint and Several.** If more than one Person is the Tenant under this Lease, the liability of such Persons under this Lease shall be joint and several.

28.16 **Interpretation.** Both Landlord and Tenant have been represented by counsel and this Lease and every provision hereof has been freely and fairly negotiated. Consequently, all provisions of this Lease shall be interpreted according to their fair meaning and shall not be strictly construed against any party. Whenever the words "including", "include" or "includes" are used in this Lease, they shall be interpreted in a non-exclusive manner as though the words "without limitation" immediately followed. Whenever the words "herein," "hereof" and "hereunder" and other words of similar import are used in this Lease, they shall be interpreted to refer to this Lease as a whole and not to any particular article, section or other subdivision. Whenever the words "day" or "days" are used in this Lease, they shall mean "calendar day" or "calendar days" unless expressly provided to the contrary. All references in this Lease to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Lease.

28.17 **Time of Essence.** Time is of the essence of this Lease and each provision hereof in which time of performance is established and whenever action must be taken (including the giving of notice or the delivery of documents) hereunder during a certain period of time or by a particular date that ends or occurs on a day that is not a Business Day, then such period or date shall be extended until the immediately following Business Day.
28.18 **Further Assurances.** The parties agree to promptly sign all documents reasonably requested by the other party to give effect to the provisions of this Lease.

[Signature page follows]
IN WITNESS WHEREOF, this Lease has been executed by Landlord and Tenant as of the date first written above.

TENANT:

TOWNE SQUARE CARE OF GLADSTONE, LLC,
a Missouri limited liability company

By: __________________________
Name: Daniel Stockdale
Title: CEO

LANDLORD:

GGCC, LLC,
a Missouri limited liability company

By: __________________________
Name: C. Charles Cude
Title: Manager
EXHIBIT A

DEFINED TERMS

For all purposes of this Lease, except as otherwise expressly provided in the Lease or unless the context otherwise requires, the following terms have the meanings assigned to them in this exhibit and include the plural as well as the singular:

"Accounts Collateral" means, collectively, all of the following: (i) all of the accounts, accounts receivable, payment intangibles, health-care-insurance receivables and any other right to the payment of money in whatever form, of any of the Tenant Sublessees, or any other indebtedness of any Person owing to any of the Tenant Sublessees (whether constituting an account, chattel paper, document, instrument or general intangible), whether presently owned or hereafter acquired, arising from the provision of merchantile, goods or services by any Tenant Sublessee, or from the operations of any Tenant Sublessee at the Premises, including, without limitation, the right to payment of any interest or finance charges and other obligations with respect thereto; (ii) all of the rights, titles and interests of any of the Tenant Sublessees in, to and under all supporting obligations and all other liens and property subject thereto from time to time securing or purporting to secure any such accounts, accounts receivable, payment intangibles, health-care insurance receivables or other indebtedness owing to any of the Tenant Sublessees; (iii) all of the rights, titles and interests of any of the Tenant Sublessees in, to and under all guarantees, indemnities and warranties, letter-of-credit rights, supporting obligations, insurance policies, financing statements and other agreements or arrangements of whatever character from time to time supporting or securing payment of any such accounts, accounts receivable, payment intangibles, health-care insurance receivables or other indebtedness owing to any of the Tenant Sublessees; (iv) all of the now owned or hereafter acquired deposits of any of the Tenant Sublessees representing proceeds from accounts and any deposit account into which the same may be deposited, all other cash collections and other proceeds of the foregoing accounts, accounts receivable, payment intangibles, health-care insurance receivables or other indebtedness (including, without limitation, late charges, fees and interest arising thereon, and all recoveries with respect thereto that have been written off as uncollectible), and all deposit accounts into which the same are deposited; (v) all proceeds (whether constituting accounts, chattel paper, documents, instruments or general intangibles) with respect to the foregoing; and (vi) all books and records with respect to any of the foregoing.

"Actual Capital Expenditures Amount" has the meaning set forth in Section 10.6.1.

"Additional Rent" has the meaning set forth in Section 3.2.

"Affiliate" means with respect to any Person, any other Person which Controls, is Controlled by or is under common Control with the first Person.

"Alteration Plans" has the meaning set forth in Section 10.5.1.

"Alterations" means any alteration, improvement, exchange, replacement, modification or expansion of the Leased Improvements or Fixtures.

"Appraiser" has the meaning set forth on Exhibit D.

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"Authorization" means any and all licenses, operating permits, Provider Agreements, CONs, certificates of exemption, approvals, waivers, variances and other governmental or "quasi-governmental" authorizations necessary or advisable for the use of the Premises for the Primary Intended Use and receipt of reimbursement or other payments under Medicare, Medicaid and any Third Party Payor Programs.

"Authorization Collateral" means any Authorizations issued or licensed to, or leased or held by, Tenant.

"Authorizations Date" has the meaning set forth in Section 2.2.

"Base Rent" has the meaning set forth in Section 3.1.1.

"Building" has the meaning set forth on Exhibit F.

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

"Capital Alterations" means any Alteration for which the budgeted cost exceeds Fifty Thousand Dollars ($50,000).

"Capital Expenditures" mean repairs, replacements and improvements to the Premises (other than Landlord's Personal Property) that (i) constitute capital expenditures in accordance with GAAP and (ii) have been completed in a good, workmanlike and lien free fashion and in compliance with all Legal Requirements and the terms of Sections 9.5 and 9.6 applicable to any Alterations.

"Capital Expenditures Deposit" has the meaning set forth in Section 10.6.1.

"Capital Expenditures Report" has the meaning set forth in Section 10.6.1.

"Change in Control" means, as applied to any Person, a change in the Person that ultimately exerts effective Control over the first Person.

"CMS" means the United States Department of Health, Centers for Medicare and Medicaid Services or any successor agency thereto.

"Code" means the Internal Revenue Code of 1986 and, to the extent applicable, the Treasury Regulations promulgated thereunder, each as amended from time to time.

"Commencement Date" has the meaning set forth in Section 1.3.

"Complete Taking" means the Condemnation of all or substantially all of the Premises or a Condemnation that results in the Premises no longer being capable of being operated for the Primary Intended Use.
"CON" shall mean a certificate of need or similar permit or approval (not including conventional building permits) from a Governmental Authority related to (i) the construction and/or operation of the Premises for the use of a specified number of beds in a nursing facility, assisted living facility, senior independent living facility and/or rehabilitation hospital, or (ii) the alteration of the Premises or (iii) the modification of the services provided at the Premises used as a nursing facility, assisted living facility, senior independent living facility and/or rehabilitation hospital.

"Control", together with the correlative terms "Controlled" and "Controls," means, as applied to any Person, the possession, directly or indirectly, of the power to direct the management and policies of that Person, whether through ownership, voting control, by contract or otherwise.

"Condemnation" means the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

"Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

"Delivery Date" has the meaning set forth in Section 2.1.

"Environmental Activities" mean the use, generation, transportation, handling, discharge, production, treatment, storage, release or disposal of any Hazardous Materials at any time to or from the Premises or located on or present on or under the Premises.

"Event of Default" has the meaning set forth in Section 17.1.

"Expiration Date" has the meaning set forth in Section 1.2.

"Fair Market Value" means the fair market value of the Premises as determined pursuant to Exhibit D.

"Final Plans" means those certain Specifications for A Renovation of Existing Building for: Reserve at Rock Creek dated January 18, 2018, prepared by Nearing Staats Prelogas & Jones Architects, as architect, Bob D. Campbell & Co., as structural engineer, JSC Engineers, as mechanical, electrical, & plumbing engineer, Kaw Valley Engineering, as civil engineer, and Nearing Staats Prelogas & Jones Architects, as landscape architect.

"Fixtures" means all equipment, machinery, fixtures and other items of real and/or personal property, including all components thereof, now and hereafter located in, on, or used in connection with and permanently affixed to or incorporated into the Leased Improvements, including all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems, apparatus, sprinkler systems, fire and theft protection equipment and built-in oxygen and vacuum systems, all of which, to the greatest extent permitted by law,
are hereby deemed to constitute real estate, together with all replacements, modifications, alterations and additions thereto.

"GAAP" means generally accepted accounting principles, consistently applied.

"Governmental Authority" means any court, board, agency, licensing agency, commission, office or authority or any governmental unit (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence, including, without limitation, CMS, the United States Department of Health and Human Services, any state licensing agency and/or any state Medicaid agency and any quasi-governmental authorities.

"Guarantor" and "Guarantors" have the meanings set forth in Article IV, together with any and all permitted successors and assigns of any Guarantor originally named herein and any additional Person that guaranties the obligations of Tenant hereunder, from time to time.

"Guaranties" has the meaning set forth in Article IV.

"Hazardous Materials" mean (i) any petroleum products and/or by-products (including any fraction thereof), flammable substances, explosives, radioactive materials, hazardous or toxic wastes, substances or materials, known carcinogens or any other materials, contaminants or pollutants which pose a hazard to the Premises or to Persons on or about the Premises or cause the Premises to be in violation of any Hazardous Materials Laws; (ii) asbestos in any form which is friable; (iii) urea formaldehyde in foam insulation or any other form; (iv) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million or any other more restrictive standard then prevailing; (v) medical wastes and biohazards; (vi) radon gas; and (vii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or may or could pose a hazard to the health and safety of the occupants of the Premises or the owners and/or occupants of property adjacent to or surrounding the Premises, including, without limitation, any materials or substances that are listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) as amended from time to time.

"Hazardous Materials Laws" mean any laws, ordinances, regulations, rules, orders, guidelines or policies relating to the environment, health and safety, Environmental Activities, Hazardous Materials, air and water quality, waste disposal and other environmental matters.

"Hazardous Materials Claims" mean any and all enforcement, clean-up, removal or other governmental or regulatory actions or orders threatened, instituted or completed pursuant to any Hazardous Material Laws, together with all claims made or threatened by any third party against the Premises, Landlord or Tenant relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

"Insurance Requirements" mean all terms of any insurance policy required by this Lease and all requirements of the issuer of any such policy, together with all fire underwriters' regulations promulgated from time to time.

"Intangibles" means the interest, if any, of Landlord in and to any of the following intangible property owned by Landlord in connection with the Land and the Leased
Improvements: (i) the identity or business of the Premises as a going concern, including, without limitation, any names or trade names by which the Premises may be known, and all registrations for such names, if any; (ii) to the extent assignable or transferable, the interest, if any, of Landlord in and to each and every guaranty and warranty concerning the Leased Improvements or Fixtures, including, without limitation, any roofing, air conditioning, heating, elevator and other guaranty or warranty relating to the construction, maintenance or repair of the Leased Improvements or Fixtures; and (iii) the interest, if any, of Landlord in and to all Authorizations to the extent the same can be assigned or transferred in accordance with applicable law; provided, however, that the foregoing shall not include any CON issued to or held by Landlord which shall only be licensed to Tenant on a temporary basis, which license shall be revocable at any time by Landlord.

"Land" means the real property described on Exhibit B attached to this Lease.

"Landlord" has the meaning set forth in the opening preamble, together with any and all successors and assigns of the Landlord originally named herein.

"Landlord's Personal Property" means the machinery, equipment, furniture and other personal property shown on the Final Plans, together with all replacements, modifications, alterations and substitutes thereof (whether or not constituting an upgrade).

"Landlord Indemnified Parties" means Landlord's Affiliates and Landlord's and its Affiliates' agents, employees, owners, partners, members, managers, contractors, representatives, consultants, attorneys, auditors, officers and directors.

"Landlord's Representatives" means Landlord's agents, employees, contractors, consultants, attorneys, auditors, architects and other representatives.

"Landlord's Work" means the work to be completed by Landlord described on Exhibit F attached to this Lease.

"Lease" has the meaning set forth in the opening preamble.

"Lease Collateral" has the meaning set forth in Section 25.1.

"Lease Month" means each successive calendar month during the Term.

"Lease Year" means each successive period of twelve (12) calendar months during the Term, ending on the same day and month (but not year, except in the case of the last Lease Year of the Term) as the day and month on which the Expiration Date will occur.

"Leased Improvements" means all buildings, structures and other improvements of every kind now or hereafter located on the Land including, alleyways and connecting tunnels, sidewalks, utility pipes, conduits, and lines (on-site and off-site to the extent Landlord has obtained any interest in the same), parking areas and roadways appurtenant to such buildings and structures.
"Legal Requirements" means all federal, state, county, municipal and other governmental statutes, laws (including common law and Hazardous Materials Laws), rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses, covenants, conditions, restrictions, judgments, decrees and injunctions applicable to Tenant or affecting the Premises or Tenant's Personal Property or the maintenance, construction, use, condition, operation or alteration thereof, whether now or hereafter enacted and in force, including, any and all of the foregoing that relate to the use of the Premises for the Primary Intended Use.

"Licensing Impairment" means (i) the revocation, suspension or non-renewal of any Authorization, (ii) any withholding, non-payment, reduction or other adverse change respecting any Provider Agreement, Medicare, Medicaid or other Third Party Payor Program, (iii) any admissions hold under Medicare, Medicaid or other Third Party Payor Program, or (iv) any other act or outcome similar to the foregoing that would impact Tenant's ability to continue to operate the Premises for the Primary Intended Use or to receive any rents or profits therefrom.

"Losses" mean all claims, demands, expenses, actions, judgments, damages, penalties, fines, liabilities, losses of every kind and nature, suits, administrative proceedings, costs and fees, including, without limitation, reasonable attorneys' and reasonable consultants' fees and expenses.

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

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

"OFAC" has the meaning set forth in Section 14.2.1.

"Overdue Rate" means, on any date, a rate equal to five percent (5%) per annum above the Prime Rate, but in no event greater than the maximum rate then permitted under applicable law. Interest at the aforesaid rates shall be determined for actual days elapsed based upon a 360 day year.

"Partial Taking" means any Condemnation of the Premises or any portion thereof that is not a Complete Taking.

"Payment Date" means any due date for the payment of the installments of Base Rent or any other sums payable under this Lease.

"Permitted Encumbrances" means, collectively, (i) all easements, covenants, conditions, restrictions, agreements and other matters with respect to the Premises that (a) are of record as of the Commencement Date, (b) Landlord entered into after the Commencement Date (subject to
the terms hereof); or (c) are specifically consented to in writing by Landlord, (ii) any liens for Taxes that are not yet due and payable; (iii) occupancy rights of residents and patients of the Premises; and (iv) liens of mechanics, laborers, materialman, suppliers or vendors for sums not yet due, provided that such reserve or other appropriate provisions as shall be required by law or GAAP or pursuant to prudent commercial practices shall have been made therefor.

"Person" means any individual, partnership, association, corporation, limited liability company or other entity.

"Personal Property REIT Requirement" has the meaning set forth on Exhibit E.

"Premises" means, collectively, the Land, Leased Improvements, Related Rights, Fixtures, Intangibles and Landlord's Personal Property.

"Premises Mortgage" means any mortgage, deed of trust or other security agreement or lien encumbering the Premises and securing an indebtedness of Landlord or any Affiliate of Landlord or any ground, building or similar lease or other title retention agreement to which the Premises are subject from time to time.

"Premises Mortgage Documents" means with respect to each Premises Mortgage and Premises Mortgagee, the applicable Premises Mortgage, loan or credit agreement, lease, note, collateral assignment instruments, guarantees, indemnity agreements and other documents or instruments evidencing, securing or otherwise relating to the loan made, credit extended, lease or other financing vehicle pursuant thereto.

"Premises Mortgage Reserve Account" has the meaning set forth in Section 20.3.2.

"Premises Mortgagee" means the holder or beneficiary of a Premises Mortgage and any other rights of the lender, credit party or lessor under the applicable Premises Mortgage Documents.

"Premises Trade Name" has the meaning set forth in Section 18.5.

"Primary Intended Use" means the use and operation of the Premises as (i) an independent living facility with approximately forty-five (45) units, (ii) a licensed assisted living facility with approximately forty-one (41) licensed beds/units, and (iii) a licensed skilled nursing facility with approximately twenty-eight (28) licensed beds/units, and for ancillary services relating thereto.

"Prime Rate" means, on any date, a rate equal to the annual rate on such date reported in The Wall Street Journal to be the "prime rate."

"Prohibited Persons" has the meaning set forth in Section 14.2.1.

"Property Collateral" means all of Tenant's right, title and interest in and to Tenant's Personal Property and any and all products, rents, proceeds and profits thereof in which Tenant now owns or hereafter acquires an interest or right.
"Provider Agreements" means any agreements under which healthcare facilities are eligible to receive payment under Medicare, Medicaid or any Third Party Payor Program from Governmental Authorities or non-public entities.

"Real Property Taxes" mean any real property Taxes secured by a lien encumbering the Premises.

"Related Rights" means all easements, rights and appurtenances relating to the Land and the Leased Improvements.

"Rent" means, collectively, Base Rent and Additional Rent.

"Required Capital Expenditures Amount" has the meaning set forth in Section 10.6.1.

"Required Per Bed Annual Capital Expenditures Amount" means Three Hundred Fifty Dollars ($350).

"Security Deposit" has the meaning set forth in Section 4.2.

"State" means the state or commonwealth where the Premises are located.

"Taxes" means any property (real and personal) and other taxes and assessments levied or assessed with respect to this Lease, the Premises, Tenant's interest therein or Landlord, with respect to the Premises, including, without limitation, any state or county occupation tax, transaction privilege, franchise taxes, margin taxes, business privilege, rental tax or other excise taxes. Notwithstanding the foregoing, Taxes shall not include any local, state or federal income tax based upon the net income of Landlord and any transfer tax or stamps arising from Landlord's transfer of any interest in the Premises. For the avoidance of doubt, Taxes shall include all modified gross receipts taxes payable by Landlord arising from the rents received by it under this Lease.

"Tenant" has the meaning set forth in the opening preamble, together with any and all permitted successors and assigns of the Tenant originally named herein.

"Tenant's Personal Property" shall have the meaning set forth in Section 7.2.

"Tenant Sublessees" mean Tenant, and any direct or indirect subtenants, operators, or occupants of the Premises, together with their successors and assigns and any additions thereto or replacements thereof.

"Temporary Taking" means any Condemnation of the Premises or any portion thereof, whether the same would constitute a Complete Taking or a Partial Taking, where the Condemnor or its designee uses or occupies the Premises, or any portion thereof, for no more than twelve consecutive (12) months.

"Term" has the meaning set forth in Section 1.2.
"Third Party Payor Programs" shall mean any third party payor programs pursuant to which healthcare facilities qualify for payment or reimbursement for medical or therapeutic care or other goods or services rendered, supplied or administered to any admittee, occupant, resident or patient by or from any Governmental Authority, bureau, corporation, agency, commercial insurer, non-public entity, "HMO," "PPO" or other comparable party.

"Transfer" means any of the following, whether effectuated directly or indirectly, through one or more step transactions or tiered transactions, voluntarily or by operation of law, (i) assigning, conveying, selling, pledging, mortgaging, hypothecating or otherwise encumbering, transferring or disposing of all or any part of this Lease or Tenant's leasehold estate hereunder, (ii) subletting of all or any part of the Premises; (iii) engaging the services of any Person for the management or operation of all or any part of the Premises; (iv) conveying, selling, assigning, transferring, pledging, hypothecating, encumbering or otherwise disposing of any stock, partnership, membership or other interests (whether equity or otherwise) in Tenant or any Person that Controls Tenant, if such conveyance, sale, assignment, transfer, pledge, hypothecation, encumbrance or disposition results, directly or indirectly, in a Change in Control of Tenant (or of such controlling Person); (v) merging or consolidating Tenant or any Person that Controls Tenant with or into any other Person, if such merger or consolidation, directly or indirectly, results in a Change in Control of Tenant (or in such controlling Person); (vi) dissolving Tenant or any Person that Controls Tenant; (vii) selling, conveying, assigning, or otherwise transferring all or substantially all of the assets of Tenant or any Person that Controls Tenant; (viii) selling, conveying, assigning or otherwise transferring any of the assets of Tenant, if the consolidated net worth of Tenant immediately following such transaction is not at least equal to the consolidated net worth of Tenant as of the Commencement Date; (ix) assigning, conveying, selling, pledging, mortgaging, hypothecating or otherwise encumbering, transferring or disposing of any Authorization; or (ix) entering into or permitting to be entered into any agreement or arrangement to do any of the foregoing or granting any option or other right to any Person to do any of the foregoing, other than to Landlord under this Lease. For purposes hereof, Guarantors shall be deemed Persons that Controls Tenant, whether or not the same is true.

"Unapproved Transfer" has the meaning set forth in Section 21.1.
EXHIBIT B

DESCRIPTION OF THE LAND

All that part of Lot 20, KENDALLWOOD COMMERCIAL CENTER - SECOND PLAT, a subdivision of land in Gladstone, Clay County, Missouri, being bounded and described as follows: Commencing at the Northwest corner of said Lot 20; thence North 89 degrees 52 minutes 21 seconds East, along the North line of said Lot 20, 64.26 feet; thence Easterly along said Northerly line, on a curve to the left tangent to the last described course having a radius of 530.00 feet, an arc distance of 102.99 feet to the True Point of Beginning of the tract to be herein described; thence continuing Easterly, along said Northerly line, on a curve to the left having an initial tangent bearing of North 78 degrees 44 minutes 18 seconds East, a radius of 530.00 feet, an arc distance of 108.43 feet; thence North 67 degrees 01 minutes 00 seconds East, along said Northerly line, 97.65 feet; thence Easterly, on a curve to the right, tangent to the last described course, having a radius of 470.00 feet, an arc distance of 283.01 feet; thence South 78 degrees 29 minutes 00 seconds East, along said Northerly line, 104.98 feet to a point on the Westerly line of Kendallwood Parkway, as now established; thence Southwesterly along the Westerly line, on a curve to the right having a radius of 1,428.51 feet, an arc distance of 807.31 feet; thence continuing Southwesterly, along said Westerly line, on a curve to the right, having an initial tangent bearing of South 44 degrees 34 minutes 20 seconds West, a radius of 1,750.00 feet, an arc distance of 16.19 feet to the most Southerly corner of said Lot 20; thence North 45 degrees 02 minutes 31 seconds West, along the Southwesterly line of said Lot 20, 289.98 feet; thence North 0 degrees 27 minutes 25 seconds East, along said Westerly line, 150.00 feet to the Northeast corner of Lot 21, said KENDALLWOOD COMMERCIAL CENTER - SECOND PLAT; thence North 86 degrees 04 minutes 31 seconds East, 95.35 feet; thence North 42 degrees 16 minutes 46 seconds West, 121.80 feet; thence North 49 degrees 01 minutes 24 seconds East, 30.49 feet; thence North 40 degrees 58 minutes 36 seconds West, 41.43 feet to a point on the South end of an existing 8 inches concrete retaining wall; thence North 4 degrees 09 minutes 18 seconds East, along the centerline of said wall and its Northerly prolongation thereof, 133.97 feet to the True Point of Beginning.
## EXHIBIT C

**FINANCIAL, MANAGEMENT AND REGULATORY REPORTS**

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<thead>
<tr>
<th>REPORT</th>
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<tbody>
<tr>
<td>Monthly financial reports concerning the operations of the Premises or such other combination of this and related leases as reasonably requested by Landlord consisting of: (1) a balance sheet; (2) a reasonably detailed income statement showing, among other things, gross revenues; (3) total patient days; (4) occupancy; and (5) payor mix. (All via e-mail to <a href="mailto:cuda@opescrc.com">cuda@opescrc.com</a>, or such other e-mail address as Landlord may designate from time to time)</td>
<td>Thirty (30) days after the end of each calendar month</td>
</tr>
<tr>
<td>Quarterly consolidated or combined financial statements of Tenant and any Guarantor (Via e-mail to <a href="mailto:cuda@opescrc.com">cuda@opescrc.com</a>, or such other e-mail address as Landlord may designate from time to time)</td>
<td>Forty-Five (45) days after the end of each of the first three quarters of the fiscal year of Tenant and such Guarantor</td>
</tr>
<tr>
<td>Annual consolidated or combined financial statements of Tenant and any Guarantor audited by a reputable certified public accounting firm (Via e-mail to <a href="mailto:cuda@opescrc.com">cuda@opescrc.com</a>, or such other e-mail address as Landlord may designate from time to time)</td>
<td>Ninety (90) days after the fiscal year end of Tenant and such Guarantor</td>
</tr>
<tr>
<td>Regulatory reports, as follows: (1) all federal, state and local licensing and reimbursement certification surveys, inspection and other reports received by Tenant as to the Premises and its operations, including state department of health licensing surveys; (2) Medicare and Medicaid certification surveys; and (3) life safety code reports.</td>
<td>Five (5) Business Days after receipt</td>
</tr>
<tr>
<td>Reports of regulatory violations, by written notice of the following: (1) any violation of any federal, state or local licensing or reimbursement certification statute or regulation, including Medicare or Medicaid; (2) any suspension, termination or restriction placed upon Tenant or the Premises, the operation of the Premises or the ability to admit residents or patients; or (3) any violation of any other permit, approval or certification in connection with the Premises or the operations thereof, by any federal, state or local authority, including Medicare or Medicaid.</td>
<td>Two (2) Business Days after receipt</td>
</tr>
<tr>
<td>Annual operating budget covering the operations of the Premises for the forthcoming fiscal year.</td>
<td>Thirty (30) days prior to beginning of each fiscal year</td>
</tr>
</tbody>
</table>
EXHIBIT D

FAIR MARKET VALUE

If it becomes necessary to determine the Fair Market Value of the Premises for any purpose under this Lease, Landlord and Tenant shall first attempt to agree on such Fair Market Value. If Landlord and Tenant are unable to so agree within a reasonable period of time not to exceed thirty (30) days, then Landlord and Tenant shall have twenty (20) days to attempt to agree upon a single Appraiser to make such determination. If the parties so agree upon a single Appraiser, such Appraiser shall, within forty-five (45) days of being engaged, determine the Fair Market Value of the Premises as of the relevant date (giving effect to the impact, if any, of inflation from the date of its decision to the relevant date), and such determination shall be final and binding upon the parties.

If Landlord and Tenant are unable to agree upon a single Appraiser within such twenty (20) days, then each party shall have ten (10) days in which to provide the other with the name of a person selected to act as Appraiser on its behalf. Each such Appraiser shall, within forty-five (45) days of being engaged, determine the Fair Market Value of the Premises as of the relevant date (giving effect to the impact, if any, of inflation from the date of its decision to the relevant date). If the difference between the amounts so determined does not exceed ten percent (10%) of the lesser of such amounts, then the Fair Market Value of the Premises shall be the average of the amounts so determined, and such average shall be final and binding upon the parties. If the difference between the amounts so determined exceeds ten percent (10%) of the lesser of such amounts, then such two Appraisers shall have twenty (20) days to appoint a third Appraiser. If the first Appraisers fail to appoint a third Appraiser within such twenty (20) days, either Landlord or Tenant may apply to any court having jurisdiction to have such appointment made by such court. Such third Appraiser, shall, within forty-five (45) days of being selected or appointed, determine the Fair Market Value of the Premises as of the relevant date (giving effect to the impact, if any, of inflation from the date of its decision to the relevant date). The determination of the Appraiser which differs most in terms of dollar amount from the determinations of the other two Appraisers shall be excluded, and the Fair Market Value of the Premises shall be the average of the amounts of the two remaining determinations, and such average shall be final and binding upon the parties.

If either party fails to select an Appraiser within such ten (10) days or a selected Appraiser fails to make its determination within such forty-five (45) days, the Appraiser selected by the other party or the Appraiser that makes its determination with such forty-five (45) days, as applicable, shall alone determine the Fair Market Value of the Premises as of the relevant date (giving effect to the impact, if any, of inflation from the date of its decision to the relevant date) and such determination shall be final and binding upon the parties.

Landlord and Tenant shall each pay the fees and expenses of the Appraiser appointed by it and each shall pay one-half (½) of the fees and expenses of the third Appraiser.

For purposes of determining the Fair Market Value, the Premises shall be valued at its highest and best use which shall be presumed to be as a fully-permitted facility operated in
accordance with the provisions of this Lease. In addition, the following specific matters shall be factored in or out, as appropriate, in determining the Fair Market Value:

1. The negative value of (a) any deferred maintenance or other items of repair or replacement of the Premises, (b) any then current or prior licensure or certification violations and/or admissions holds and (c) any other breach or failure of Tenant to perform or observe its obligations hereunder shall not be taken into account; rather, the Premises, and every part thereof shall be deemed to be in the condition required by this Lease (i.e., in good order and repair and fully licensed) and Tenant shall at all times be deemed to have operated the Premises in compliance with and to have performed all obligations of the Tenant under this Lease.

2. The occupancy level of the Premises shall be deemed to be the average occupancy during the period commencing on that date which is eighteen (18) months prior to the date of the initial request for the determination of the Fair Market Value and ending on the date which is six (6) months prior to the date of the initial request for the determination of the Fair Market Value.

As used herein, "Appraiser" means an appraiser licensed or otherwise qualified to do business in the State and who has substantial experience in performing appraisals of facilities similar to the Premises and holds the Appraisal Institute's MAI designation, or, if such organization no longer exists or certifies appraisers, such successor organization or such other organization as is approved by Landlord.
EXHIBIT E

REIT REQUIREMENTS

If at any time Landlord is a real estate investment trust within the meaning of Section 856(a) of the Code, or any similar or successor provision thereto, then, notwithstanding anything in the Lease to the contrary, the following provisions shall apply:

**Characterization of Rents.** The parties hereto intend that Rent and other amounts paid by Tenant hereunder will qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto and this Agreement shall be interpreted consistent with this intent.

**Prohibited Transactions.** Notwithstanding anything to the contrary herein, Tenant shall not (a) sublet, assign or enter into a management arrangement for the Premises on any basis such that the rental or other amounts to be paid by the subtenant, assignee or manager thereunder would be based, in whole or in part, on either (x) the income or profits derived by the business activities of the subtenant, assignee or manager or (y) any other formula such that any portion of any amount received by Landlord would fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto; (b) furnish or render any services to the subtenant, assignee or manager or manage or operate the Premises so subleased, assigned or managed; (c) sublet, assign or enter into a management arrangement for the Premises to any Person (other than a taxable REIT subsidiary of Landlord) in which Tenant or Landlord owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Code); or (d) sublet, assign or enter into a management arrangement for the Premises in any other manner which could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto, or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Code. The requirements of this Section shall likewise apply to any further subleasing by any subtenant.

**Personal Property REIT Requirements.** Notwithstanding anything to the contrary herein, upon request of Landlord, Tenant shall cooperate with Landlord in good faith and at no cost or expense to Tenant, and provide such documentation and/or information as may be in Tenant's possession or under Tenant's control and otherwise readily available to Tenant regarding the valuation of the Premises to assist Landlord in its determination that Rent allocable for purposes of Section 856 of the Code to Landlord's Personal Property at the beginning and end of a calendar year does not exceed 15% of the total Rent due hereunder (the "Personal Property REIT Requirement"). Tenant shall take such reasonable action as may be requested by Landlord from time to time to ensure compliance with the Personal Property REIT Requirement as long as such compliance does not (a) increase Tenant's monetary obligations under this Lease, (b) materially and adversely increase Tenant's non-monetary obligations under this Lease or (c) materially diminish Tenant's rights under this Lease. Accordingly, if requested by Landlord and at Landlord's expense, Tenant shall cooperate with Landlord as may be necessary from time to time to more specifically identify and/or value Landlord's Personal Property in connection with the compliance with the Personal Property REIT Requirement.
EXHIBIT F

LANDLORD'S WORK

The following provisions shall be incorporated into the Lease:

Landlord's Work. Landlord shall, at its sole cost and expense, use commercially reasonable efforts to diligently renovate, furnish and install, in substantial accordance with the Final Plans (hereinafter defined), the building shown thereon (the "Building") in its entirety and complete all other work shown on the Final Plans in substantial accordance therewith (collectively "Landlord's Work").

Compliance with Legal Requirements. Landlord shall perform Landlord's Work in a good and workmanlike manner and in full compliance with all Legal Requirements.

Landlord's Contracts. All contracts for Landlord's Work and other improvements to be completed by Landlord shall be made by and in the name of, and be carried out by, Landlord.

Acceptance of Final Plans. Tenant represents and warrants to Landlord that it has thoroughly reviewed the Final Plans and that it approves the Final Plans, subject to any changes expressly permitted herein.

Changes to Final Plans. The Final Plans shall be final and shall not be changed by Landlord or Tenant without the consent of Tenant, but Tenant shall be permitted to make changes therein so long as the Building complies with all laws, ordinances, orders and regulations of any Governmental Authority having jurisdiction over the Building and the cost of Landlord's Work is not increased unless Tenant agrees to pay such increased cost.

Construction Approvals. As part of Landlord's Work, Landlord shall use commercially reasonable efforts to diligently obtain all required approvals from Governmental Authorities for Landlord's Work and shall give Tenant copies of all required approval documents.

Certificates of Occupancy. As part of Landlord's Work, Landlord shall use commercially reasonable efforts to diligently obtain temporary and permanent certificates of occupancy from Governmental Authorities which are required to permit the renovation and occupancy of the Building.

Completion of Landlord's Work. Upon completion of Landlord's Work, Landlord shall provide Tenant with written notice of such completion.

Tenant's Access Rights. During the course of the renovation of the Building, Tenant may enter upon the Premises for purposes of inspecting Landlord's Work, taking measurements, making plans, installing trade fixtures, erecting temporary or permanent signs and doing such other work as may be appropriate or desirable without being deemed thereby to have taken possession or obligated itself to pay rent or other charges in respect thereto. Tenant agrees that Landlord shall have no liability to Tenant for damage to any property of Tenant stored on the Premises. Tenant shall not unreasonably interfere with Landlord's Work in the exercise of Tenant's access rights.

F-1
ATTACHMENT TWO
# Certificate of Need Program

## APPLICANT IDENTIFICATION AND CERTIFICATION

The information provided must match the Letter of Intent for this project, without exception.

### 1. Project Location

<table>
<thead>
<tr>
<th>Title of Proposed Project</th>
<th>Project Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Grand Royale KC</td>
<td>5648 DS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Address (Street/City/State/Zip Code)</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2900 Kendallwood Parkway, Gladstone, MO 64119</td>
<td>Clay</td>
</tr>
</tbody>
</table>

### 2. Applicant Identification

<table>
<thead>
<tr>
<th>List All Owner(s): (List corporate entity)</th>
<th>Address (Street/City/State/Zip Code)</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>GGCC, LLC</td>
<td>6051 N Chestnut Ave, Ste B</td>
<td>816-268-4493</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>List All Operator(s): (List entity to be licensed or certified)</th>
<th>Address (Street/City/State/Zip Code)</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>GGCC, LLC</td>
<td>6051 N Chestnut Ave, Ste B</td>
<td>816-268-4493</td>
</tr>
</tbody>
</table>

### 3. Ownership

- [ ] Nonprofit Corporation
- [ ] Individual
- [ ] City
- [ ] District
- [X] Partnership
- [ ] Corporation
- [ ] County
- [ ] Other ___________

### 4. Certification

In submitting this project application, the applicant understands that:

(A) The review will be made as to the community need for the proposed beds or equipment in this application;
(B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar beds or equipment within the service area;
(C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its Rules and CON statute;
(D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months;
(E) Notification will be provided to the CON Program staff if and when the project is abandoned; and
(F) A CON, if issued, may not be transferred, relocated, or modified except with the consent of the Committee.

We certify the information and date in this application as accurate to the best of our knowledge and belief by our representative's signature below:

### 5. Authorized Contact Person

<table>
<thead>
<tr>
<th>Name of Contact Person</th>
<th>Title</th>
<th>Telephone Number</th>
<th>Fax Number</th>
<th>E-mail Address</th>
<th>Date of Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles V. Cuda</td>
<td>Manager</td>
<td>816-268-4493</td>
<td>816-337-3262</td>
<td><a href="mailto:cuda@opescra.com">cuda@opescra.com</a></td>
<td>7.27.2020</td>
</tr>
</tbody>
</table>

MO 569-1861 (03/13)
ATTACHMENT THREE
Articles of Organization

(Submit with filing fee of $105.00)

1. The name of the limited liability company is
   GGCC, LLC

   (Must include "Limited Liability Company," "Limited Company," "L.C.," "L.C.," "L.L.C.," or "LLC")

2. The purpose(s) for which the limited liability company is organized:
   Real Estate Holdings

3. The name and address of the limited liability company’s registered agent in Missouri is:
   Frank A. Brancato
   2029 Burlington Street, Suite 100
   North Kansas City, MO 64116

4. The management of the limited liability company is vested in: ☑ managers ☐ members (check one)

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual
   (The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer (PO box may only be used in addition to a physical street address):
   Organizer(s) are not required to be member(s), manager(s) or owner(s)

   Name: Cuda, Charles V. Cuda
   Address: 6051 N Chestnut Avenue, Ste. B
   City/State/Zip: Gladstone, MO 64119

7. ☐ Series LLC (OPTIONAL) Pursuant to Section 347.186, the limited liability company may establish a designated series in its operating agreement. The names of the series must include the full name of the limited liability company and are the following:

   New Series:
   ☐ The limited liability company gives notice that the series has limited liability.

   New Series:
   ☐ The limited liability company gives notice that the series has limited liability.

   New Series:
   ☐ The limited liability company gives notice that the series has limited liability.

   (Each separate series must also file an Attachment Form LLC 1A.)

Name and address to return filed document:

Name: Charles V Cuda
Address: Email: kwckc.jp@gmail.com
City, State, and Zip Code:
8. The effective date of this document is the date it is filed by the Secretary of State of Missouri unless a future date is otherwise indicated: __________________________

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:
(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

All organizers must sign:

<table>
<thead>
<tr>
<th>Charles V. Cuda Cuda</th>
<th>CHARLES V. CUDA CUDA</th>
<th>08/28/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizer Signature</td>
<td>Printed Name</td>
<td>Date of Signature</td>
</tr>
</tbody>
</table>
John R. Ashcroft  
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

GGCC, LLC  
LC001553364

filed its Articles of Organization with this office on the 28th day of August, 2017, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, John R. Ashcroft, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 28th day of August, 2017, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 28th day of August, 2017.

[Signature]
Secretary of State
Missouri Warranty Deed

This Indenture, Made as of October 27, 2017, by and between Rock Creek Holdings, LLC, a Missouri limited liability company, herein called the grantor, and GGCC, LLC, a Missouri limited liability company, herein called the grantee.

(Grantees Mailing address is: 6051 N. Chestnut Ave., Ste B, Gladstone, MO 64119)

WITNESSETH THAT THE SAID GRANTOR, in consideration of the transfer of assets and other valuable considerations, to be paid by grantee (receipt of which is hereby acknowledged), does by these presents, Grant, Bargain and Sell, Convey and Confirm unto the said grantee, its successors and assigns, the following described lots, tracts and parcels of land lying, being and situate in the County of Clay and the State of Missouri, to wit:

See Exhibit A attached hereto on pages 3 & 4

SUBJECT TO covenants, conditions, easements, restrictions and reservations of record, if any.

TO HAVE AND TO HOLD The premises aforesaid with all and singular, the rights, privileges, appurtenances and immunities thereto belonging or in any wise appertaining unto the said grantee and unto its successors and assigns forever; the said grantor covenanting that it is lawfully seized of an indefeasible estate in fee of the premises herein conveyed; that it has good right to convey the same; that the said premises are free and clear from any encumbrance done or suffered by it or those under whom it claims, and that it will warrant and defend the title to the said premises unto the said grantee and unto its successors and assigns forever, against the lawful claims and demands of all persons whomsoever; except as herein before stated.
IN WITNESS WHEREOF, The said grantor has hereunto caused these presents to be signed the day and year above written by its Member.

Rock Creek Holdings, LLC

[Signature]

By: Charles V. Cuda, Manager

STATE OF MISSOURI
COUNTY OF JACKSON

On this 27 day of October, 2017, before me, the undersigned, a Notary Public, in and for said state, personally appeared Charles V. Cuda, Manager, known to me to be the person described in and who executed the foregoing instrument on behalf of Rock Creek Holdings, LLC, a Missouri limited liability company, and acknowledged that he executed the same as the free act and deed on behalf of said limited liability company.

WITNESS my hand and notary seal subscribed and affixed in said County and State, the day and year first above written.

My Commission Expires:

[Signature]

Print Name: KAREN SIEWERT
Notary Public in and for said County and State

KAREN SIEWERT
Notary Public, Notary Seal
State of Missouri
Jackson County
Commission # 15449394
My Commission Expires January 23, 2019
EXHIBIT A

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Kansas City, County of Clay, State of Missouri.

Tract 1 (Fee Simple)
All that part of Lot 20, KENDALLWOOD COMMERCIAL CENTER - SECOND PLAT, a subdivision of land in Gladstone, Clay County, Missouri, being bounded and described as follows: Commencing at the Northwest corner of said Lot 20; thence North 89 degrees 52 minutes 21 seconds East, along the North line of said Lot 20, 64.26 feet; thence Easterly along said Northerly line, on a curve to the left tangent to the last described course having a radius of 530.00 feet, an arc distance of 102.99 feet to the True Point of Beginning of the tract to be herein described; thence continuing Easterly, along said Northerly line, on a curve to the left having an initial tangent bearing of North 78 degrees 44 minutes 18 seconds East, a radius of 530.00 feet, an arc distance of 108.43 feet; thence North 67 degrees 01 minutes 00 seconds East, along said Northerly line, 97.65 feet; thence Easterly, on a curve to the right, tangent to the last described course, having a radius of 470.00 feet, an arc distance of 283.01 feet; thence South 78 degrees 29 minutes 00 seconds East, along said Northerly line, 104.98 feet to a point on the Westerly line of Kendallwood Parkway, as now established; thence Southwesterly along the Westerly line, on a curve to the right having a radius of 1,428.51 feet, an arc distance of 807.31 feet; thence continuing Southwesterly, along said Westerly line, on a curve to the right, having an initial tangent bearing of South 44 degrees 34 minutes 20 seconds West, a radius of 1,750.00 feet, an arc distance of 16.19 feet to the most Southerly corner of said Lot 20; thence North 45 degrees 02 minutes 31 seconds West, along the Southwesterly line of said Lot 20, 289.98 feet; thence North 0 degrees 27 minutes 25 seconds East, along said Westerly line, 150.00 feet to the Northeast corner of Lot 21, said KENDALLWOOD COMMERCIAL CENTER - SECOND PLAT; thence North 86 degrees 04 minutes 31 seconds East, 95.35 feet; thence North 42 degrees 16 minutes 46 seconds West, 121.80 feet; thence North 49 degrees 01 minutes 24 seconds East, 30.49 feet; thence North 40 degrees 58 minutes 36 seconds West, 41.43 feet to a point on the South end of an existing 8 inches concrete retaining wall; thence North 4 degrees 09 minutes 18 seconds East, along the centerline of said wall and its Northerly prolongation thereof, 133.97 feet to the True Point of Beginning.

Tract 2 (Easement)
Together with an easement for access, ingress and egress in, on and over the following described property as reserved in Warranty Deed filed November 2, 1999, recorded as Document No. P18395 in Book 2910, at Page 66 and Easement Agreement recorded in Book 4752 at Page 219:

A strip of land 24.00 feet in width over and across Lot 20, KENDALLWOOD

Assured Quality Title Company
COMMERCIAL CENTER- SECOND PLAT, a subdivision of land in Gladstone, Clay County, Missouri, lying 12.00 feet on each side of the following described centerline: Commencing at the Northwest corner of said Lot 20, thence North 89 degrees 52 minutes 21 seconds East, along the North line of said Lot 20, 64.26 feet; thence Easterly, along said North line, on a curve to the left, tangent to the last described course, having a radius of 530.00 feet, an arc distance of 71.20 feet to the True Point of Beginning of the centerline to be herein described; thence South 4 degrees 09 minutes 18 seconds West, 97.53 feet; thence Southeasterly, on a curve to the left, tangent to the last described course, having a radius of 100.00 feet, an arc distance of 81.04 feet; thence South 42 degrees 16 minutes 46 seconds East, 132.37 feet to the Point of Termination.
ATTACHMENT FIVE
July 30, 2020

VIA ELECTRONIC MAIL

Trent Skaggs
tskaggs@ruralhospital.net

Re: Assignment of CONs - Towne Square Care of Gladstone

Dear Mr. Skaggs:

The undersigned is counsel for GGCC, LLC ("Landlord") with respect to that certain Lease dated July 18, 2018, by and between Landlord and Towne Square Care of Gladstone, LLC ("Tenant"), as amended by that certain First Amendment to Lease dated November 19, 2018 and that certain Second Amendment to Lease dated January __, 2020 (collectively, the "Lease"). Capitalized terms used but not defined herein shall have the meaning given such terms in the Lease.

Pursuant to that certain letter from Landlord to Tenant dated July 24, 2020, the Lease was terminated effective upon Tenant's receipt of such letter. Pursuant to Section 18.2.1 of the Lease, upon termination, Tenant is required to use best efforts to transfer to Landlord all Authorizations, which includes the CONs.

To accomplish this transfer, please coordinate with the Missouri Department of Health and Senior Services on behalf of Landlord. Let me know if you need any additional information or documentation to accomplish this transfer.

If you have any questions about this letter, feel free to contact me.

Sincerely,

Stinson LLP

[Signature]

Christopher Frantze

CC: Chuck Cuda (cuda@opescre.com)