

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MASSACHUSETTS
(EASTERN DIVISION)**

-----X

In re:	:	Chapter 11
	:	
WACHUSETT VENTURES, LLC, et al.,	:	Case No. 18-11053 (FJB)
	:	
Debtors.¹	:	Jointly Administered
	:	

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**NOTICE OF FILING OF PLAN SUPPLEMENT TO THE WV DEBTORS’ THIRD
AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11
OF THE BANKRUPTCY CODE DATED AUGUST 23, 2018**

PLEASE TAKE NOTICE that, on August 23, 2018, the WV Debtors filed the *Third Amended Joint Chapter 11 Plan Of Reorganization Of The WV Debtors Dated August 23, 2018* (the “Plan”).²

PLEASE TAKE FURTHER NOTICE that attached hereto are the following documents which constitute the plan supplement which are in substantially final form but remain subject to further discussion, negotiation, and revision (as may be amended the “Plan Supplement”):

- Exhibit A: CCP DIP Loan Documents**
- Exhibit B: Amended and Restated CCP Loan Documents**
- Exhibit C: CCP Cure Note**

¹ The Debtors, along with the last four digits of each debtor’s tax identification number, as applicable, are: Wachusett Ventures, LLC (8587), WV—Crossings East LLC (0809), WV—Crossings West, LLC (1860), WV—Parkway Pavilion, LLC (5082), WV—Brockton SNF, LLC (3855) (“Brockton”), WV—Concord SNF OPCO, LLC (0813), WV—Rockport SNF OPCO, LLC (3681), and WV—Quincy SNF OPCO, LLC (9951).

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Exhibit D: Amended Master Lease

Exhibit E: Terms of Vera Employment

Exhibit F: Proposed Confirmation Order

PLEASE TAKE FURTHER NOTICE that any holder of Claims or Interests who would like to receive copies of any of the exhibits in this Plan Supplement may receive a copy by contacting the undersigned. In addition, copies may also be obtained at www.donlinrecano.com/wv.

Dated: September 12, 2018
Boston, Massachusetts

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**AMENDED AND RESTATED SENIOR SECURED
SUPERPRIORITY DEBTOR-IN-POSSESSION
LOAN AND SECURITY AGREEMENT**

DATED AS OF SEPTEMBER [], 2018

BY AND BETWEEN

**EACH OF THE ENTITIES IDENTIFIED ON THE
SIGNATURE PAGES HERETO AS
A BORROWER,
as Borrower,**

AND

**CCP FINANCE II LLC,
a Delaware limited liability company,
as Lender**

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**AMENDED AND RESTATED SENIOR SECURED
SUPERPRIORITY DEBTOR-IN-POSSESSION
LOAN AND SECURITY AGREEMENT**

THIS AMENDED AND RESTATED SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT (as amended, modified, or restated from time to time, this “**Agreement**”) is made as of September [], 2018, by and among (i) CCP Finance II LLC, a Delaware limited liability company (together with its successors and assigns, “**DIP Lender**” or “**Lender**”), (ii) Rockport SNF Opco, LLC and WV – Quincy SNF Opco, LLC, each a Massachusetts limited liability company (each a “**MA Debtor**” and collectively, the “**MA Debtors**”), and (iii) WV-Crossings East LLC, and WV-Parkway Pavilion LLC, each a Connecticut limited liability company (each a “**CT Debtor**” and collectively, the “**CT Debtors**”). Collectively, jointly and severally, the MA Debtors and the CT Debtors will be referred to herein as “**Borrower**”. For avoidance of doubt, the term “Borrower” does not include WV-Brockton SNF, LLC, which is not a Party to this Agreement.

RECITALS

A. **WHEREAS**, on March 26, 2018 each of the Borrowers commenced a case (individually “**Bankruptcy Case**” or “**Case**” and collectively, “**Bankruptcy Cases**” or “**Cases**”) under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the District of Massachusetts (the “**Bankruptcy Court**”).

B. **WHEREAS**, in connection with the Bankruptcy Case, Lender made a debtor-in-possession loan to Borrower (the “**DIP Loan**”) pursuant to that certain Senior Secured Superpriority Debtor-in-Possession Loan and Security Agreement dated as of April 30, 2018 (as amended by that certain First Amendment to Senior Secured Superpriority Debtor-in-Possession Loan and Security Agreement dated as of May 22, 2018, as further amended by that certain Second Amendment to Senior Secured Superpriority Debtor-in-Possession Loan and Security Agreement dated as of June 18, 2018, and as further amended by that certain Third Amendment to Senior Secured Superpriority Debtor-in-Possession Loan and Security Agreement dated as of July 26, 2018, the “**Original DIP Loan Agreement**”). Any loan documents entered into in connection with the Original DIP Loan Agreement are herein collectively referred to as the “**Original DIP Loan Documents**”.

C. **WHEREAS**, the Bankruptcy Court has approved that certain Third Amended Joint Chapter 11 Plan of Reorganization of the Borrowers (and certain Affiliates thereof) dated August 21, 2018 (the “**Plan**”) pursuant to the Confirmation Order (as defined in the Plan) issued by the Bankruptcy Court on the Confirmation Date (as defined in the Plan).

D. **WHEREAS**, pursuant to the Plan, Lender has agreed to amend and restate the DIP Loan on the terms and conditions set forth in this Agreement and the other Amended and Restated Loan Documents.

E. **WHEREAS**, this Agreement (i) amends, restates and supersedes in its entirety the Original DIP Loan Agreement, and (ii) does not constitute a cancellation, extinguishment, satisfaction, termination, novation or discharge of the Original DIP Loan Agreement or the “DIP Loan” referred to therein.

F. **WHEREAS**, the outstanding principal balance of the DIP Loan (including all accrued, but unpaid interest) as of the Effective Date (as defined in the Plan) is \$ _____.

G. **WHEREAS**, as a condition to Lender entering into this Agreement, Wachusett Ventures, LLC, a Massachusetts limited liability company (“**Guarantor**”), has agreed to guaranty the obligations of Borrower under the Amended and Restated Loan Documents (as defined below) pursuant to the terms and conditions of that certain Guaranty of Obligations of even date herewith (the “**Guaranty**”). The entities comprising Borrower and Guarantor shall at times be referred to herein as a “**Loan Party**” and collectively as the “**Loan Parties**.”

H. **WHEREAS**, the obligations of Borrower will be secured by, *inter alia*, pledges of all equity interests in Borrower pursuant to the Pledge Agreement (as defined below).

I. **WHEREAS**, this Agreement, the Note, the Guaranty, the Pledge Agreement and any other documents executed in connection therewith (but not the Cure Note or any other documents executed in connection therewith), are referred to herein collectively as the “**Amended and Restated Loan Documents**.” The Amended and Restated Loan Documents amend and restate the Original DIP Loan Documents but do not constitute a cancellation, extinguishment, satisfaction, termination, novation or discharge of the Original DIP Loan Documents or the “DIP Loan” referred to therein.

J. **WHEREAS**, the entities comprising Borrower, as tenant, and certain Affiliates of Lender, as landlord (each, a “**Facility Landlord**” and collectively, the “**Facility Landlords**”), are parties to that certain Amended and Restated Master Lease of even date herewith (the “**Master Lease**”) with respect to the facilities listed on Schedule 2 attached hereto. Each such facility and the underlying land on which such facility is located, along with all other improvements thereon and fixtures thereat, shall at times be referred to herein as a “**Facility**” and collectively as the “**Facilities**.”

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 INCORPORATION OF RECITALS, EXHIBITS AND SCHEDULES

1.1 **Incorporation of Recitals.**

The foregoing preambles and all other recitals set forth herein are made a part hereof by this reference.

1.2 **Incorporation of Exhibits.**

The Schedules and Exhibits annexed hereto are incorporated herein as a part of this Agreement and expressly made a part hereof by this reference with the same effect as if set forth in the body hereof.

ARTICLE 2 DEFINITIONS; PRINCIPLES OF CONSTRUCTION

2.1 **Definitions.**

For all purposes of this Agreement, except as otherwise expressly provided, the following terms shall have the respective meanings set forth below:

Accrediting Organization: Any Person from which any Borrower has received an accreditation as of the Closing Date or thereafter.

Affiliate: With respect to a specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with such person or entity.

Agreement: This Agreement.

Amended and Restated Loan Documents: As such term is defined in the Recitals to this Agreement.

Amended and Restated Pre-Petition Loan: Means the loan evidenced and/or secured by the Amended and Restated Pre-Petition Loan Documents.

Amended and Restated Pre-Petition Loan Documents: All loan documents evidencing and/or securing the amended and restated CCP Finance Loan Documents (as defined in the Plan), together with any amendments, substitutions and/or replacements thereof, by and between Lender (or one or more Affiliates thereof) and Borrower (or one or more Affiliates thereof), together with any amendments, substitutions and/or replacements thereof.

Anti-Money Laundering Laws: As such term is defined in [Section 5.5\(f\)](#).

Asset Sale: With respect to any Person, the sale, lease, conveyance, disposition or other transfer by such Person of any of its assets (including by a sale-leaseback transaction and including the sale or other transfer of any of the equity interests or membership interests of subsidiary of such Person), except for sales of inventory in the Ordinary Course of Business and sales of obsolete or worn out equipment, no longer necessary in the business of the Borrower.

Authorization: With respect to each Facility and/or applicable Borrower, any and all licenses, operating permits, Provider Agreements, CONs, bed rights, certificates of exemption, approvals, waivers, variances and other governmental or “quasi-governmental” authorizations necessary or advisable for the use of such Facility for its Primary Intended Use and receipt of reimbursement or other payments under Medicare, Medicaid and any Third Party Payor Programs.

Authorized Representative: As such term is defined in [Section 5.6](#).

Bankruptcy Action: With respect to any Person, (i) such Person filing a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law; (ii) the filing of an involuntary petition against such Person under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law which is not dismissed within sixty (60) days of the filing thereof, or soliciting or causing to be solicited petitioning creditors for any involuntary petition against such Person; (iii) such Person filing an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law, or soliciting or causing to be solicited petitioning creditors for any involuntary petition from any Person; (iv) such Person seeking, consenting to or acquiescing in or joining in an application for the appointment of a custodian, receiver, trustee, or examiner for such Person or any portion of any Facility; (v) such Person making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due; or (vi) such Person taking any action in furtherance of any of the foregoing.

Bankruptcy Case: As such term is defined in the Recitals to this Agreement.

Bankruptcy Code: As such term is defined in the Recitals to this Agreement.

Bankruptcy Court: As such term is defined in the Recitals to this Agreement.

Borrower: As such term is defined in the opening paragraph of this Agreement and including any successor obligor on the DIP Loan from time to time.

Borrowing Base Certificate: A certificate setting forth the aggregate amount of Borrower's accounts receivable that would be eligible as qualified receivables to collateralize accounts receivable debt for advances under the original CCP Finance Loan Documents (as defined in the Plan), which Borrowing Base Certificate shall be substantially in the form provided under the CCP Finance Loan Documents.

Business Day: Any day other than a Saturday, a Sunday or any other day on which national banks in Boston Massachusetts, are not open for business.

Closing Date: The date of this Agreement.

Code: The Internal Revenue Code of 1986, as amended from time to time.

Collateral: As such term is defined in Section 8.1.

CON: With respect to each Facility, 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 such Facility for the use of a specified number of beds in, as applicable, a nursing facility, assisted living facility, senior independent living facility and/or rehabilitation hospital; (ii) the alteration of such Facility; or (iii) the modification of the applicable services provided at such Facility used as a nursing facility, assisted living facility, senior independent living facility and/or rehabilitation hospital.

Condemnation: A temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of any Facility, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting any Facility or any part thereof.

Contingent Obligation: With respect to any Loan Party, any direct or indirect liability of such Loan Party: (i) with respect to any Debt of another Person; (ii) with respect to any undrawn portion of any letter of credit issued for the account of such Loan Party as to which such Loan Party is otherwise liable for the reimbursement of any drawing; (iii) to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement; or (iv) for any obligations of another Person pursuant to any guaranty or pursuant to any agreement to purchase, repurchase or otherwise acquire any obligation or any property constituting security therefor, to provide funds for the payment or discharge of such obligation or to preserve the solvency, financial condition or level of income of another Person. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determinable amount, the maximum reasonably anticipated liability in respect thereof as determined in good faith by the guaranteeing Loan Party.

Control: As such term is used with respect to any Person, including the correlative meanings of the terms "controlled by" and "under common control with", shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Cure Note: That certain Secured Promissory Note entered into as of the date hereof and evidencing the loan to repay the CCP Cure Claims (as defined in the Plan) and any amendments, restatements or other modifications thereof.

Cure Note Loan Documents: The Cure Note, together with such other documents evidencing or securing the loan referred to the Cure Note, together with any amendments, substitutions and/or replacements thereof.

Debt: For any Person, without duplication: (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property for which such Person or its assets is liable; (ii) all unfunded amounts under a loan agreement, letter of credit or other credit facility for which such Person would be liable if such amounts were advanced thereunder; (iii) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests; (iv) all indebtedness guaranteed by such Person, directly or indirectly; (v) all obligations under leases that constitute capital leases for which such Person is liable; and (vi) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

Default Rate: A rate per annum equal to twelve percent (12.0%).

DIP Loan: As such term is defined in the Recitals to this Agreement.

Distribution: As to any Loan Party, any (i) dividend or other distribution (whether in cash, securities or other property) on any equity interest in such Loan Party; (ii) payment by such Loan Party on account of (a) the purchase, redemption, retirement, defeasance, surrender, cancellation, termination or acquisition of any equity interests in such Loan Party or any claim respecting the purchase or sale of any equity interest in such Loan Party, or (b) any option, warrant or other right to acquire any equity interests in such Loan Party, (iii) payments to board members or payments of management or consulting fees (other than salaries, bonuses or similar amounts on account of such Person's employment by any Loan Party) to any Person holding an equity interest in any Loan Party; (iv) lease or rental payments to an Affiliate of any Loan Party; or (v) repayments of or debt service on loans or other indebtedness held by any Person holding an equity interest in any Loan Party.

Effective Date: As such term is defined in the Plan.

Environmental Obligations: As such term is defined in Section 7.5.

Environmental Proceedings: Any environmental proceedings, whether civil (including actions by private parties), criminal, or administrative proceedings, relating to any Facility.

Event of Default: As such term is defined in Section 9.1.

Expenses: All losses, fines, penalties, judgments, awards, costs and expenses (including, without limitation, reasonable attorneys' fees and costs and expenses of investigation).

Facility or Facilities: As such term is defined in the Recitals to this Agreement.

Facility Landlord or Facility Landlords: As such term is defined in the Recitals to this Agreement.

GAAP: Those generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession, in each case, consistently applied.

Governmental Authority: 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, the United States Department of Health, Centers for Medicare and Medicaid Services, 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: As such term is defined in the Recitals to this Agreement, together with any other Person that has executed or delivered, or shall in the future execute or deliver, any guaranty of any portion of the obligations hereunder or any of the other Amended and Restated Loan Documents.

Guaranty: That certain Guaranty of Obligations of even date herewith, executed by Guarantor in favor of Lender and Facility Landlords.

Hazardous Material: Means and includes gasoline, petroleum, asbestos containing materials, explosives, radioactive materials, microbial matter, biological toxins, mycotoxins, mold or mold spores or any hazardous or toxic material, substance or waste which is defined by those or similar terms or is regulated as such under any Legal Requirement of any Governmental Authority having jurisdiction over any Facility or any portion thereof or its use, including: (i) any “hazardous substance” defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. § 9601(14) as may be amended from time to time, or any so-called “superfund” or “superlien” Law, including the judicial interpretation thereof; (ii) any “pollutant or contaminant” as defined in 42 U.S.C.A. § 9601(33); (iii) any material now defined as “hazardous waste” pursuant to 40 C.F.R. Part 260; (iv) any petroleum, including crude oil or any fraction thereof; (v) liquefied natural gas, or synthetic gas usable for fuel; (vi) any “hazardous chemical” as defined pursuant to 29 C.F.R. Part 1910; and (vii) any other toxic substance or contaminant that is subject to any other Legal Requirement or other past or present requirement of any Governmental Authority. Any reference above to a Legal Requirement, includes the same as it may be amended from time to time, including the judicial interpretation thereof.

HIPAA: The Health Insurance Portability and Accountability Act of 1996, as the same may be amended, modified or supplemented from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

Indemnified Environmental Liabilities: As such term is defined in Section 7.3.

Indemnified Liabilities: As such term is defined in Section 5.5(c).

Indemnified Party: Lender and Lender’s Affiliates and the respective agents, employees, owners, partners, members, managers, contractors, representatives, consultants, attorneys, auditors, officers and directors, together with all successors and assigns of the foregoing, including any Person acquiring the equity interests in Borrower through a foreclosure under the Pledge Agreement.

Insolvent: Has the meaning provided for such term in the Uniform Code.

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

Intellectual Property: With respect to any Loan Party, the interest, if any, of such Loan Party in all patents, patent applications and like protections, including improvements divisions, continuation, renewals, reissues, extensions and continuations in part of the same, trademarks, trade names, trade styles, trade dress, service marks, logos and other business identifiers and, to the extent permitted under applicable law, any applications therefore, whether registered or not, and the goodwill of the business of such Loan Party connected with and symbolized thereby, copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative works, whether published or unpublished, technology, know-how and processes, operating manuals, trade secrets, computer hardware and software, rights to unpatented inventions and all applications and licenses therefor, used in or necessary for the conduct of business by such Loan Party and all claims for damages by way of any past, present or future infringement of any of the foregoing.

Interest Rate: A fixed rate per annum equal to six percent (6.0%).

Investment: Any investment in any Person, whether by means of acquiring (whether for cash, property, services, securities or otherwise), making or holding Debt, securities, capital contributions, loans, time deposits, advances, guaranties or otherwise. The amount of any Investment shall be the original cost of such Investment *plus* the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect thereto.

Knowledge: When used with the terms (a) "to Borrower's Knowledge", "to the Knowledge of Borrower", "known to Borrower" or any similar phrase, and/or (b) to "Guarantor's Knowledge", "to the Knowledge of Guarantor", "known to Guarantor" or any similar phrase, the actual, current knowledge, without any duty of investigation, of the Chief Executive Officer, the Chief Financing Officer or the Vice President/General Counsel of Borrower or such Guarantor. Notwithstanding the foregoing, each instance in which the term "to the best of" or any term of similar import is used to qualify Borrower's or Guarantor's knowledge, the knowledge of Borrower or Guarantor, as applicable, shall be deemed to include the information that would be possessed by such Borrower or Guarantor after reasonable inquiry and investigation with respect to the particular matter in question. As used herein, the term "reasonable inquiry and investigation" means the making of such reasonably specific inquiries as may be necessary of the employees or agents of such Loan Party and a good faith attempt to ascertain the existence or accuracy of the matter to which such phrase relates.

Legal Requirements: All federal, state, county, municipal and other governmental statutes, laws, rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses, covenants, conditions, restrictions, judgments, decrees and injunctions applicable to any Loan Party or affecting any Facility, whether now or hereafter enacted and in force, including, any and all of the foregoing that relate to the use of each Facility for its Primary Intended Use.

Lender: As defined in the opening paragraph of this Agreement and including any successor holder of the Loan from time to time.

Lien: With respect to any asset, any mortgage, lien, pledge, charge, security interest, attachment, title retention agreement or other encumbrance of any kind, in respect of such asset.

Loan Party or Loan Parties: As such term is defined in the Recitals to this Agreement.

Loan Term: As such term is defined in Section 3.3.

Master Lease: As such term is defined in the Recitals to this Agreement.

Material Adverse Effect: A material adverse change in, or a material adverse effect upon, (a) the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of Borrower and the other Loan Parties taken as a whole, (b) the ability of Borrower and the other Loan Parties, taken as a whole, to perform their obligations under the Amended and Restated Loan Documents, (c) the legality, validity or enforceability of any Loan Document, or (d) the existence, perfection or priority of the security interest in any material portion of the Collateral.

Material Contract: (i) any of the Amended and Restated Pre-Petition Loan Documents, (ii) the Master Lease, (iii) any of the Cure Note Loan Documents, (iv) any other agreements or instruments to which any Loan Party is a party, and the breach, nonperformance or cancellation of which, or the failure of which to renew, could reasonably be expected to have a Material Adverse Effect and (v) any agreement relating to Debt of any Loan Party that has an outstanding principal balance or other aggregate obligation in excess of One Hundred Thousand Dollars (\$100,000).

Maturity Date: November 30, 2022, or any earlier date on which the DIP Loan shall be required to be paid in full, whether by acceleration or otherwise, or Borrower elects to prepay the Obligations in full pursuant to Section 3.5.

Maximum Legal Rate: The maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Obligations, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the DIP Loan.

Medicaid: 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: 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.

Note: That certain Amended and Restated Senior Secured Promissory Note entered into as of the date hereof and evidencing the DIP Loan.

Notice: As such term is defined in Section 11.26.

Obligations: The outstanding principal amount of the DIP Loan together with all interest accrued and unpaid thereon and all other sums due under this Agreement, the Note or any other Amended and Restated Loan Document.

OFAC List: As such term is defined in Section 5.5(f).

OFAC Rules: As such term is defined in Section 5.5(f).

Operating Expenses: With respect to each Borrower, all of its costs and expenses (net of extraordinary items) relating to the operation, maintenance and management of its assets and business, including, without limitation, if applicable, utilities, repairs and maintenance, insurance premiums, advertising expenses, payroll and related taxes and equipment lease payments.

Ordinary Course of Business: In respect of any transaction involving any Loan Party (including any transaction involving a Facility or the operations thereof), the ordinary course of business of such Loan Party, as conducted by such Loan Party in accordance with past practices (to the extent applicable).

Organizational Documents: Any of the following applicable, as of the Closing Date, to any Loan Party: (i) its certificate of formation, articles of organization and operating agreement; (ii) its partnership agreement and certificate of limited partnership or doing business certificate; (iii) its articles or certificate of incorporation and by-laws; (iv) its trust and/or the other organizational or governing documents; and/or (v) its incumbency certificates, resolutions, certificates of good standing and consents of members, partners or shareholders, as applicable.

Original DIP Loan Agreement: As such term is defined in the Recitals to this Agreement.

Original DIP Loan Documents: As such term is defined in the Recitals to this Agreement.

Payment Date: The due date for the payment of the installments of interest and principal hereunder and under the Note or any other sums payable under this Agreement or any other Amended and Restated Loan Document.

Patriot Act: As such term is defined in Section 5.5(f).

Permitted Contingent Obligations: Each of the following: (i) Contingent Obligations arising in respect of the Obligations; (ii) Contingent Obligations resulting from endorsements for collection or deposit in the Ordinary Course of Business; (iii) Contingent Obligations incurred in the Ordinary Course of Business with respect to surety and appeal bonds, performance bonds and other similar obligations not to exceed \$50,000 in the aggregate at any time outstanding; (iv) Contingent Obligations arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions of personal property assets permitted under this Agreement; (v) Contingent Obligations arising under the Amended and Restated Pre-Petition Loan Documents or the Cure Note Loan Documents; and (vi) other Contingent Obligations not permitted by clauses (i) through (v) above, not to exceed \$50,000 in the aggregate at any time outstanding.

Permitted Debt: Each of the following, without duplication: (i) the Obligations; (ii) the Debt arising under the Amended and Restated Pre-Petition Loan Documents or the Cure Note Loan Documents; (iii) trade accounts payable arising and paid on a timely basis in the Ordinary Course of Business; (iv) unsecured obligations in the Ordinary Course of Business in respect of netting services, overdraft protection and other like services in connection with deposit accounts to the extent such arrangement is customary and entered into in the Ordinary Course of Business; and (v) obligations in respect of taxes, assessments, other governmental charges or levies to the extent that payment thereof is not delinquent.

Permitted Distributions: The following Distributions, without duplication: (i) dividends or distributions paid to a beneficial owner of a Loan Party if, and only to the extent of, such Loan Party's excess cash flow, and only to the extent that, at the time of such payment, no Potential Default or Event of Default has occurred and is continuing and no Potential Default or Event of Default would result from the

making of such payment (including without limitation, any arising as a result of a violation of any financial covenant set forth in Section 5.3 hereof); (ii) scheduled payments of rent under the Master Lease; and (iii) scheduled payments of Permitted Debt.

Permitted Liens (i) Liens granted to Lender; (ii) Liens granted under the Amended and Restated Pre-Petition Loan Documents or the Cure Note Loan Documents, (iii) Liens customarily incurred by Borrower in the Ordinary Course of Business for items not due and payable including mechanic's Liens and deposits and charges under workers' compensation, unemployment insurance, social security and other like laws; (iv) Liens for taxes, assessments, governmental charges or levies not delinquent; and (v) any Lien which is being contested in good faith pursuant to this Agreement.

Permitted Investments: Each of the foregoing: (i) cash and cash equivalents; (ii) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the Ordinary Course of Business; (iii) Investments consisting of travel advances and employee relocation loans and other employee loans and advances in the Ordinary Course of Business; (iv) Investments consisting of deposit accounts maintained in the Ordinary Course of Business; and (v) prepayment, advances and deposits made in the Ordinary Course of Business to suppliers in connection with purchases of goods or services in the Ordinary Course of Business;

Person: Any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

Plan: As such term is defined in the Recitals to this Agreement.

Pledge Agreement: That certain Pledge Agreement, dated as of the date hereof, executed by Guarantor in favor of Lender and Facility Landlords.

Potential Default: Any event, fact or circumstance that with notice, the passage of time, or both would constitute an Event of Default.

Prohibited Person(s): As such term is defined in Section 5.5(f).

Primary Intended Use: As to each Facility, the type of healthcare facility corresponding to such Facility as shown on Schedule 2 attached hereto, with no less than the number of licensed beds/units as shown on Schedule 2 and for ancillary services relating thereto.

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

State: When used in reference to a Loan Party or a Facility, the state (or commonwealth) of the United States in which a Facility is located and whose department, division or subdivision has jurisdiction over such Loan Party or Facility.

Subsidiary: With respect to any Person, any (i) corporation of which an aggregate of more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, capital stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person or one

or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of more than fifty percent (50%) of such capital stock whether by proxy, agreement, operation of law or otherwise; and (ii) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) or of which any such Person is a general partner or may exercise the powers of a general partner.

Third Party Payor: Any Person, from time to time, that maintains a Third Party Payor Program.

Third Party Payor Programs: 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: Any (i) sale, transfer, lease, conveyance, alienation, pledge, assignment, mortgage, encumbrance, hypothecation or other disposition of any equity interest in any Loan Party (including any interest in the profits, losses or cash distributions in any way relating to any Loan Party) or any interest in any entity which holds an interest in, or directly or indirectly controls, any Loan Party; (ii) creation of any new ownership interest in any Loan Party (including any interest in the profits, losses or cash distributions in any way relating to any Loan Party); or (iii) change in Control with respect to any Loan Party or in any entity which holds an interest in, or directly or indirectly controls, any Loan Party.

Uniform Code: Means the Uniform Commercial Code as from time to time in effect in the Commonwealth of Massachusetts as the same may, from time to time, be enacted and in effect in the Commonwealth of Massachusetts; provided, to the extent that the Uniform Code is used to define any term herein or in any Amended and Restated Loan Document and such term is defined differently in different articles or divisions of the Uniform Code, the definition of such term contained in Article 9 shall govern; provided, further, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Lender's lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the Commonwealth of Massachusetts, the term "Uniform Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

2.2 Principles of Construction.

All references to sections, exhibits and schedules are to sections, exhibits and schedules in or to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Amended and Restated Loan Document to any Amended and Restated Loan Document shall be deemed to include references to such documents as the same may hereafter be amended, modified, supplemented, extended, replaced and/or restated from time to time (and, in the case of any note or other instrument, to any instrument issued in substitution therefor). Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined. The word "include(s)" when used in this Agreement and the other Amended and Restated Loan Documents means "include(s), without limitation," and the word "including" means "including, but not limited to." Unless otherwise expressly provided, capitalized terms used in referenced defined terms or provisions or Schedules or Exhibits, as the case may be, shall have the meanings

assigned to such capitalized terms in the specific Amended and Restated Loan Document in which such defined terms or provisions appear or to which such Schedules or Exhibits are appended. All terms defined in this Agreement shall, unless otherwise defined therein, have the same meanings when used in the Note, the Guaranty, the Pledge Agreement, the other Amended and Restated Loan Documents, or any certificate or other document made or delivered pursuant hereto.

ARTICLE 3 LOAN AND AMENDED AND RESTATED LOAN DOCUMENTS

3.1 Agreement to Lend and Borrow.

Borrower and Lender hereby acknowledge and agree that as of the Closing Date, Lender shall be deemed to have advanced and disbursed to Borrower outstanding principal under the DIP Loan in the amount of \$_____ (the “**Closing Date Loan Amount**”). Subject to the terms, provisions and conditions of this Agreement and the other Amended and Restated Loan Documents, Borrower agrees to borrow from Lender and Lender shall disburse to Borrower from time to time as requested by Borrower advances under the DIP Loan of up to: (i) an additional amount up to Five Hundred Thousand Dollars (\$500,000) to fund certain working capital needs of the Borrower, and (ii) an additional amount up to Two Hundred Thousand Dollars (\$200,000) to be used by Borrower for the sole and exclusive purpose of paying Claims (as defined in the Plan) arising under Section 503(b)(9) of the Bankruptcy Code (the additional advances referred to in clauses (i) and (ii) of this sentence being hereinafter referred to as the “**Additional Advances**”). In no event shall the outstanding principal balance of the DIP Loan exceed the sum of the Closing Date Loan Amount plus the Additional Advances. The DIP Loan shall be repaid in accordance with the terms of this Agreement and the Note. Any portion of the DIP Loan borrowed and repaid hereunder may not be re-borrowed.

3.2 Conditions Precedent to Making the DIP Loan.

Borrower agrees that Lender’s obligation to make any advance under the DIP Loan is conditioned upon (a) Borrower’s delivery to Lender on or prior to the Closing Date of the items and documents set forth in Exhibit A, in form and content satisfactory to Lender, duly executed (and acknowledged where necessary) by the appropriate parties thereto; (b) no Event of Default or Potential Default existing at the time such advance under the Loan is made; and (c) all representations and warranties contained in this Agreement and any other Amended and Restated Loan Document being true and correct in all material respects at the time such advance under the DIP Loan is made; it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date. Borrower shall give Lender notice of its request for each advance under the Loan no later than 12:00 noon Los Angeles time, at least five (5) Business Days before the date upon which such advance is requested to be made; it being understood and agreed that solely for any initial requested advance being made on the Closing Date, such five (5) Business Days’ notice shall not be required. Subject to the terms and conditions of this Agreement, the proceeds of each such requested advance shall be made available to Borrower by wire transfer of funds to Borrower’s account specified in such notice on such requested advance date. Such written notice shall (i) set forth the amount of the advance requested, (ii) the date such advance is requested to be made and (iii) a certification from an officer of Borrower with respect to clauses (b) and (c) above.

3.3 Term of the DIP Loan.

The term of the DIP Loan shall end on the Maturity Date (the “**Loan Term**”).

3.4 Interest.

(a) Interest Rate. Provided that no Event of Default exists (in which event the Default Rate shall be applicable): (i) the principal amount of the Closing Date Loan Amount shall bear interest at the Interest Rate from the Closing Date until paid, and (ii) interest on any Additional Advances under the DIP Loan shall begin to accrue interest at the Interest Rate as of the date such Additional Advance is made to Borrower until paid.

(b) Computation. Interest on the principal amount of all advances made under the DIP Loan shall be calculated based on a three hundred sixty (360) day year and charged for the actual number of days elapsed.

(c) Default Interest. If, and for so long as, an Event of Default shall have occurred under Section 9.1(a) and be continuing, the outstanding principal balance of the DIP Loan shall accrue interest, at the written election of Lender, at a rate per annum equal to the Default Rate, calculated from the date the Event of Default occurred.

(d) Usury Savings. This Agreement and the other Amended and Restated Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the principal balance of the DIP Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the other Amended and Restated Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the sums due under the DIP Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the Loan Term so that the rate or amount of interest on account of the DIP Loan does not exceed the Maximum Legal Rate from time to time in effect and applicable to the DIP Loan for so long as the DIP Loan is outstanding.

3.5 Loan Payments.

(a) Monthly Payments of Interest and Principal. Interest on the outstanding principal balance of any advances under the DIP Loan shall begin to accrue at the Interest Rate as of: (i) the Effective Date, with respect to the Closing Date Loan Amount, and (ii) with respect to any Additional Advances, the date such Additional Advance is made to Borrower. Commencing on [November 1], 2018 and continuing on the first (1st) day of each calendar month thereafter during the Term, Borrower shall make payments of interest on the outstanding principal balance of the DIP Loan calculated in arrears at the Interest Rate. Commencing on September 1, 2019 and continuing on the first (1st) day of each calendar month thereafter until the Maturity Date, Borrower shall make payments of principal in equal monthly payments, each in the amount necessary to fully amortize the entire principal balance of the DIP Loan over the Loan Term. If the Default Rate shall be applicable, interest shall be so calculated at the Default Rate and interest payable at the Default Rate following an Event of Default shall be payable from time to time on demand of Lender.

(b) Payment on Maturity Date. All accrued and unpaid interest and all other Obligations due under the Amended and Restated Loan Documents are due and payable in full on the Maturity Date.

(c) Late Charge. If any monthly interest or principal payment or any other amount due hereunder or under the Note or the other Amended and Restated Loan Documents (other than the final payment of principal) is not timely made within ten (10) days of its Payment Date, Borrower, without notice or demand by Lender, shall promptly pay a late charge equal to five percent (5%) of the amount of such delinquent payment to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of the delinquent payment. Borrower and Lender agree that such late charge represents a fair and reasonable estimate of the costs that Lender will incur by reason of a late payment by Borrower. In addition, any monthly interest and/or principal payment or any other amount due hereunder or under the Note or the other Amended and Restated Loan Documents (including the final payment of principal) not timely made within fifteen (15) days of its Payment Date, the amount unpaid, including any late charges, shall bear interest at the Default Rate, compounded monthly from such Payment Date to the date of payment thereof, and Borrower shall pay such interest to Lender on demand. The payment of such late charge and/or such interest shall neither constitute waiver of nor excuse or cure the late payment giving rise to such late charge and/or interest nor prevent Lender from exercising any other rights and remedies available to Lender arising from such late payment.

(d) Prepayments; Mandatory Prepayments.

(i) Borrower shall have the right to make prepayments of the DIP Loan in whole or in part in accordance with the provisions of this Section 3.5(d). Borrower shall give Lender no less than three (3) Business Days advance written notice of Borrower's intent to make any partial prepayment pursuant to the foregoing sentence and any such partial prepayment shall be accompanied by all accrued and unpaid interest on the amount so prepaid up to and including the date of prepayment, if any. The DIP Loan provided hereunder is not a revolving credit facility, and Borrower is not entitled to any readvances of any portion of the DIP Loan which it may (or are otherwise required to) prepay pursuant to the provisions of this Agreement.

(ii) Notwithstanding anything in this Agreement to the contrary, each of the following shall require that Borrower make a mandatory prepayment of the DIP Loan. The mandatory prepayments shall not exceed the obligations owed by the Borrower under the Amended and Restated Loan Documents. Unless otherwise required by applicable law, prepayments may be applied by Lender toward the payment of any interest and/or principal of the DIP Loan and/or any other amounts due under the Amended and Restated Loan Documents in such order, priority and proportions as Lender in its sole discretion shall determine. Amounts repaid from any mandatory prepayment may not be re-borrowed.

(A) Upon consummation of any Asset Sale, Borrower shall make a mandatory prepayment of the DIP Loan in an amount equal to 100% of the net cash proceeds of the Asset Sale, except for proceeds of such Asset Sale, which Borrower reinvests in its business within ninety (90) days of Borrower's receipt of said cash proceeds.

(B) Upon receipt of any proceeds not customarily received in Borrower's Ordinary Course of Business, including, without limitation, proceeds arising from insurance, condemnation, eminent domain, tax refunds, deposit refunds, Borrower shall make a mandatory prepayment of the DIP Loan in an amount equal to 100% of the net proceeds received by the Borrower from such event except for proceeds of such Asset Sale, which Borrower reinvests in its business within ninety (90) days of Borrower's receipt of said cash proceeds. The term "net," as used in this Section 3.5(d), shall

include, without limitation, all taxes estimated to be payable by the Borrower as a result of any Asset Sale or other event.

(C) Upon receipt of any proceeds arising from the incurrence of any debt to a third party (other than Permitted Debt), Borrower shall make a mandatory prepayment of the DIP Loan in an amount equal to 100% of the net proceeds received.

(D) If, for any reason, the aggregate eligible amount of Borrower's accounts receivable (generated from the sale or leasing of goods or the provision of services in connection with the Facilities) (excluding receivables unpaid for longer than the earlier of (i) 120 after the invoice date, and (ii) 120 days after the applicable claim date), is less than 125% of the Applicable Principal Balance, then Borrower shall, within ten (10) days of Lender's written demand to Borrower, make a principal payment to Lender to reduce the Applicable Principal Balance to an amount that is equal to not more than 80% of the then aggregate eligible amount of Borrower's accounts receivable. As used herein, "Applicable Principal Balance" means the higher of the then outstanding principal balance under the DIP Loan or the Amended and Restated Pre-Petition Loan. ~~(PARTIES TO DISCUSS THE IMPACT OF DEN MAR CLOSING)~~

(e) Method and Place of Payment. Except as otherwise specifically provided herein, all payments and prepayments under this Agreement and the Note shall be made to Lender by electronic funds transfer debit transactions through wire transfer of immediately available funds and shall be initiated by Borrower for settlement on the date when due, and shall be made in lawful money of the United States of America. For purposes of making payments hereunder, but not for purposes of calculating interest accrual periods, whenever any payment to be made hereunder or under any other Amended and Restated Loan Document shall be stated to be due on a day that is not a Business Day, the due date thereof shall be the immediately succeeding Business Day. Lender shall provide Borrower with appropriate wire transfer information. Borrower shall inform Lender of payment by sending a facsimile transmission of Borrower's wire transfer confirmation not later than noon, Pacific Standard or Daylight Savings time on each date when a payment is due hereunder or the Note or by such other means as Lender may reasonably require

(f) No Set-Off. All payments required to be made or caused to be made by Borrower hereunder or under the Note or the other Amended and Restated Loan Documents shall be made irrespective of, and without deduction for, any setoff, claim or counterclaim and shall be made irrespective of any defense thereto.

ARTICLE 4 FINANCIAL REPORTING COVENANTS

4.1 Maintenance of Books and Records.

Borrower shall keep and maintain, or cause to be kept and maintained, proper and accurate books and records in all material respects in accordance with GAAP, which books and records shall in all material respects reflect the financial affairs of Borrower. Lender shall have the right, from time to time during normal business hours after three (3) Business Days prior oral or written notice to Borrower, quarterly, prior to an Event of Default, and as often as Lender desires while an Event of Default is continuing, to examine and audit such books and records at the office of Borrower or any other applicable Loan Party and to make such copies or extracts thereof as Lender shall request, and Borrower hereby agrees to reasonably cooperate, and to cause each other Loan Party to reasonably cooperate, with any such examination or audit; provided, however, the cost of such examination or audit shall be borne by

Lender, except during the continuation of an Event of Default, in which case, the cost of any such examination or audit shall be borne by Borrower and shall be payable within thirty (30) days after Lender's demand therefor.

4.2 Financial, Management and Regulatory Reports.

Borrower shall provide Lender with the reports listed in Exhibit B within the applicable time specified therein. All financial information provided shall be prepared in all material respects in accordance with GAAP and shall be submitted electronically using the applicable template provided by Lender from time to time or, if no such template is provided by Lender, in the form of unrestricted, unlocked ".xls" spreadsheets created using Microsoft Excel or in such other form as Lender may reasonably require from time to time.

4.3 Additional Information.

In addition to the reports required under Section 4.2 above, upon Lender's reasonable request from time to time, Borrower shall use its commercially reasonable efforts to provide Lender with such additional information and unaudited financial information concerning each Facility, the operations thereof and the Loan Parties as Lender may reasonably require, including, without limitation, for purposes of 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 Lender during the Loan Term, subject to the conditions that neither Borrower nor Guarantor shall be required to disclose information that is material non-public information or is subject to attorney-client privilege or the attorney work product doctrine or is protected health information.

4.4 Publication of Information.

Borrower specifically agrees that Lender may include financial information and such information concerning the operation of any Facility 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 Lender's securities or interests, and any other reporting requirements under applicable federal or state laws, including those of any successor to Lender.

ARTICLE 5 OPERATIONAL AND OTHER COVENANTS

5.1 Organizational Covenants.

(a) Prohibition of Assignments and Transfers by Borrower. Borrower shall not assign or attempt to assign its rights under this Agreement without the prior written consent of Lender in its sole discretion and any purported assignment without such consent shall be void. Without the prior written consent of Lender, which consent may be withheld in Lender's sole discretion, Borrower shall not suffer or permit any Transfer.

(b) Organizational Matters. Borrower shall not, and shall not permit any other Loan Party to, without the prior written consent of Lender, which will not be unreasonably withheld, absent a change of control for clause (i), permit or suffer, (i) the admission of any new member, partner or shareholder to any Loan Party or its constituent entities; (ii) the amendment or modification of any Organizational Document except any such amendments or modifications that would not be adverse to Lender or otherwise result in

the violation of the obligations of any Loan Party under this Agreement; (iii) any dissolution or termination of the existence of any Loan Party or its constituent entities; or, (iv) without notifying Lender at 30 days in advance, any change in any Loan Party's state of formation, organization or incorporation or in any Loan Party's name. Borrower shall cause each Loan Party to remain in good standing under its applicable state of formation except where such failure to remain in good standing is cured within 30 days after becoming aware of such failure.

(c) Notice of Change. Borrower shall give Lender prior written notice of any change in: (i) the location of Borrower's or any other Loan Party's place of business or its chief executive office if it has more than one place of business; and (ii) the location of Borrower's or any other Loan Party's books and records.

(d) Affiliate Transactions. Prior to any Loan Party entering into any new agreement with an Affiliate pertaining to a Facility, Borrower shall deliver to Lender a copy of such agreement, which shall be satisfactory to Lender in its reasonable discretion, and the terms of which shall be substantially similar to those that would be available on an arm's length basis with unaffiliated third parties for similar agreements. If requested by Lender, such agreement shall provide Lender the right to terminate it upon Lender's (or its designee's) taking possession of the ownership interests in Borrower or Guarantor. Schedule 3 sets forth those transactions or agreements with Affiliates that are in effect as of the date of this Agreement, and Lender acknowledges and consents to such Affiliate transactions.

(e) Distributions. Borrower shall not, and shall not permit any other Loan Party to, directly or indirectly, declare, order, pay, make or set apart any sum for any Distributions except for Permitted Distributions.

(f) Limited Purpose. Borrower shall do all things necessary to observe organizational formalities in all material respects and preserve its existence and the existence of each other Loan Party. Borrower shall, and shall cause each other Loan Party to, maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates. Borrower shall not, nor permit any other Person to, list Borrower's assets as assets on the financial statement of any other Person (other than with the other Loan Parties on a consolidated basis). Borrower shall file, and shall cause each other Loan Party to file, its tax returns in materially the same manner as Borrower and each Loan Party has filed its tax returns previously and in the Ordinary Course of Business.

(g) Organizational Formalities. Borrower shall, and shall cause each other Loan Party to, at all times (i) hold itself out to the public as a legal entity separate and distinct from any other entity; (ii) correct any known misunderstanding regarding its status as a separate entity; (iii) conduct business in its own name or its registered assumed name; (iv) not identify itself or any of its Affiliates as a division or part of the other, provided, however, that Borrower and the other Loan Parties shall be permitted to hold themselves out to the public as entities that operate as a common enterprise; (v) maintain and utilize separate stationery, invoices and checks bearing its own name; (vi) maintain, adequate capital for its normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; (vii) use commercially reasonable efforts to maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate (other than another Loan Party) or any other Person; and (viii) not commingle its funds or other assets with those of any Affiliate (other than another Loan Party) or any other Person, and will hold all of its assets in its own name.

5.2 Operational Covenants.

(a) Furnishing Notices. Borrower shall promptly provide, or shall cause the applicable Loan Party to promptly provide, Lender with written notice of (i) any litigation, arbitration or other proceeding or governmental investigation pending or, to Borrower's Knowledge, threatened against any Loan Party that would reasonably be expected to have a Material Adverse Effect; (ii) the existence of any Event of Default or Potential Default; (iii) any strikes or other potential work stoppage pending or, to Borrower's Knowledge, threatened against any Facility; (iv) the receipt from any Governmental Authority of any notice of violation of any Environmental Laws or the release of any Hazardous Materials on, under or from an Facility, which in any such case under this clause (iv) could reasonably be expected to have a Material Adverse Effect; and (v) any infringement or claim of infringement by any other Person with respect to any Intellectual Property that would reasonably be expected to have a Material Adverse Effect. Furthermore, upon the written request of Lender, Borrower shall promptly provide Lender with a written statement detailing all capital or other equity contributions, directly or indirectly made, to any Loan Party.

(b) Maintenance of Properties. Borrower shall: (i) maintain, preserve and protect all of its material properties and equipment necessary in the operation of the Facilities in good working order and condition, ordinary wear and tear excepted and except as may be disposed of in the Ordinary Course of Business; (ii) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (iii) use the standard of care typical in the industry in the operation and maintenance of each of Facilities for its Primary Intended Use.

(c) Payment of Operating Expenses; Use of Proceeds; Other Payments. Borrower shall pay and discharge, on a timely basis as and when due, its Operating Expenses, except for such Operating Expenses that are being contested pursuant to Section 5.7 below or those for which the nonpayment or nondischarge could not reasonably be expected to have a Material Adverse Effect or result in a Lien against any Facility or any portion thereof. Borrower shall not, and shall not permit any other Loan Party to, breach or permit to exist any default under, the terms of any lease, commitment, contract, instrument or obligation to which it is a party, or by which its properties or assets are bound, except for such breaches or defaults which could not reasonably be expected to have a Material Adverse Effect. Borrower shall use the proceeds of the DIP Loan for general corporate purposes (including working capital purposes) of Borrower and the other Loan Parties.

(d) Compliance with Legal Requirements, Insurance Requirements and Authorizations. Borrower shall, and shall cause each other applicable Loan Party to, (i) comply in all material respects with all Legal Requirements and Insurance Requirements and obtain, maintain and comply in all material respects with all Authorizations, in each instance, applicable to it, its business or property, including the Facilities, except in such instances (i) that failure to comply with any such Legal Requirements, Insurance Requirements or Authorizations could not reasonably be expected to have a Material Adverse Effect; or (ii) the failure to obtain and maintain any such Authorization could not reasonably be expected to have a Material Adverse Effect or (iii) such Legal Requirement is being contested pursuant to Section 5.7.

(e) Material Contracts. Borrower shall, and shall cause each other applicable Loan Party to comply in all material respects with all Material Contracts. Borrower shall not, and shall not permit any other Loan Party to, amend, modify, supplement or otherwise change the terms of any Material Contract if the same (i) is contrary to the terms of this Agreement or any other Amended and Restated Loan Document; or (ii) could reasonably be expected to be adverse in any material respects to the rights and remedies of Lender under the Amended and Restated Loan Documents or its ability to enforce the same. Borrower shall deliver to Lender an executed copy of any amendments or modifications to any Material Contracts entered into during the Loan Term.

5.3 Financial Covenants.

(a) No Additional Debt or Contingent Obligations. Borrower shall not, and shall not permit any other Loan Party to, directly or indirectly, create, incur, assume, guarantee or otherwise become or remain directly or indirectly liable with respect to (i) any Debt except for Permitted Debt; or (ii) any Contingent Obligations except for Permitted Contingent Obligations. Borrower shall not, and shall not permit any other Loan Party to, default on the payment of any Permitted Debt or Permitted Contingent Obligations unless the same could not reasonably be expected to have a Material Adverse Effect.

(b) Purchase of Assets, Investments. Borrower shall not, and shall not permit any other Loan Party to, directly or indirectly, (i) acquire or enter into any agreement to acquire any assets other than in the Ordinary Course of Business; (ii) engage or enter into any agreement to engage in any joint venture or partnership with any other Person; or (iii) acquire, own or enter into any agreement to acquire or own any Investment other than Permitted Investments.

(c) No Additional Liens. Borrower shall not, and shall not permit any other Loan Party to, create, incur, or permit to exist any Lien upon the Collateral or any Lien upon or pledge of any interest in Borrower or such Loan Party, except for Permitted Liens.

5.4 Regulatory Covenants.

(a) Filing Requirements. Borrower shall timely file or cause to be timely filed (after giving effect to any extension duly obtained), all necessary and required material notifications, reports, submissions, Authorization renewals and reports, which reports will be accurate and complete in all material respects and not misleading in any respect and shall not remain open or unsettled, except in accordance with applicable settlement appeals procedures, if applicable, that are timely and diligently pursued and except for any processing delays of any Governmental Authority.

(b) Compliance Program. During the Loan Term, Borrower shall maintain a current and effective corporate compliance program in form and substance reasonably satisfactory to Lender.

(c) Third Party Payor Programs; Medicare and Medicaid Programs. Borrower shall (i) remain in material compliance with the Legal Requirements of any Third Party Payor Programs in which Borrower participates to continue to receive reimbursement thereunder; (ii) provide to Lender upon request, an accurate, complete and current list of all Third Party Payor Programs currently in place with respect to each Facility, (iii) properly file in all material respects all Medicaid and Medicare cost reports; (iv) remain, qualified for participation in the Medicare and Medicaid programs, maintain current and valid Provider Agreements with such programs, and remain in material compliance with the conditions of participation in such programs; (v) maintain all approvals or qualifications necessary for capital reimbursement for any Facility; (vi) remain in material compliance with (A) all billing practices with respect to any Facility operated by Borrower and all Third Party Payors, including the Medicare and Medicaid programs and private insurance companies, and (B) all Legal Requirements and regulations and policies of such Third Party Payors and the Medicare and Medicaid Programs.

5.5 Loan Covenants.

(a) Loss of Note or other Amended and Restated Loan Documents. Upon notice from Lender of the loss, theft, or destruction of the Note and upon receipt of an affidavit of lost note and an indemnity reasonably satisfactory to Borrower from Lender, or in the case of mutilation of the Note, upon surrender of the mutilated Note, Borrower shall make and deliver a new note of like tenor in lieu of the then to be superseded Note. If any of the other Amended and Restated Loan Documents were lost or

mutilated, Borrower agrees to execute and deliver replacement Amended and Restated Loan Documents in the same form of such Loan Document(s) that were lost or mutilated.

(b) Publicity. Lender reserves the right to publicize the making of the DIP Loan and, in such publicity, may include a description of the Facilities and the Loan and in connection therewith shall have the right to photograph and use pictures of the Facilities in any such advertisements, brochures, print, media and other copy. All news releases, publicity or advertising by Borrower or its Affiliates through any media intended to reach the general public which refers to the Amended and Restated Loan Documents or the financing evidenced by the Amended and Restated Loan Documents shall be subject to the prior written approval of Lender, such approval not to be unreasonably withheld; provided, however, that without prior Lender consent, Borrower or its Affiliates may reference the DIP Loan generally (without identifying Lender) for any purpose.

(c) Indemnification. Borrower shall indemnify, defend and hold harmless each Indemnified Party from and against all claims, injury, damage, liability, criminal and civil penalties, judgments, suits, excise taxes and Expenses of any and every kind arising from or related to (i) the operation or maintenance of any Facility; (ii) the breach of any representation or warranty made by any Loan Party hereunder or under any of the other Amended and Restated Loan Documents or the Amended and Restated Pre-Petition Loan Documents, or Cure Note Loan Documents; or (iii) the breach by Borrower of any of its obligations under this Agreement or the other Amended and Restated Loan Documents (collectively, the “**Indemnified Liabilities**”). Notwithstanding the immediately preceding sentence, no Indemnified Party shall be entitled to be indemnified against its own negligence or willful misconduct. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by such Indemnified Party. Upon written request by an Indemnified Party, Borrower will undertake, at its own costs and expense, on behalf of such Indemnified Party, using counsel reasonably satisfactory to the Indemnified Party, the defense of any legal action or proceeding whether or not such Indemnified Party shall be a party and for which such Indemnified Party is entitled to be indemnified pursuant to this Section 5.5(c). At Lender’s option, Lender may, at Borrower’s expense, prosecute or defend any action involving the priority, validity or enforceability of any of the Amended and Restated Loan Documents. No provision in this Section 5.5(c) shall in any manner limit or otherwise affect any indemnity to which Borrower or any other Loan Party is entitled to claim from any other Person.

(d) Estoppel Certificates. Within fifteen (15) Business Days following written request by Lender, Borrower shall furnish to Lender with a certificate, duly executed and certified, confirming (i) the amount of the original principal amount of the Note, and the unpaid principal amount of the Note; (ii) the rate of interest of the Note, (iii) the date payments of interest and/or principal were last paid; (iv) any defenses to the payment of the Obligations, and if any are alleged, the nature thereof; (v) that the Note and this Agreement have not been modified or if modified, giving particulars of such modification; (vi) that no Event of Default or Potential Default has occurred and is then continuing or if the same is not true, the nature of the Event of Default or Potential Default, the period of time it has existed and the action being taken to remedy such Event of Default or Potential Default, and (vii) such other matters as Lender may reasonably request, including, without limitation, that the representations and warranties made hereunder remain true and accurate in all material respects as of the date of such certificate.

(e) Further Assurances. Borrower shall, and shall cause each other Loan Party to, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver all such further acts, documents and assurances as may from time to time be reasonably necessary or as Lender may from time to time reasonably request to carry out the intent and purposes of this Agreement and the other Amended

and Restated Loan Documents and the transactions contemplated hereby and thereby, including all such actions to establish, create, preserve, protect and perfect a first priority Lien in favor of Lender in the equity interests in the entities comprising Borrower.

(f) Compliance with U.S.A. Patriot Act and Anti-Terrorism Laws. No Loan Party is or will become a person (individually, a “**Prohibited Person**” and collectively, “**Prohibited Persons**”) either listed on the specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, U.S. Department of the Treasury (the “**OFAC List**”) or otherwise subject to any other prohibition or restriction imposed by laws, regulations or executive orders, including Executive Order No. 13224, administered by the Office of Foreign Asset Control, U.S. Department of the Treasury (collectively the “**OFAC Rules**”). No Loan Party (i) is or will become owned or controlled by a Prohibited Person; (ii) is acting or will act for or on behalf of a Prohibited Person; (iii) is otherwise associated with or will become associated with a Prohibited Person; or (iv) is providing or will provide material, financial or technological support or other services to or in support of acts of terrorism of a Prohibited Person. Borrower will not enter into a lease with any Prohibited Person. Borrower will not knowingly enter into any residency agreement with a Prohibited Person and, in the event that Borrower does unknowingly enter into a residency agreement with a Prohibited Person, Borrower will take all appropriate action upon discovering that it has entered into a residency agreement with a Prohibited Person; provided, however, that nothing contained in this Agreement shall be construed as requiring Borrower to conduct an OFAC background check on any potential resident of a Facility unless the same is required under applicable Legal Requirements. Borrower will not enter into any lease or residency agreement or undertake any activities related to this Agreement in violation of the Federal Bank Secrecy Act, 31 U.S.C. §5311, *et seq.* or any federal or state laws, including but not limited to, 18 U.S.C. §§1956, 1957 and 1960 prohibiting money laundering and terrorist financing (collectively, “**Anti-Money Laundering Laws**”). Borrower shall provide and shall cause each Loan Party to provide information as Lender may reasonably require from time to time to permit Lender to satisfy its obligations under the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the “**Patriot Act**”), the OFAC Rules or the Anti-Money Laundering Laws. Borrower shall immediately notify Lender, and shall cause each Loan Party to immediately notify Lender, if Borrower or any Loan Party has knowledge that any Loan Party or any member or beneficial owner of any Loan Party is or becomes a Prohibited Person or (A) is convicted of, (B) pleads nolo contendere to (C) is indicted on or (D) is arraigned and held over on charges under the Anti-Money Laundering Laws or involving money laundering or predicate crimes to money laundering.

5.6 Authorized Representative.

Borrower hereby appoints Steven Vera as its “**Authorized Representative**” for purposes of dealing with Lender on behalf of Borrower in respect of any and all matters in connection with this Agreement, the other Amended and Restated Loan Documents, and the DIP Loan. The Authorized Representative shall have the power, in his discretion, to give and receive all notices, monies, approvals, and other documents and instruments, and to take any other action on behalf of Borrower. All actions by the Authorized Representative shall be final and binding on Borrower. Borrower may appoint a new Authorized Representative with Lender’s prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Lender may rely on the authority given to the Authorized Representative until actual receipt by Lender of a duly authorized resolution substituting a different Person as the Authorized Representative whom Lender has previously approved. No more than one Person shall serve as Authorized Representative at any given time.

5.7 Contest Procedure.

Borrower and/or any other applicable Loan Party shall have the right to contest in good faith and with reasonable diligence the amount, validity or application, in whole or in part, of any Lien, Operating Expense, taxes and assessments levied or assessed with respect to any Facility, any licensure or certification decision, Legal Requirement or Insurance Requirement; provided however, that (a) Borrower shall give Lender prior written notice of its or such Loan Party's intent to so contest the obligation if the amount of such obligation exceeds Twenty-Five Thousand and No/100 Dollars (\$25,000.00); (b) the applicable Loan Party establishes such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP to be made on its books and records and financial statements with respect to such obligation; (c) compliance with the obligation that is the subject of such contest is effectively stayed during such challenge; (d) the applicable Loan Party's title to, and its right to use, the applicable Facility is not adversely affected thereby; (e) the applicable Facility or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by such Loan Party; (f) upon request by Lender, from time to time, Borrower provides Lender with notice of the status of such contest and confirmation of the continuing satisfaction of this definition; and (g) upon a final determination of such contest, the applicable Loan Party shall promptly comply with the requirements thereof.

ARTICLE 6 BORROWER'S REPRESENTATIONS AND WARRANTIES

6.1 Organizational Representations and Warranties.

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date:

(a) Organization. Each Loan Party is duly organized, validly existing and in good standing under the laws of the state of its formation with full power and authority to own its assets and conduct its business in all material respects. Each Loan Party's organizational structure and principal place of business is as set forth on Schedule 1 and each Loan Party's books of accounts and records are located at its principal place of business. Borrower has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Amended and Restated Loan Documents by it, and has the power and authority to execute, deliver and perform under this Agreement, the other Amended and Restated Loan Documents and all the transactions contemplated hereby and thereby.

(b) Binding Effect. This Agreement and the other Amended and Restated Loan Documents have been duly authorized, executed and delivered by Borrower and constitute legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) No Conflicts. The execution and delivery of this Agreement and the other Amended and Restated Loan Documents by Borrower and the performance of its obligations hereunder and thereunder will not conflict with, result in a breach of, or constitute a default under any of the terms, conditions or provisions of (i) any Organizational Document, (ii) any material term of any material agreement or instrument to which Borrower or any other Loan Party is a party or by which it is bound, or result in the creation or imposition of any Lien on any of Borrower's or any other Loan Party's assets or property (other than pursuant to the Amended and Restated Loan Documents) or, (iii) to the best of Borrower's

Knowledge, conflict with any provision of any Law, Legal Requirement or any order or other decree of any court or Governmental Authority to which Borrower, any other Loan Party or any Facility is subject.

(d) Enforceability. The Amended and Restated Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense by Borrower, including the defense of usury, nor would the operation of any of the terms of the Amended and Restated Loan Documents, or the exercise of any right thereunder, render the Amended and Restated Loan Documents unenforceable, and Borrower has not asserted any right of rescission, set-off, counterclaim or defense with respect thereto.

(e) Organizational Documents. On or prior to the Closing Date, true and complete copies of the Organizational Documents have been furnished to Lender. The Organizational Documents were duly executed and delivered, are in full force and effect, and binding upon and enforceable in accordance with their terms. No breach exists under the Organizational Documents and no act has occurred and no condition exists which, with the giving of notice or the passage of time would constitute a breach under the Organizational Documents.

(f) Equity Interests. All equity interests in Borrower are free and clear of all Liens other than those in favor of Lender (or an Affiliate of Lender). There are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Loan Party of any equity interests of any such Loan Party. No equity interest in any Loan Party is certificated.

(g) No Bankruptcy Action; Solvency. No Loan Party is Insolvent and there has been no Bankruptcy Action by or against any of them (other than the Bankruptcy Case). Borrower has (i) not entered into this Agreement or any Amended and Restated Loan Document with the actual intent to hinder, delay, or defraud any creditor; and (ii) received reasonably equivalent value in exchange for its obligations under the Amended and Restated Loan Documents. To Borrower's Knowledge, Borrower's assets do not and, immediately following the making of the DIP Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted.

(h) Foreign Person. No Loan Party is or will be a "foreign corporation", "foreign partnership", "foreign trust", "foreign estate", "foreign person", "affiliate" of a "foreign person" or a "United States intermediary" of a "foreign person" within the meaning of the Internal Revenue Code Sections 897, 1445 or 7701, the Foreign Investments in Real Property Tax Act of 1980, the International Investment and Trade Services Survey Act, the Agricultural Foreign Investment Disclosure Act of 1978, or the regulations promulgated pursuant to such Acts or any amendments to such Acts.

(i) OFAC. No Loan Party or any beneficial owner of Borrower is currently listed on the OFAC List.

(j) Investment Company Act. No Loan Party is (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; or (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

6.2 Operational Representations and Warranties.

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date and shall remain true and correct in all material respects through the Loan Term:

(a) Compliance. Borrower is in compliance in all material respects with all Legal Requirements and all Authorizations applicable to it or to its properties, including the Facilities, except in such instances in which such Legal Requirement or order, writ, injunction or decree is being contested in good faith by appropriate proceedings in accordance with the provisions set forth in Section 5.7.

(b) Litigation. Except as disclosed on Schedule 4, there is no action, suit, proceeding or investigation pending or, to Borrower's Knowledge, threatened against any Guarantor or any Loan Party in any court or by or before any other Governmental Authority that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Condemnation. No Condemnation or other proceeding has been commenced or, to Borrower's Knowledge, is contemplated with respect to all or any portion of any Facility or for the relocation of roadways providing access to any Facility.

(d) Material Contracts. The consummation of the transactions contemplated by the Amended and Restated Loan Documents will not give rise to a default, right of termination, or right of acceleration in favor of any party to any Material Contract, except for such Material Contracts the noncompliance with which would not reasonably be expected to have a Material Adverse Effect.

(e) No Default. As of the date hereof (i) there is no Event of Default under this Agreement or the other Amended and Restated Loan Documents (other than any Event of Default under any Amended and Restated Loan Document that has been expressly waived in writing by Lender as of or before the date hereof) and (ii) no Loan Party is in default in any material respect under any Material Contract.

(f) Intellectual Property. To the best of Borrower's Knowledge, Borrower conducts its business without infringement or claim of infringement of any intellectual property rights of others and there is no infringement or claim of infringement by others of any intellectual property rights of any Borrower, which infringement or claim of infringement could reasonably be expected to have a Material Adverse Effect.

6.3 Financial Representations and Warranties

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date:

(a) Financial and Other Information. The financial statements and other documents and information furnished by or on behalf of Borrower or Guarantor to Lender prior to the Closing Date in connection with negotiation of this Agreement and the Amended and Restated Loan Documents (as modified or supplemented by other information so furnished), other than forward-looking information and projections and information of a general economic nature and general information about such Borrower's industry, are true, complete and correct in all material respects and fairly present on a consistent basis with the financial conditions of the subjects thereof as of the respective dates thereof and do not fail to state any material fact necessary to make such statements or information not misleading in light of the circumstances when such statements were made. As of the Closing Date, there is no fact or circumstance presently known to any Loan Party which has not been disclosed to Lender and is reasonably likely to have a Material Adverse Effect.

(b) Tax Filings. To the extent required, each Loan Party has filed (or has obtained effective extensions for filing) all federal tax returns, and material state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal and material state and local taxes,

charges and assessments payable by such Loan Party, except to the extent contested in accordance with the terms of Section 5.7. To the best of Borrower's Knowledge, the tax returns filed by each Loan Party have properly reflected the income and taxes of such Loan Party for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

(c) Federal Reserve Regulations. The DIP Loan is not being made for the purpose of purchasing or carrying "margin stock" within the meaning of Regulation G, T, U or X issued by the Board of Governors of the Federal Reserve System and no portion of the proceeds of the DIP Loan shall be used in any manner that would violate such Regulations or otherwise violate the Securities Act of 1933 or the Securities Exchange Act of 1934, and Borrower agrees to execute all instruments necessary to comply with all the requirements of Regulation U of the Federal Reserve System.

6.4 Regulatory Representations and Warranties.

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date:

(a) Authorizations. Each applicable Borrower has each material Authorization and other rights from, and have made or will make all material declarations and filings with, all applicable Governmental Authorities, all self-regulatory authorities and all courts and other tribunals necessary to engage in the operation of its business and the ownership and management of its properties, including each of the Facilities for its Primary Intended Use. Except as set forth on Schedule 6.4(a), to Borrower's Knowledge, no Governmental Authority is considering limiting, suspending or revoking any such Authorization currently in effect. Except as set forth on Schedule 6.4(a), to Borrower's Knowledge, all Authorizations previously obtained are valid and in full force and effect and the applicable Borrower is in material compliance with the terms and conditions of all such Authorizations, except where failure to be in such compliance (or for an Authorization to be valid and in full force and effect) would not have a Material Adverse Effect.

(b) Specific Licensing. Each Facility is duly licensed for its Primary Intended Use under the applicable laws of the State. No Loan Party has granted to any third party the right to reduce the number of licensed beds, persons served or units in any Facility or the right to apply for approval to move any and all of the licensed beds, persons served or units in any Facility to any other location and there are no proceedings or contemplated to reduce the number of licensed beds, persons served or units in any Facility.

(c) Third Party Payor Program Matters.

(i) Except as set forth on Schedule 6.4(c), there is no investigation, audit, claim review or other action pending or, to Borrower's Knowledge, threatened which would, after giving effect to any grace or cure period to rectify any compliance failure, result in a revocation, suspension, termination, probation, restriction, limitation or non-renewal of any Third Party Payor Program participation agreement or provider number or other Authorization or result in a Borrower's exclusion from any Third Party Payor Program.

(ii) Each Borrower, as applicable, has the requisite Provider Agreement or provider number or other Authorization to bill the Medicare program and the Medicaid program in the State (if the applicable Borrower participates in such Medicare or Medicaid programs as of the Closing Date) and all other Third Party Payor Programs which have historically accounted for any portion of the revenues of such Facility.

(iii) Except as set forth on Schedule 6.4(c), to Borrower's Knowledge, no cost reports for any Facility remain "open" or unsettled and there are no current, pending or outstanding Medicare, Medicaid or other Third Party Payor Program reimbursement audits or appeals pending with respect to any Facility.

(d) No Violation of Healthcare Laws. To Borrower's Knowledge, it is not in violation of any Legal Requirements, including HIPAA and other Legal Requirements relating to healthcare and the operation of facilities similar to the Facilities, except where any such violation would not have a Material Adverse Effect.

(e) Hill-Burton. No Borrower is or will be a participant in any federal program whereby any federal, state or local government or quasi-governmental body, agency, board or other authority may have the right to recover funds by reason of the advance of federal funds, including, without limitation, those authorized under the Hill-Burton Act (42 U.S.C. 291, et seq.).

6.5 Loan Representations and Warranties.

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date:

(a) Consents. No consent, approval, authorization or order of any Governmental Authority or other Person is required for the execution, delivery and performance by Borrower of, or compliance by Borrower with, this Agreement or the other Amended and Restated Loan Documents or the consummation of the transactions contemplated hereby and thereby, other than those which have been obtained by Borrower.

(b) Recitals. All statements set forth in the Recitals are true and correct.

(c) Full and Accurate Disclosure. To Borrower's Knowledge, no information contained in this Agreement, the other Amended and Restated Loan Documents, or any written statement furnished by or on behalf of Borrower pursuant to the terms of this Agreement (as modified or supplemented by other information so furnished), other than forward-looking information and projections and information of a general economic nature and general information about Borrower's industry, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in any material respect in light of the circumstances under which they were made. There is no material fact presently known to Borrower that has not been disclosed to Lender which would reasonably be expected to result in a Material Adverse Effect.

ARTICLE 7 ENVIRONMENTAL MATTERS

7.1 Environmental Representations and Warranties.

Borrower hereby represents and warrants to Lender that, as of the Closing Date (a) no Facility is subject to any federal, state or local investigation to determine whether any remedial work is needed to address any environmental pollution, Hazardous Material or environmental clean-up, (b) no Loan Party has received any written notice with respect to any alleged violation of Legal Requirements relating to Hazardous Material, and (c) no Loan Party has any material contingent liability with respect to any release of Hazardous Materials or environmental pollution on, under or from any Facility.

7.2 **Environmental Covenants.**

Borrower shall:

(a) Comply in all material respects with all Legal Requirements relating to Hazardous Material;

(b) not install, use, generate, manufacture, store, treat, release or dispose of, nor permit the installation, use, generation, storage, treatment, release or disposal of, Hazardous Material on, under or about any Facility except for materials used in the Ordinary Course of Business (and in compliance with all Legal Requirements in all material respects) of such Facility;

(c) obtain and comply in all material respects with any and all Authorizations required by applicable Legal Requirements relating to Hazardous Material;

(d) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under applicable all Legal Requirements relating to Hazardous Material following any release of Hazardous Materials, and promptly comply in all material respects with all lawful orders and directives of any Governmental Authority regarding such all Legal Requirements relating to Hazardous Material; and

(e) not install or allow to be installed any tanks for the storage of Hazardous Material on, at or under any Facility except for materials used in the Ordinary Course of Business and in compliance with all Legal Requirements.

7.3 **Environmental Indemnity.**

Borrower shall protect, indemnify, defend and hold harmless each Indemnified Party from and against any and all actual or potential claims, liabilities, damages (direct or indirect) and Expenses (foreseeable or unforeseeable) that arise out of or relate in any way to (the “**Indemnified Environmental Liabilities**”) (a) any breach of any representation, warranty or covenant contained in this Article 7, (b) any Environmental Proceedings or any use, handling, production, transportation, disposal, release or storage of any Hazardous Material in, under or on any Facility, whether by any Loan Party or any other Person, (c) any exercise by Lender of any of its rights and remedies under this Article 7, including, without limitation, the costs of any required or necessary investigation, assessment, testing, remediation, repair, cleanup, or detoxification of any Facility and the preparation of any closure or other required plans; provided, however, that none of the Borrower or any other Loan Party shall have any obligation to any Indemnified Party hereunder to the extent that it is finally judicially determined that such Indemnified Environmental Liabilities arose from the gross negligence, illegal acts, fraud or willful misconduct of such Indemnified Party.

7.4 **Remedies Upon an Environmental Default.**

In addition to any other rights or remedies Lender may have under this Article 7, at law or in equity, if Borrower shall fail to timely comply in any material respect with any of the provisions of this Article 7, or if any representation or warranty made in this Article 7 proves to be false or misleading in any material respect, then, after (a) delivering written notice to Borrower, which notice specifically states that Borrower has failed to comply with the provisions of this Article 7; and (b) the expiration of the earlier to occur of (i) a sixty (60) day period after receipt of such notice and (ii) the cure period, if any, permitted under any applicable Legal Requirements with which the applicable Loan Party shall have failed to comply, Lender may declare an immediate Event of Default and exercise any and all remedies

provided for herein or any other Amended and Restated Loan Documents, and do or cause to be done whatever is reasonably necessary to cause the applicable Facility to comply with all Legal Requirements relating to Hazardous Material and other Legal Requirements and the cost thereof shall constitute an Expense hereunder and shall become immediately due and payable by Borrower without notice and with interest thereon at the Default Rate until paid. Borrower shall cause each applicable Loan Party to give to Lender access to each Facility for the purpose of effecting such compliance and hereby specifically grants, for itself and each other Loan Party, to Lender a license, effective upon expiration of the applicable period as described above, if any, to do whatever is necessary to cause the applicable Facility to so comply, including, without limitation, to enter such Facility and remove therefrom any Hazardous Material or otherwise comply with any Legal Requirements relating to Hazardous Material.

7.5 Unconditional Environmental Obligations.

Notwithstanding any term or provision contained herein or in the other Amended and Restated Loan Documents, the covenants and obligations of Borrower under this Article 7 (the “**Environmental Obligations**”) are unconditional. Borrower shall be fully liable for the Environmental Obligations, and such liability shall not be limited to the original principal amount of the DIP Loan, but shall be limited to Lender’s actual costs and damages. The Environmental Obligations shall be enforceable by Lender, its Affiliates and its successors and assigns. The Environmental Obligations shall survive the repayment of the DIP Loan and any foreclosure or transfer in lieu of foreclosure or similar proceedings or any transfer of title (directly or indirectly) to the Property or any portion thereof or of the equity interests in Borrower.

7.6 Indemnification Separate from the DIP Loan.

(a) Borrower agrees that the Environmental Obligations are separate, independent of and in addition to the undertakings of Borrower pursuant to the DIP Loan, the Note, the other provisions of this Agreement and the other Amended and Restated Loan Documents. A separate action may be brought to enforce the provisions of this Article 7, which shall in no way be deemed to be an action on the Note, whether or not the DIP Loan has been repaid and whether or not Lender would be entitled to a deficiency judgment following a judicial foreclosure, trustee’s sale or UCC sale. The Environmental Obligations shall not be affected by any exculpatory provisions contained in the Note, this Agreement or any of the other Amended and Restated Loan Documents. All rights and obligations of this Article 7 shall survive performance and repayment of the obligations evidenced by and arising under the Amended and Restated Loan Documents, surrender of the Note, releasing of the Pledge Agreement, release of other security provided in connection with the DIP Loan, trustee’s sale or foreclosure under the Pledge Agreement and/or any of the other Amended and Restated Loan Documents (whether by transfer or other assignment in lieu of foreclosure, or otherwise), acquisition of the Facilities by Lender, any other transfer of the Facilities, and transfer of Lender’s rights in the DIP Loan and the Amended and Restated Loan Documents.

(b) In connection with the breach of any Environmental Obligation, Borrower waives all rights to require Lender to (i) proceed against or exhaust any security for the DIP Loan or (ii) pursue any remedy in Lender’s power whatsoever. Borrower waives all defenses by reason of any disability or other defense under the DIP Loan or by reason of the cessation from any cause whatsoever of its liability under the DIP Loan, or that it may acquire by reason of Lender’s election of any remedy against it including, without limitation, Lender’s exercise of its rights to foreclose under the Pledge Agreement.

ARTICLE 8
GRANT OF SECURITY INTEREST; COLLATERAL

8.1 Grant of Security Interest.

As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the obligations under this Agreement, the Note and the other Amended and Restated Loan Documents, each of the entities comprising Borrower hereby grant to Lender a security interest in and right of set-off against, all of Borrower's right, title and interest in the following personal property, whether now owned by Borrower or hereafter acquired and whether now existing or hereafter coming into existence and wherever located (all being collectively referred to herein as the "Collateral"): accounts, inventory, goods, documents, equipment, instruments, letter-of-credit rights, general intangibles, payment intangibles, commercial tort claims, records, software, securities (as defined in Section 8-102 of the Uniform Code, security entitlements (as defined in Section 8-102 of the Uniform Code), securities accounts (as defined in Section 8-501 of the Uniform Code), investment property, chattel paper, fixtures, deposit accounts and all other tangible and intangible property of Borrower, including, without limitation, all proceeds, tort claims, products, accessions, rents, profits, income, benefits, substitutions, additions and replacements of and to any of the property of Borrower described above (including, without limitation, any proceeds of insurance thereon, insurance claims and all rights, claims and benefits against any Person relating thereto).

8.2 Authorization to File Financing Statements.

Borrower hereby irrevocably authorizes Lender at any time and from time to time to file, at Borrower's expense, in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of Borrower whether now existing or hereafter arising or acquired, including all proceeds thereof, or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by Part 5 of Article 9 of the Uniform Code for the sufficiency or filing office acceptance of any financing statement or amendment

8.3 Perfection and Maintenance of Security Interest and Lien.

Borrower agrees that until all of the Obligations have been paid in full (other than unasserted contingent obligations), Lender's security interests in and Liens on and against the Collateral shall continue in full force and effect. Borrower shall perform any and all steps reasonably requested by Lender to perfect, maintain and protect Lender's security interests in and Liens on and against the Collateral granted or purported to be granted hereby or to enable Lender to exercise its rights and remedies hereunder with respect to any Collateral, including, without limitation, (i) executing and filing financing or continuation statements, or amendments thereof, in form and substance reasonably satisfactory to Lender, (ii) delivering to Lender all certificated securities, notes and other instruments (including, without limitation, all letters of credit on which Borrower is named as a beneficiary) representing or evidencing Collateral, which certificates, notes and other instruments have been duly endorsed and are accompanied by duly executed instruments of transfer or assignment, including, but not limited to, note powers, all in form and substance reasonably satisfactory to Lender, and (iii) executing and delivering further instruments and documents, including any stock powers or similar instruments of assignment, and taking all further action as Lender may reasonably request from time to time in order to carry out the provisions and purposes of this Agreement. This Agreement constitutes a security agreement under the Uniform Code. Lender is authorized to file a UCC-1 Financing Statement and such other documents and

instruments as Lender may deem to desirable to establish and perfect the security interest granted in the Collateral.

ARTICLE 9 EVENTS OF DEFAULT AND REMEDIES

9.1 Events of Default.

The occurrence of any one or more of the following shall constitute an “**Event of Default**” as said term is used herein:

(a) Failure of Borrower to pay when due within two (2) Business Days after the due date, any interest, principal, premium, fee or any other amount payable under any Amended and Restated Loan Document;

(b) Failure of Borrower to strictly comply, and to cause strict compliance, with the provisions of Section 5.1, Section 5.3(a), Section 5.3(b), Section 5.3(c), Section 5.5(f) and Article 7;

(c) Failure of Borrower for a period of thirty (30) days after written notice from Lender, to observe or perform (or to cause observance or performance of) any non-monetary covenant or condition contained in this Agreement or any other Amended and Restated Loan Document not otherwise set forth in this Section 9.1; provided that if any such failure concerning a non-monetary covenant or condition is susceptible to cure and cannot reasonably be cured within said thirty (30) day period, then Borrower shall have an additional sixty (60) day period to cure such failure and no Event of Default shall be deemed to exist hereunder so long as Borrower commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting ninety (90) day period from the date of Lender’s notice; and provided further that if a different notice or grace period is specified under any other subsection of this Section 9.1 with respect to a particular breach, or if another subsection of this Section 9.1 applies to a particular breach and does not expressly provide for a notice or grace period, the specific provision shall control;

(d) The revocation or termination of any Authorization that would have a Material Adverse Effect, the voluntarily cessation of any material operations at any Facility (except as a result of casualty or Condemnation), the sale or transfer of all or any portion of any material Authorization or the use of any Facility other than for its Primary Intended Use;

(e) Any material suspension, limitation or restriction placed upon any Loan Party, any Authorization, any Facility, the operations at any Facility or any Loan Party’s or Facility’s ability to admit residents or patients at any Facility (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 the applicable Loan Party under the applicable Authorization or Legal Requirement, it shall not constitute an Event of Default if Borrower or the applicable Loan Party promptly commences to cure such breach and thereafter diligently pursues such cure to the completion thereof within the lesser of: (a) the cure period under the applicable Legal Requirement or Authorization, or (b) sixty (60) days after the occurrence of any such material suspension, limitation or restriction;

(f) If any warranty, representation, statement, report or certificate made now or hereafter by Borrower or Guarantor is untrue or incorrect in any material respect at the time made or delivered, provided that if such breach is reasonably susceptible of cure, then no Event of Default shall exist so long as the applicable party cures said breach (i) by the due date provided in (a) above for a breach that can be

cured by the payment of money or (ii) within the notice and cure period provided in (c) above for any other breach;

(g) A Bankruptcy Action is taken by or against any of the entities comprising Borrower or Guarantor or an attachment or execution is levied against any Facility;

(h) (i) If an attachment or execution is levied against the assets of any Loan Party, which is not released within sixty (60) days, or (ii) one or more final and non-appealable judgments or decrees shall be entered against any Loan Party involving in the aggregate a liability in excess of \$50,000 and such judgment or decree is not bonded, settled or dismissed within sixty (60) days after the entry of such judgment or decree;

(i) The institution by any Governmental Authority of criminal proceedings against any Loan Party which is not settled or dismissed within sixty (60) days from the institution thereof;

(j) If, for any reason, the aggregate amount of Borrower's accounts receivable generated from the operation of the Facilities (excluding Medicaid pending) that is unpaid for longer than the earlier of (i) 120 after the invoice date, and (ii) 120 days after the applicable claim date), exceeds fifty percent (50%) of "Beginning A/R". As used herein, "Beginning A/R" means _____; ~~NOTE: PARTIES TO DISCUSS~~

(k) The sale by Steven Vera, an individual, of any of his direct or indirect membership interests in Guarantor or any Borrower, except to a trust or similar entity for estate planning purposes that is controlled by Mr. Vera;

(l) A material reduction in the hours committed by Steven Vera, an individual, to the business(es) owned and/or operated by Borrower; or

(m) The occurrence of any other event or circumstance constituting a default or denominated as an Event of Default herein or under any of the other Amended and Restated Loan Documents or the Guaranty, the Master Lease, the Amended and Restated Pre-Petition Loan Documents, Cure Note Loan Documents, or any other Material Contract and the expiration of any applicable grace or cure periods, if any, specified for such default or Event of Default therein. For the avoidance of doubt, a default under any Material Contract that continues beyond the expiration of any applicable grace or cure period provided for in such Material Contract shall, immediately upon the expiration of any such grace or cure period, become an Event of Default under this Agreement and Borrower shall not have any additional notice or cure period beyond any provided for in said Material Contract.

9.2 Remedies Conferred Upon Lender.

(a) Upon the occurrence and during the continuation of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Amended and Restated Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Obligations shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Amended and Restated Loan Documents. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of

Lender permitted by law, equity or contract or as set forth herein or in the other Amended and Restated Loan Documents.

(b) Any amounts recovered from collateral for the DIP Loan after the occurrence and during the continuation of an Event of Default may be applied by Lender toward the payment of any interest and/or principal of the DIP Loan and/or any other amounts due under the Amended and Restated Loan Documents in such order, priority and proportions as Lender in its sole discretion shall determine.

(c) Upon the occurrence and during the continuation of an Event of Default, Lender may declare all unpaid principal of and accrued interest on the Note, together with all other sums payable under the Amended and Restated Loan Documents, to be immediately due and payable, whereupon the same shall become and be immediately due and payable, anything in the Amended and Restated Loan Documents to the contrary notwithstanding, and without presentation, protest or further demand or notice of any kind, all of which are expressly hereby waived by Borrower.

(d) Upon the occurrence and during the continuation of an Event of Default, Lender may appoint or seek appointment of a receiver, without notice and without regard to the solvency of Borrower or the adequacy of the security, for the purpose of preserving any Facility, preventing waste, and to protect all rights accruing to Lender by virtue of this Agreement and the other Amended and Restated Loan Documents.

(e) Upon the occurrence and during the continuation of an Event of Default, for the purposes of carrying out the provisions and exercising the rights, powers and privileges granted by or referred to in this Agreement, Borrower hereby irrevocably constitutes and appoints Lender its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any instruments and do and perform any acts which are referred to in this Agreement, in the name and on behalf of Borrower. The power vested in such attorney-in-fact is, and shall be deemed to be, coupled with an interest and irrevocable.

(f) Except as otherwise expressly set forth herein, Borrower hereby waives to the extent not prohibited by applicable law (a) all presentments, demands for payment or performance, notices of nonperformance (except to the extent required by the provisions hereof or of any other Amended and Restated Loan Documents), protests and notices of dishonor, (b) any requirement of diligence or promptness on Lender's part in the enforcement of its rights (but not fulfillment of its obligations) under the provisions of this Agreement or any other Loan Document, and (c) any and all notices of every kind and description which may be required to be given by any statute or rule of law and are not otherwise required to be given hereunder or under any other Amended and Restated Loan Document, to the fullest extent permitted by applicable law.

(g) No course of dealing and no delay or omission by Lender or Borrower in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. No waiver or consent by Lender shall be binding upon Lender unless it is in writing and signed by Lender. Lender's exercise of Lender's right to remedy any default by Borrower to Lender or any other Person shall not constitute a waiver of the default remedied, a waiver of any other prior or subsequent default by Borrower or a waiver of the right to be reimbursed for any and all of its expenses in so remedying such default.

(h) The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to

this Agreement or the other Amended and Restated Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's sole discretion. No delay or omission to exercise any remedy, right or power accruing upon the occurrence and continuation of an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one default or Event of Default with respect to Borrower shall not be construed to be a waiver of any subsequent default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon.

ARTICLE 10 LOAN EXPENSE, COSTS AND ADVANCES

10.1 Loan and Administration Expenses.

Except as otherwise expressly provided in this Agreement, Borrower unconditionally agrees to pay all reasonable costs and expenses of Lender incurred in attempting to enforce or collect payment of the DIP Loan or enforce any rights of Lender or Borrower's obligations hereunder and expenses of Lender incurred (including expenses relating to documentary and expert evidence) in attempting to realize on any security for the DIP Loan (including, but not limited to, any foreclosure sale of the equity interests in Borrower, conveyance in lieu transaction or costs incurred in connection with any litigation or bankruptcy or administrative hearing and any appeals therefrom and any post-judgment enforcement action including, without limitation, supplementary proceedings in connection with the enforcement of this Agreement). All such costs or expenses incurred or advances or payments made by Lender shall also include court costs, reasonable legal fees and disbursements relating thereto and shall be included as additional Obligations evidenced by the Note and secured by the Pledge Agreement and the other Amended and Restated Loan Documents and, if not paid within thirty (30) days after payment is requested by Lender, shall bear interest at the Default Rate from the date due until paid. Borrower agrees to pay all brokerage, finder or similar fees or commissions payable in connection with the transactions contemplated hereby and shall indemnify, defend and hold harmless Lender against all claims, liabilities, and Expenses arising in relation to any claim by broker, finder or similar person. Lender is hereby authorized, without any specific request or direction by Borrower, to make disbursements from time to time in payment of or to reimburse Lender for all Loan expenses and fees.

10.2 Right of Lender to Make Advances to Cure Borrower's Defaults.

In the event that Borrower fails to perform any of Borrower's covenants, agreements or obligations contained in this Agreement or any of the other Amended and Restated Loan Documents (after the expiration of applicable grace periods, except in the event of an emergency or other exigent circumstances), Lender may (but shall not be required to) perform any of such covenants, agreements and obligations, and any amounts expended by Lender in so doing shall constitute additional Obligations evidenced by the Note and secured by the Pledge Agreement and the other Amended and Restated Loan Documents and shall bear interest at a rate per annum equal to the Default Rate until paid.

ARTICLE 11 GENERAL PROVISIONS

11.1 Captions.

The captions and headings of various Articles, Sections and subsections of this Agreement and the other Amended and Restated Loan Documents and the Exhibits and Schedules pertaining thereto are

for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions hereof or thereof.

11.2 Lender's Discretion.

(a) Whenever pursuant to this Agreement Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole discretion of Lender and shall be final and conclusive.

(b) Whenever pursuant to this Agreement Lender has exercised any right given to it to disapprove any materials submitted in writing from Borrower, any resubmission for reconsideration by Borrower to Lender of such materials must be accompanied by a version of such materials clearly showing (by way of a "blackline", "redline" or otherwise) any changes made from the version of such materials previously submitted. Any time period within which Lender may be obligated by the terms of this Agreement to provide its approval or disapproval shall not commence until such time as Lender shall have received such version showing such changes.

(c) Lender may, in Lender's sole and absolute discretion, accept or reject any proposed cure of an Event of Default. In no event shall any portion of this Agreement or any of the other Amended and Restated Loan Documents which provides that Lender shall have certain rights and/or remedies only during the continuance of an Event of Default be construed so as to require Lender to accept a cure of any such Event of Default. Unless and until Lender expressly accepts any proposed cure of an Event of Default or waives an Event of Default in writing, such Event of Default shall be deemed to be continuing for purposes of this Agreement and the other Amended and Restated Loan Documents.

11.3 Governing Law.

THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER AND THE OTHER AMENDED AND RESTATED LOAN DOCUMENTS AND THE OBLIGATIONS ARISING THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA.

11.4 Jurisdiction.

ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER AMENDED AND RESTATED LOAN DOCUMENTS MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN SUFFOLK COUNTY, THE COMMONWEALTH OF MASSACHUSETTS, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON-CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING.

11.5 Waiver of Jury Trial.

EACH OF BORROWER AND LENDER HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND TO THE GREATEST EXTENT PERMITTED BY LAW WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE AMENDED AND RESTATED LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. BORROWER AND LENDER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

11.6 Modification; Consent.

No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower, shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances.

11.7 Delay Not a Waiver.

Neither any failure nor any delay on the part of Lender or Borrower in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder or under any other Amended and Restated Loan Document, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, with respect to Lender, and not by way of limitation, by accepting payment after the due date of any amount payable under this Agreement or any other Amended and Restated Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Agreement or the other Amended and Restated Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount.

11.8 Waivers; Acquiescence or Forbearance.

(a) Borrower for itself and all endorsers, guarantors (except as may be otherwise provided in the Guaranty) and sureties and their heirs, legal representatives, successors and assigns, (i) waives presentment for payment, demand, notice of nonpayment or dishonor, protest of any dishonor, protest and notice of protest and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of the DIP Loan; (ii) waives and renounces all rights to the benefits of any statute of limitations and any moratorium, reinstatement, marshalling, forbearance, valuation, stay, extension, redemption, appraisalment, or exemption and homestead laws now provided, or which may hereafter be provided, by the laws of the United States and of any state thereof against the enforcement and collection of the obligations evidenced by the Note or this Loan Agreement or as a bar to the enforcement of the Lien or security interest created by any of the Amended and Restated Loan Documents.

(b) Borrower for itself and all endorsers, guarantors (except as may be otherwise provided in the Guaranty) and sureties and their heirs, legal representatives, successors and assigns, (i) agrees that its liability shall not be in any manner affected by any indulgence, extension of time, renewal, waiver, or modification granted or consented to by Lender; (ii) consents to any indulgences and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Loan Agreement, the Note, and to any substitution, exchange or release of the collateral, or any part thereof, with or without substitution, and agrees to the addition or release of any Borrower, endorsers, guarantors, or sureties, or whether primarily or secondarily liable, without notice to Borrower and without affecting its liability hereunder; (iii) agrees that its liability shall be unconditional and without regard to the liability of any other person or entity; and (iv) expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing.

(c) Each and every covenant and condition for the benefit of Lender contained in this Agreement and the other Amended and Restated Loan Documents may be waived by Lender, provided, however, that to the extent that Lender may have acquiesced in any noncompliance with any requirements or conditions precedent to the closing of the DIP Loan, Lender may at any time after such acquiescence require Borrower to comply with all such requirements. Any forbearance by Lender in exercising any right or remedy under any of the Amended and Restated Loan Documents, or otherwise afforded by applicable law, including any failure to accelerate the maturity of the DIP Loan shall not be a waiver or preclude the exercise of any right or remedy nor shall it serve as a novation of the Note or as a reinstatement of the DIP Loan or a waiver of such right of acceleration or the right to insist upon strict compliance of the terms of the Amended and Restated Loan Documents. Lender's acceptance of payment of any sum secured by any of the Amended and Restated Loan Documents after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other Liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the DIP Loan, nor shall Lender's receipt of any awards, proceeds, or damages under Article 9 of this Agreement operate to cure or waive Borrower's default in payment of sums secured by any of the Amended and Restated Loan Documents.

11.9 Preferences.

Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the obligations of Borrower hereunder. To the extent Borrower makes a payment or payments to Lender, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

11.10 Disclaimer by Lender.

Lender shall not be liable to any contractors, subcontractors, supplier, architect, engineer or other party for labor or services performed or materials supplied in connection with any Facility. Lender shall not be liable for any debts or claims accruing in favor of any such parties against Borrower or others or against any Facility. Lender neither undertakes nor assumes any responsibility or duty to Borrower to select, review, inspect, supervise, pass judgment upon or inform Borrower of any matter in connection with any Facility. Borrower shall rely entirely upon its own judgment with respect to such matters, and any review, inspection, supervision, exercise of judgment or supply of information to Borrower by

Lender in connection with such matters is for the protection of Lender only, and neither Borrower nor any third party is entitled to rely thereon.

11.11 Partial Invalidity; Severability.

If any of the provisions of this Agreement or the other Amended and Restated Loan Documents, or the application thereof to any person, party or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the other Amended and Restated Loan Documents, or the application of such provision or provisions to persons, parties or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and to this end, the provisions of this Agreement and all the other Amended and Restated Loan Documents are declared to be severable.

11.12 Definitions Include Amendments.

Definitions contained in this Agreement which identify documents, including, but not limited to, the Amended and Restated Loan Documents, shall be deemed to include all amendments and supplements to such documents from the date hereof, and all future amendments, modifications, and supplements thereto entered into from time to time to satisfy the requirements of this Agreement or otherwise with the consent of Lender. Reference to this Agreement contained in any of the foregoing documents shall be deemed to include all amendments and supplements to this Agreement.

11.13 Entire Agreement.

This Agreement (including all Exhibits and Schedules hereto), taken together with all of the other Amended and Restated Loan Documents and all certificates and other documents delivered by Borrower to Lender, embody the entire agreement with respect to the DIP Loan and supersede all prior commitments, agreements, representations, and understandings, written or oral, relating to the subject matter hereof, and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto.

11.14 Waiver of Damages.

In no event shall Lender be liable to Borrower for punitive, exemplary or consequential damages, including, without limitation, lost profits, whatever the nature of a breach by Lender of its obligations under this Agreement or any of the Amended and Restated Loan Documents, and Borrower waives all claims for punitive, exemplary or consequential damages.

11.15 Waiver of Notice.

Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Amended and Restated Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Agreement or the other Amended and Restated Loan Documents do not specifically and expressly provide for the giving of notice by Lender to Borrower.

11.16 Limitation on Liability.

(a) Neither Lender nor any officer, director, employee, attorney, or agent of Lender shall have any liability with respect to, and each entity comprising Borrower hereby waive, release, and agree not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by Borrower in connection with, arising out of, or in any way related to, this Agreement, or any of the Amended and Restated Loan Documents, or any of the transactions contemplated by this Agreement or any of the Amended and Restated Loan Documents. Each entity comprising Borrower hereby waive, release, and agree not to sue Lender or any of Lender's Affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the Amended and Restated Loan Documents, or any of the transactions contemplated by this Agreement or any of the Amended and Restated Loan Documents.

(b) All attorneys, accountants, appraisers, and other professional Persons and consultants retained by Lender shall have the right to act exclusively in the interest of Lender and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to Borrower or any of Borrower's equity holders or any other Person. Documents in connection with the transactions contemplated hereunder have been prepared by counsel engaged by Lender and Borrower acknowledges and understands that Lender's counsel are acting solely as counsel to Lender in connection with the transaction contemplated herein, are not representing Borrower in connection therewith, and have not, in any manner, undertaken to assist or render legal advice to Borrower with respect to this transaction. Borrower has been advised to seek other legal counsel to represent each Borrower's interests in connection with the transactions contemplated herein.

(c) No failure by Lender to perform any of its obligations hereunder shall be a valid defense to, or result in any offset against, any payments that Borrower is obligated to make under any of the Amended and Restated Loan Documents. The obligations of Borrower under this Agreement and the other Amended and Restated Loan Documents shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower, or any other party, against any participant by reason of such participant's failure to perform its obligations under this Agreement, including, without limitation, the failure of any participant to fund any advance. Borrower acknowledges that the foregoing waivers are or may be essential to Lender's ability to enforce its remedies without delay and that such waiver therefore constitutes a substantial part of the bargain between Lender and Borrower with regard to the DIP Loan. In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where, by law or under this Agreement or the other Amended and Restated Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, neither Lender nor its agents shall be liable for any monetary damages, and Borrower's sole remedy shall be limited to commencing an action seeking injunctive relief or declaratory judgment. Any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment. Any expedited procedure legally available with such a declaratory judgment action or action for injunctive relief may be utilized to the extent possible.

11.17 Set-Offs.

Any assignee of Lender's interest in and to this Agreement and the other Amended and Restated Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to

interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

11.18 Joint and Several.

If more than one Person is Borrower under this Agreement, the liability of such Persons under this Agreement shall be joint and several.

11.19 Relationship.

The relationship between Lender and Borrower shall be that of creditor-debtor only. No term in this Agreement or in the other Amended and Restated Loan Documents and no course of dealing between the parties shall be deemed to create any relationship of agency, partnership, joint venture, tenancy in common or joint tenancy or any fiduciary duty by Lender to Borrower or any other party.

11.20 No Third Party Beneficiaries.

This Agreement and the other Amended and Restated Loan Documents are solely for the benefit of Lender and nothing contained in this Agreement or the other Amended and Restated Loan Documents shall be deemed to confer upon anyone other than Lender any right to insist upon or to enforce the performance or observance of any of the obligations contained herein or therein and no other person or persons shall have any benefits, rights or remedies under or by reason of this Agreement or the other Amended and Restated Loan Documents, or by reason of any actions taken by Lender pursuant to this Agreement or the other Amended and Restated Loan Documents.

11.21 Agents.

In exercising any rights under the Amended and Restated Loan Documents or taking any actions provided for therein, Lender may act through its employees, agents or independent contractors as authorized by Lender.

11.22 Conflict; Construction of Documents; Reliance.

In the event of any conflict between the provisions of this Agreement and any of the other Amended and Restated Loan Documents, the provisions of this Agreement shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Amended and Restated Loan Documents and that the Amended and Restated Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan without relying in any manner on any statements, representations or recommendations of Lender or any parent, subsidiary or affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Amended and Restated Loan Documents or any other agreements or instruments which govern the DIP Loan by virtue of the ownership by it or any parent, subsidiary or affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

11.23 Interpretation.

With respect to all Amended and Restated Loan Documents, whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The word “obligations” is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions. No listing of specific instances, items or matters in any way limits the scope or generality of any language in the Amended and Restated Loan Documents. This Agreement and all of the other Amended and Restated Loan Documents shall not be construed more strictly against one party than against the other, merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties.

11.24 Successors and Assigns.

Subject to the restrictions on transfer and assignment contained in Section 5.1(a) of this Agreement, this Agreement and the other Amended and Restated Loan Documents shall inure to the benefit of and shall be binding on Lender and Borrower and their respective legal representative, successors and permitted (in the case of Borrower) assigns.

11.25 Time is of the Essence.

Borrower agrees that time is of the essence under this Agreement and the other Amended and Restated Loan Documents and the performance of each of the covenants and agreements contained herein and therein.

11.26 Notices.

All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a “**Notice**”) required, permitted or desired to be given hereunder shall be in writing sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 11.26. Lender shall use commercially reasonable efforts to provide copies of notices rendered to Borrower to the additional parties specified below, but the failure to effect any such Notice to such additional party shall not affect the validity and full force and effect of such Notice upon Borrower. Any Notice shall be deemed to have been received on the date of delivery if delivered during business hours on a Business Day (otherwise on the next Business Day), in each case addressed to the parties as follows:

If to Borrower:

c/o Wachusett Ventures, LLC
11 Mayor Thomas J. McGrath Highway
Quincy, MA 02169
Attn: Steven Vera

If to Lender:

c/o Sabra Health Care REIT, Inc.
18500 Von Karman Avenue, Suite 550
Irvine, California 92612
Attn: Richard K. Matros

With a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attn: Jack H. Fainberg, Esq.
And Richard C. Pedone, Esq.

With a copy to:

Sherry Meyerhoff Hanson & Crance LLP
610 Newport Center Drive, Suite 1350
Newport Beach, California 92660
Attn: Kevin L. Sherry, Esq.

Any notice or demand delivered to the person or entity named above to accept notices and demands for such party shall constitute notice or demand duly delivered to such party, even if delivery is refused.

11.27 Execution in Counterparts.

This Agreement and the other Amended and Restated Loan Documents may be executed in any number of counterparts and by different parties hereto or thereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission (including email transmission of a PDF image) shall be deemed to be an original signature hereto.

[Signature page follows]

EXECUTED as of the date first set forth above.

BORROWER:

WV – ROCKPORT SNF OPCO, LLC
WV – QUINCY SNF OPCO, LLC

By: Wachusett Ventures, LLC
Their Sole Member

By: _____
Name:
Title:

WV-CROSSINGS EAST LLC
WV-PARKWAY PAVILION LLC

By: Wachusett Ventures, LLC
Their Sole Member

By: _____
Name:
Title:

[Signatures continue on next page]

LENDER:

CCP FINANCE II LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

Closing Date Deliverables

Amended and Restated Loan Documents

Amended and Restated Senior Secured Superpriority Debtor-in-Possession Loan and Security Agreement by and between Borrower and Lender

Amended and Restated Senior Secured Promissory Note executed by Borrower in favor of Lender

Pledge Agreement executed by Guarantor in favor of Lender and Facility Landlords

Guaranty executed by Guarantor in favor of Lender and Facility Landlords

Deliverables

Certified Organizational Documents for each Loan Party, including good standing certificates from the state of formation

Authorizing resolutions from Borrower and Guarantor, including an incumbency certificate

The fully-executed Master Lease (together with any guaranties or other ancillary agreements entered into in connection therewith), Amended and Restated Pre-Petition Loan Documents, and Cure Note Loan Documents

Written confirmation evidencing that the Confirmation Order (as defined in the Plan) has been entered by the Bankruptcy Court and the occurrence of the Effective Date (as defined in the Plan)

[Other]

EXHIBIT B

Reporting Requirements

REPORT	DUE DATE
<p>Monthly financial reports concerning the operations of Borrower and each Facility or such other combination of this and related loans as reasonably requested by Lender, reported using a template provided by Lender (which template may change from time to time as reasonably required by Lender), together with (i) detailed monthly P&L statements (on a TTM basis) and balance sheets for Borrower and each Facility, and (ii) statement of cash flows for each of Borrower and the Facilities on a consolidated basis (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Lender may designate from time to time)</p>	<p><i>Thirty (30) days</i> after the end of each calendar month</p>
<p>Annual financial statements of Borrower and Guarantor reviewed by a reputable certified public accounting firm (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Lender may designate from time to time)</p>	<p><i>One Hundred Twenty (120) days</i> after the fiscal year end of Borrower and Guarantor</p>
<p>Federal tax returns of Borrower and Guarantor</p>	<p><i>Ten (10) days</i> after the filing of such returns with the IRS</p>
<p>Rolling 13-week cash forecasts for Guarantor and its Subsidiaries (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Lender may designate from time to time)</p>	<p>On a monthly basis</p>
<p>Borrowing Base Certificate with respect to the then outstanding accounts receivable of Borrower generated by the Facilities as of the end of the month immediately preceding the date of such certificate, which certificate shall be certified as true and correct by a senior officer of Borrower</p>	<p>On or before the <i>tenth (10th)</i> day of each calendar month</p>
<p>The following with respect to the Facilities: (1) Schedule of accounts receivable (with aging); and (2) Schedule of outstanding vendor payables (with aging).</p>	<p>On or before the <i>tenth (10th)</i> day of each calendar month</p>
<p>Rolling 3-year operating budget covering the operations of the Facilities for the forthcoming three years (which budget shall include month-to-month projections), reported using a template provided by Lender (which template may change from time to time as reasonably required by Lender). (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Lender may designate from time to time)</p>	<p>Annually <i>Fifteen (15) days</i> prior to beginning of each fiscal year</p>

SCHEDULE 1

Loan Parties

BORROWERS AND GUARANTOR ORGANIZATIONAL STRUCTURE:

Each entity comprising Borrower is 100% owned by Wachusett Ventures, LLC, a Massachusetts limited liability company.

The ownership structure of Wachusett Ventures, LLC is as follows:

[[TO BE PROVIDED]]

BORROWERS (jointly and severally) and PRINCIPAL PLACE OF BUSINESS:

WV – Rockport SNF Opco, LLC:

WV – Quincy SNF Opco, LLC:

WV-Crossings East LLC:

WV-Parkway Pavilion LLC:

SCHEDULE 2

Facility List

Facility Name	Facility Address	Facility Landlord	Loan Party	Primary Intended Use	No. of Beds/Units
				SNF	

Defined Terms

“SNF” Skilled Nursing Facility
“ALF” Assisted Living Facility
“ALZ” Memory Care

SCHEDULE 3

Affiliate Transactions and Agreements

SCHEDULE 4

Material Litigation

SCHEDULE 5.3(a)

Existing Permitted Debt

SCHEDULE 5.3(b)

Existing Permitted Investments

SCHEDULE 5.3(c)

Existing Permitted Liens

SCHEDULE 6.4(a)

Authorizations

Facilities with open surveys and imposition notices (impending DPNA's if not corrected by deadline):

<u>Facility</u>	<u>Survey type/Status</u>

SCHEDULE 6.4(c)

Third Party Payor Program Matters

[[Describe any matters:]]

The following facilities currently have open surveys:

<u>Facility</u>	<u>Survey type/Status</u>

Document comparison by Workshare 9.5 on Wednesday, September 12, 2018 9:49:09 AM

Input:	
Document 1 ID	PowerDocs://DOCS/82225/5
Description	DOCS-#82225-v5-Amended_and_Restated_DIP_Loan_Agreement
Document 2 ID	PowerDocs://DOCS/82225/6
Description	DOCS-#82225-v6-Amended_and_Restated_DIP_Loan_Agreement
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	16
Deletions	14
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	30

Exhibit B
DRAFT

**AMENDED AND RESTATED CREDIT
AND SECURITY AGREEMENT**

DATED AS OF SEPTEMBER [__], 2018

BY AND BETWEEN

**EACH OF THE ENTITIES IDENTIFIED ON THE
SIGNATURE PAGES HERETO AS**

**A BORROWER,
as Borrower,**

AND

**CCP FINANCE II LLC,
a Delaware limited liability company,
as Lender**

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AMENDED AND RESTATED CREDIT AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED CREDIT AND SECURITY AGREEMENT (as amended, modified, or restated from time to time, this “**Agreement**”) is made as of September [], 2018, by and among (i) CCP Finance II LLC, a Delaware limited liability company (together with its successors and assigns, “**Lender**”), (ii) WV – Rockport SNF Opco, LLC and WV – Quincy SNF Opco, LLC, each a Massachusetts limited liability company (each a “**MA Debtor**” and collectively, the “**MA Debtors**”), and (iii) WV-Crossings East LLC and WV-Parkway Pavilion LLC, each a Connecticut limited liability company (each a “**CT Debtor**” and collectively, the “**CT Debtors**”). Collectively, jointly and severally, the MA Debtors and the CT Debtors will be referred to herein as “**Borrower**”. For avoidance of doubt, the term “Borrower” does not include WV-Brockton SNF, LLC, which is not a Party to this Agreement.

RECITALS

A. **WHEREAS**, on March 26, 2018 (the “**Petition Date**”) each of the Borrowers commenced a case (individually “**Bankruptcy Case**” or “**Case**” and collectively, “**Bankruptcy Cases**” or “**Cases**”) under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the District of Massachusetts (the “**Bankruptcy Court**”).

B. **WHEREAS**, prior to the Petition Date, Lender made a loan to MA Debtors and WV – Concord SNF Opco, LLC (the “**Pre-Petition MA Loan**”) pursuant to that certain Revolving Credit and Security Agreement, dated as of August 28, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “**Original Pre-Petition MA Loan Agreement**”). The Pre-Petition MA Loan was guaranteed by the Prior Guarantors (as defined below) pursuant to that certain Guaranty of Loan dated as of August 28, 2016 entered into by Prior Guarantors in favor of Lender (the “**Prior Guaranty**”). Any loan documents entered into in connection with the Original Pre-Petition MA Loan Agreement are herein collectively referred to as the “**Original Pre-Petition MA Loan Documents**”.

C. **WHEREAS**, prior to the Petition Date, Lender made a loan to CT Debtors and WV-Crossings West LLC (the “**Pre-Petition CT Loan**”) pursuant to that certain Revolving Credit and Security Agreement, dated as of March 1, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “**Original Pre-Petition CT Loan Agreement**”). Any loan documents entered into in connection with the Original Pre-Petition CT Loan Agreement are herein collectively referred to as the “**Original Pre-Petition CT Loan Documents**”. The Pre-Petition MA Loan and the Pre-Petition CT Loan are hereinafter collectively referred to as the “**Pre-Petition Loans**”. The Original Pre-Petition MA Loan Agreement and the Original Pre-Petition CT Loan Agreement are hereinafter collectively referred to as the “**Original Pre-Petition Loan Agreements**”; and the Original Pre-Petition MA Loan Documents and the Original Pre-Petition CT Loan Documents are hereinafter collectively referred to as the “**Original Pre-Petition Loan Documents**”.

D. **WHEREAS**, the Bankruptcy Court has approved that certain Third Amended Joint Chapter 11 Plan of Reorganization of the Borrowers (and certain Affiliates thereof) dated August 21, 2018 (the “**Plan**”) pursuant to the Confirmation Order (as defined in the Plan) issued by the Bankruptcy Court on the Confirmation Date (as defined in the Plan).

E. **WHEREAS**, pursuant to the Plan, Lender has agreed to: (i) consolidate the Pre-Petition Loans into a single loan (the “**Pre-Petition Loan**”), and (ii) amend and restate the Original Pre-Petition

Loan Documents on the terms and conditions set forth in this Agreement and the other Amended and Restated Loan Documents (as defined below).

F. **WHEREAS**, this Agreement (i) amends, restates and supersedes in its entirety the Original Pre-Petition Loan Agreements, (ii) consolidates the Pre-Petition Loans into a single Pre-Petition Loan on the terms and conditions set forth in this Agreement and the other Amended and Restated Loan Documents, and (iii) does not constitute a cancellation, extinguishment, satisfaction, termination, novation or discharge of the Original Pre-Petition Loan Agreements or the Pre-Petition Loans.

G. **WHEREAS**, the outstanding principal balance of the Pre-Petition Loan (including all accrued, but unpaid interest) as of the Effective Date (as defined in the Plan) is \$ _____ (the "**Pre-Petition Loan Amount**").

H. **WHEREAS**, as a condition to Lender entering into this Agreement, Wachusett Ventures, LLC, a Massachusetts limited liability company ("**Guarantor**"), has agreed to guaranty the obligations of Borrower under the Amended and Restated Loan Documents (as defined below) pursuant to the terms and conditions of that certain Guaranty of Obligations of even date herewith (the "**Guaranty**"). The entities comprising Borrower and Guarantor shall at times be referred to herein as a "**Loan Party**" and collectively as the "**Loan Parties**."

I. **WHEREAS**, the obligations of Borrower will be secured by, *inter alia*, pledges of all equity interests in Borrower pursuant to the Pledge Agreement (as defined below).

J. **WHEREAS**, this Agreement, the Note, the Guaranty, the Pledge Agreement and any other documents executed in connection therewith (but not the Cure Note or any other documents executed in connection therewith) are referred to herein collectively as the "**Amended and Restated Loan Documents**." The Amended and Restated Loan Documents amend and restate the Original Pre-Petition Loan Documents but do not constitute a cancellation, extinguishment, satisfaction, termination, novation or discharge of the Original Pre-Petition Loan Documents or the loans referred to therein.

K. **WHEREAS**, the entities comprising Borrower, as tenant, and certain Affiliates of Lender, as landlord (each, a "**Facility Landlord**" and collectively, the "**Facility Landlords**"), are parties to that certain Amended and Restated Master Lease of even date herewith (the "**Master Lease**") with respect to the facilities listed on Schedule 2 attached hereto. Each such facility and the underlying land on which such facility is located, along with all other improvements thereon and fixtures thereat, shall at times be referred to herein as a "**Facility**" and collectively as the "**Facilities**."

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 INCORPORATION OF RECITALS, EXHIBITS AND SCHEDULES

1.1 **Incorporation of Recitals.**

The foregoing preambles and all other recitals set forth herein are made a part hereof by this reference.

1.2 **Incorporation of Exhibits.**

The Schedules and Exhibits annexed hereto are incorporated herein as a part of this Agreement and expressly made a part hereof by this reference with the same effect as if set forth in the body hereof.

ARTICLE 2 DEFINITIONS; PRINCIPLES OF CONSTRUCTION

2.1 **Definitions.**

For all purposes of this Agreement, except as otherwise expressly provided, the following terms shall have the respective meanings set forth below:

Accrediting Organization: Any Person from which any Borrower has received an accreditation as of the Closing Date or thereafter.

Affiliate: With respect to a specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with such person or entity.

Agreement: This Agreement.

Amended and Restated Loan Documents: As such term is defined in the Recitals to this Agreement.

Amended and Restated DIP Loan: Means the loan evidenced and/or secured by the Amended and Restated DIP Loan Documents.

Amended and Restated DIP Loan Documents: All loan documents evidencing and/or securing the amended and restated CCP DIP Loan Documents (as defined in the Plan), together with any amendments, substitutions and/or replacements thereof, by and between Lender (or one or more Affiliates thereof) and Borrower (or one or more Affiliates thereof), together with any amendments, substitutions and/or replacements thereof.

Anti-Money Laundering Laws: As such term is defined in Section 5.5(f).

Asset Sale: With respect to any Person, the sale, lease, conveyance, disposition or other transfer by such Person of any of its assets (including by a sale-leaseback transaction and including the sale or other transfer of any of the equity interests or membership interests of subsidiary of such Person), except for sales of inventory in the Ordinary Course of Business and sales of obsolete or worn out equipment, no longer necessary in the business of the Borrower.

Authorization: With respect to each Facility and/or applicable Borrower, any and all licenses, operating permits, Provider Agreements, CONs, bed rights, certificates of exemption, approvals, waivers, variances and other governmental or “quasi-governmental” authorizations necessary or advisable for the use of such Facility for its Primary Intended Use and receipt of reimbursement or other payments under Medicare, Medicaid and any Third Party Payor Programs.

Authorized Representative: As such term is defined in Section 5.6.

Bankruptcy Action: With respect to any Person, (i) such Person filing a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law; (ii) the filing of an involuntary petition against such Person under the Bankruptcy Code or any other federal or state

bankruptcy or insolvency law which is not dismissed within sixty (60) days of the filing thereof, or soliciting or causing to be solicited petitioning creditors for any involuntary petition against such Person; (iii) such Person filing an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law, or soliciting or causing to be solicited petitioning creditors for any involuntary petition from any Person; (iv) such Person seeking, consenting to or acquiescing in or joining in an application for the appointment of a custodian, receiver, trustee, or examiner for such Person or any portion of any Facility; (v) such Person making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due; or (vi) such Person taking any action in furtherance of any of the foregoing.

Bankruptcy Case: As such term is defined in the Recitals to this Agreement.

Bankruptcy Code: As such term is defined in the Recitals to this Agreement.

Bankruptcy Court: As such term is defined in the Recitals to this Agreement.

Borrower: As such term is defined in the opening paragraph of this Agreement and including any successor obligor on the Pre-Petition Loan from time to time.

Borrowing Base Certificate: A certificate setting forth the aggregate amount of Borrower's accounts receivable that would be eligible as qualified receivables to collateralize accounts receivable debt for advances under the original CCP Finance Loan Documents (as defined in the Plan), which Borrowing Base Certificate shall be substantially in the form provided under the CCP Finance Loan Documents.

Business Day: Any day other than a Saturday, a Sunday or any other day on which national banks in Boston Massachusetts, are not open for business.

Closing Date: The date of this Agreement.

Code: The Internal Revenue Code of 1986, as amended from time to time.

Collateral: As such term is defined in Section 8.1.

CON: With respect to each Facility, 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 such Facility for the use of a specified number of beds in, as applicable, a nursing facility, assisted living facility, senior independent living facility and/or rehabilitation hospital; (ii) the alteration of such Facility; or (iii) the modification of the applicable services provided at such Facility used as a nursing facility, assisted living facility, senior independent living facility and/or rehabilitation hospital.

Condemnation: A temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of any Facility, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting any Facility or any part thereof.

Contingent Obligation: With respect to any Loan Party, any direct or indirect liability of such Loan Party: (i) with respect to any Debt of another Person; (ii) with respect to any undrawn portion of any letter of credit issued for the account of such Loan Party as to which such Loan Party is otherwise

liable for the reimbursement of any drawing; (iii) to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement; or (iv) for any obligations of another Person pursuant to any guaranty or pursuant to any agreement to purchase, repurchase or otherwise acquire any obligation or any property constituting security therefor, to provide funds for the payment or discharge of such obligation or to preserve the solvency, financial condition or level of income of another Person. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determinable amount, the maximum reasonably anticipated liability in respect thereof as determined in good faith by the guaranteeing Loan Party.

Control: As such term is used with respect to any Person, including the correlative meanings of the terms “controlled by” and “under common control with”, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Cure Note: That certain Secured Promissory Note entered into as of the date hereof and evidencing the loan to repay to Facility Landlords the CCP Cure Claims (as defined in the Plan) and any amendments, restatements or other modifications thereof.

Cure Note Loan Documents: The Cure Note, together with such other documents evidencing or securing the loan referred to the Cure Note, together with any amendments, substitutions and/or replacements thereof.

Debt: For any Person, without duplication: (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property for which such Person or its assets is liable; (ii) all unfunded amounts under a loan agreement, letter of credit or other credit facility for which such Person would be liable if such amounts were advanced thereunder; (iii) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests; (iv) all indebtedness guaranteed by such Person, directly or indirectly; (v) all obligations under leases that constitute capital leases for which such Person is liable; and (vi) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

Default Rate: A rate per annum equal to twelve percent (12.0%).

Distribution: As to any Loan Party, any (i) dividend or other distribution (whether in cash, securities or other property) on any equity interest in such Loan Party; (ii) payment by such Loan Party on account of (a) the purchase, redemption, retirement, defeasance, surrender, cancellation, termination or acquisition of any equity interests in such Loan Party or any claim respecting the purchase or sale of any equity interest in such Loan Party, or (b) any option, warrant or other right to acquire any equity interests in such Loan Party, (iii) payments to board members or payments of management or consulting fees (other than salaries, bonuses or similar amounts on account of such Person’s employment by any Loan Party) to any Person holding an equity interest in any Loan Party; (iv) lease or rental payments to an Affiliate of any Loan Party; or (v) repayments of or debt service on loans or other indebtedness held by any Person holding an equity interest in any Loan Party.

Effective Date: As such term is defined in the Plan.

Environmental Obligations: As such term is defined in Section 7.5.

Environmental Proceedings: Any environmental proceedings, whether civil (including actions by private parties), criminal, or administrative proceedings, relating to any Facility.

Event of Default: As such term is defined in Section 9.1.

Expenses: All losses, fines, penalties, judgments, awards, costs and expenses (including, without limitation, reasonable attorneys' fees and costs and expenses of investigation).

Facility or Facilities: As such term is defined in the Recitals to this Agreement.

Facility Landlord or Facility Landlords: As such term is defined in the Recitals to this Agreement.

GAAP: Those generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession, in each case, consistently applied.

Governmental Authority: 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, the United States Department of Health, Centers for Medicare and Medicaid Services, 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: As such term is defined in the Recitals to this Agreement, together with any other Person that has executed or delivered, or shall in the future execute or deliver, any guaranty of any portion of the obligations hereunder or any of the other Amended and Restated Loan Documents.

Guaranty: That certain Guaranty of Obligations of even date herewith, executed by Guarantor in favor of Lender and the Facility Landlords.

Hazardous Material: Means and includes gasoline, petroleum, asbestos containing materials, explosives, radioactive materials, microbial matter, biological toxins, mycotoxins, mold or mold spores or any hazardous or toxic material, substance or waste which is defined by those or similar terms or is regulated as such under any Legal Requirement of any Governmental Authority having jurisdiction over any Facility or any portion thereof or its use, including: (i) any "hazardous substance" defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. § 9601(14) as may be amended from time to time, or any so-called "superfund" or "superlien" Law, including the judicial interpretation thereof; (ii) any "pollutant or contaminant" as defined in 42 U.S.C.A. § 9601(33); (iii) any material now defined as "hazardous waste" pursuant to 40 C.F.R. Part 260; (iv) any petroleum, including crude oil or any fraction thereof; (v) liquefied natural gas, or synthetic gas usable for fuel; (vi) any "hazardous chemical" as defined pursuant to 29 C.F.R. Part 1910; and (vii) any other toxic substance or contaminant that is subject to any other Legal Requirement or other past or present requirement of any Governmental Authority. Any reference above to a Legal Requirement, includes the same as it may be amended from time to time, including the judicial interpretation thereof.

HIPAA: The Health Insurance Portability and Accountability Act of 1996, as the same may be amended, modified or supplemented from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

Indemnified Environmental Liabilities: As such term is defined in Section 7.3.

Indemnified Liabilities: As such term is defined in Section 5.5(c).

Indemnified Party: Lender and Lender's Affiliates and the respective agents, employees, owners, partners, members, managers, contractors, representatives, consultants, attorneys, auditors, officers and directors, together with all successors and assigns of the foregoing, including any Person acquiring the equity interests in Borrower through a foreclosure under the Pledge Agreement.

Insolvent: Has the meaning provided for such term in the Uniform Code.

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

Intellectual Property: With respect to any Loan Party, the interest, if any, of such Loan Party in all patents, patent applications and like protections, including improvements divisions, continuation, renewals, reissues, extensions and continuations in part of the same, trademarks, trade names, trade styles, trade dress, service marks, logos and other business identifiers and, to the extent permitted under applicable law, any applications therefore, whether registered or not, and the goodwill of the business of such Loan Party connected with and symbolized thereby, copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative works, whether published or unpublished, technology, know-how and processes, operating manuals, trade secrets, computer hardware and software, rights to unpatented inventions and all applications and licenses therefor, used in or necessary for the conduct of business by such Loan Party and all claims for damages by way of any past, present or future infringement of any of the foregoing.

Interest Rate: A fixed rate per annum equal to six percent (6.0%).

Investment: Any investment in any Person, whether by means of acquiring (whether for cash, property, services, securities or otherwise), making or holding Debt, securities, capital contributions, loans, time deposits, advances, guaranties or otherwise. The amount of any Investment shall be the original cost of such Investment *plus* the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect thereto.

Knowledge: When used with the terms (a) "to Borrower's Knowledge", "to the Knowledge of Borrower", "known to Borrower" or any similar phrase, and/or (b) to "Guarantor's Knowledge", "to the Knowledge of Guarantor", "known to Guarantor" or any similar phrase, the actual, current knowledge, without any duty of investigation, of the Chief Executive Officer, the Chief Financing Officer or the Vice President/General Counsel of Borrower or such Guarantor. Notwithstanding the foregoing, each instance in which the term "to the best of" or any term of similar import is used to qualify Borrower's or Guarantor's knowledge, the knowledge of Borrower or Guarantor, as applicable, shall be deemed to include the information that would be possessed by such Borrower or Guarantor after reasonable inquiry and investigation with respect to the particular matter in question. As used herein, the term "reasonable inquiry and investigation" means the making of such reasonably specific inquiries as may be necessary of the employees or agents of such Loan Party and a good faith attempt to ascertain the existence or accuracy of the matter to which such phrase relates.

Legal Requirements: All federal, state, county, municipal and other governmental statutes, laws, rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses, covenants, conditions, restrictions, judgments, decrees and injunctions applicable to any Loan Party or affecting any Facility, whether now or hereafter enacted and in force, including, any and all of the foregoing that relate to the use of each Facility for its Primary Intended Use.

Lender: As defined in the opening paragraph of this Agreement and including any successor holder of the Loan from time to time.

Lien: With respect to any asset, any mortgage, lien, pledge, charge, security interest, attachment, title retention agreement or other encumbrance of any kind, in respect of such asset.

Loan Party or Loan Parties: As such term is defined in the Recitals to this Agreement.

Loan Term: As such term is defined in Section 3.3.

Master Lease: As such term is defined in the Recitals to this Agreement.

Material Adverse Effect: A material adverse change in, or a material adverse effect upon, (a) the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of Borrower and the other Loan Parties taken as a whole, (b) the ability of Borrower and the other Loan Parties, taken as a whole, to perform their obligations under the Amended and Restated Loan Documents, (c) the legality, validity or enforceability of any Loan Document, or (d) the existence, perfection or priority of the security interest in any material portion of the Collateral.

Material Contract: (i) any of the Amended and Restated DIP Loan Documents, (ii) the Master Lease, (iii) any of the Cure Note Loan Documents, (iv) any other agreements or instruments to which any Loan Party is a party, and the breach, nonperformance or cancellation of which, or the failure of which to renew, could reasonably be expected to have a Material Adverse Effect and (v) any agreement relating to Debt of any Loan Party that has an outstanding principal balance or other aggregate obligation in excess of One Hundred Thousand Dollars (\$100,000).

Maturity Date: February 28, 2026, or any earlier date on which the Pre-Petition Loan shall be required to be paid in full, whether by acceleration or otherwise, or Borrower elects to prepay the Obligations in full pursuant to Section 3.5.

Maximum Legal Rate: The maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Obligations, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Pre-Petition Loan.

Medicaid: 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: 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.

Note: That certain Amended and Restated Secured Promissory Note entered into as of the date hereof and evidencing the Pre-Petition Loan.

Notice: As such term is defined in Section 11.26.

Obligations: The outstanding principal amount of the Pre-Petition Loan together with all interest accrued and unpaid thereon and all other sums due under this Agreement, the Note or any other Amended and Restated Loan Document.

OFAC List: As such term is defined in Section 5.5(f).

OFAC Rules: As such term is defined in Section 5.5(f).

Operating Expenses: With respect to each Borrower, all of its costs and expenses (net of extraordinary items) relating to the operation, maintenance and management of its assets and business, including, without limitation, if applicable, utilities, repairs and maintenance, insurance premiums, advertising expenses, payroll and related taxes and equipment lease payments.

Ordinary Course of Business: In respect of any transaction involving any Loan Party (including any transaction involving a Facility or the operations thereof), the ordinary course of business of such Loan Party, as conducted by such Loan Party in accordance with past practices (to the extent applicable).

Organizational Documents: Any of the following applicable, as of the Closing Date, to any Loan Party: (i) its certificate of formation, articles of organization and operating agreement; (ii) its partnership agreement and certificate of limited partnership or doing business certificate; (iii) its articles or certificate of incorporation and by-laws; (iv) its trust and/or the other organizational or governing documents; and/or (v) its incumbency certificates, resolutions, certificates of good standing and consents of members, partners or shareholders, as applicable.

Original Pre-Petition Loan Agreement: As such term is defined in the Recitals to this Agreement.

Original Pre-Petition Loan Documents: As such term is defined in the Recitals to this Agreement.

Payment Date: The due date for the payment of the installments of interest and principal hereunder and under the Note or any other sums payable under this Agreement or any other Amended and Restated Loan Document.

Patriot Act: As such term is defined in Section 5.5(f).

Permitted Contingent Obligations: Each of the following: (i) Contingent Obligations arising in respect of the Obligations; (ii) Contingent Obligations resulting from endorsements for collection or deposit in the Ordinary Course of Business; (iii) Contingent Obligations incurred in the Ordinary Course of Business with respect to surety and appeal bonds, performance bonds and other similar obligations not to exceed \$50,000 in the aggregate at any time outstanding; (iv) Contingent Obligations arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions of personal property assets permitted under this Agreement; (v) Contingent Obligations arising under the Amended and Restated DIP Loan Documents and the Cure Note Loan Documents; and (vi) other

Contingent Obligations not permitted by clauses (i) through (v) above, not to exceed \$50,000 in the aggregate at any time outstanding.

Permitted Debt: Each of the following, without duplication: (i) the Obligations; (ii) the Debt arising under the Amended and Restated DIP Loan Documents, and the Cure Note Loan Documents; (iii) trade accounts payable arising and paid on a timely basis in the Ordinary Course of Business; (iv) unsecured obligations in the Ordinary Course of Business in respect of netting services, overdraft protection and other like services in connection with deposit accounts to the extent such arrangement is customary and entered into in the Ordinary Course of Business; and (v) obligations in respect of taxes, assessments, other governmental charges or levies to the extent that payment thereof is not delinquent.

Permitted Distributions: The following Distributions, without duplication: (i) dividends or distributions paid to a beneficial owner of a Loan Party if, and only to the extent of, such Loan Party's excess cash flow, and only to the extent that, at the time of such payment, no Potential Default or Event of Default has occurred and is continuing and no Potential Default or Event of Default would result from the making of such payment (including without limitation, any arising as a result of a violation of any financial covenant set forth in Section 5.3 hereof); (ii) scheduled payments of rent under the Master Lease; and (iii) scheduled payments of Permitted Debt.

Permitted Liens (i) Liens granted to Lender; (ii) Liens granted under the Amended and Restated DIP Loan Documents, and Cure Note Loan Documents, (iii) Liens customarily incurred by Borrower in the Ordinary Course of Business for items not due and payable including mechanic's Liens and deposits and charges under workers' compensation, unemployment insurance, social security and other like laws; (iv) Liens for taxes, assessments, governmental charges or levies not delinquent; and (v) any Lien which is being contested in good faith pursuant to this Agreement.

Permitted Investments: Each of the foregoing: (i) cash and cash equivalents; (ii) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the Ordinary Course of Business; (iii) Investments consisting of travel advances and employee relocation loans and other employee loans and advances in the Ordinary Course of Business; (iv) Investments consisting of deposit accounts maintained in the Ordinary Course of Business; and (v) prepayment, advances and deposits made in the Ordinary Course of Business to suppliers in connection with purchases of goods or services in the Ordinary Course of Business;

Person: Any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

Petition Date: As such term is defined in the Recitals to this Agreement.

Plan: As such term is defined in the Recitals to this Agreement.

Pledge Agreement: That certain Pledge Agreement, dated as of the date hereof, executed by Guarantor in favor of Lender and Facility Landlords.

Potential Default: Any event, fact or circumstance that with notice, the passage of time, or both would constitute an Event of Default.

Pre-Petition Loan: As such term is defined in the Recitals to this Agreement.

Pre-Petition Loan Amount: As such term is defined in the Recitals to this Agreement.

Primary Intended Use: As to each Facility, the type of healthcare facility corresponding to such Facility as shown on Schedule 2 attached hereto, with no less than the number of licensed beds/units as shown on Schedule 2 and for ancillary services relating thereto.

Prior Guarantors: Raymond A. Dennehy, III, Steven L. Vera, and Joseph Cuzzupoli.

Prior Guaranty: As such term is defined in the Recitals to this Agreement.

Prohibited Person(s): As such term is defined in Section 5.5(f).

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

State: When used in reference to a Loan Party or a Facility, the state (or commonwealth) of the United States in which a Facility is located and whose department, division or subdivision has jurisdiction over such Loan Party or Facility.

Subsidiary: With respect to any Person, any (i) corporation of which an aggregate of more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, capital stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of more than fifty percent (50%) of such capital stock whether by proxy, agreement, operation of law or otherwise; and (ii) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) or of which any such Person is a general partner or may exercise the powers of a general partner.

Third Party Payor: Any Person, from time to time, that maintains a Third Party Payor Program.

Third Party Payor Programs: 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: Any (i) sale, transfer, lease, conveyance, alienation, pledge, assignment, mortgage, encumbrance, hypothecation or other disposition of any equity interest in any Loan Party (including any interest in the profits, losses or cash distributions in any way relating to any Loan Party) or any interest in any entity which holds an interest in, or directly or indirectly controls, any Loan Party; (ii) creation of any new ownership interest in any Loan Party (including any interest in the profits, losses or cash distributions in any way relating to any Loan Party); or (iii) change in Control with respect to any Loan Party or in any entity which holds an interest in, or directly or indirectly controls, any Loan Party.

Uniform Code: Means the Uniform Commercial Code as from time to time in effect in the Commonwealth of Massachusetts as the same may, from time to time, be enacted and in effect in the Commonwealth of Massachusetts; provided, to the extent that the Uniform Code is used to define any

term herein or in any Amended and Restated Loan Document and such term is defined differently in different articles or divisions of the Uniform Code, the definition of such term contained in Article 9 shall govern; provided, further, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Lender's lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the Commonwealth of Massachusetts, the term "Uniform Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

2.2 Principles of Construction.

All references to sections, exhibits and schedules are to sections, exhibits and schedules in or to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Amended and Restated Loan Document to any Amended and Restated Loan Document shall be deemed to include references to such documents as the same may hereafter be amended, modified, supplemented, extended, replaced and/or restated from time to time (and, in the case of any note or other instrument, to any instrument issued in substitution therefor). Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined. The word "include(s)" when used in this Agreement and the other Amended and Restated Loan Documents means "include(s), without limitation," and the word "including" means "including, but not limited to." Unless otherwise expressly provided, capitalized terms used in referenced defined terms or provisions or Schedules or Exhibits, as the case may be, shall have the meanings assigned to such capitalized terms in the specific Amended and Restated Loan Document in which such defined terms or provisions appear or to which such Schedules or Exhibits are appended. All terms defined in this Agreement shall, unless otherwise defined therein, have the same meanings when used in the Note, the Guaranty, the Pledge Agreement, the other Amended and Restated Loan Documents, or any certificate or other document made or delivered pursuant hereto.

ARTICLE 3 LOAN AND AMENDED AND RESTATED LOAN DOCUMENTS

3.1 Agreement to Lend and Borrow.

Subject to the terms, provisions and conditions of this Agreement and the other Amended and Restated Loan Documents, from and after the Closing Date, Borrower agrees to borrow from Lender and Lender shall have been deemed to have disbursed to Borrower as of the Closing Date an aggregate principal amount equal to the Pre-Petition Loan Amount. The Pre-Petition Loan shall be repaid in accordance with the terms of this Agreement and the Note. Any portion of the Pre-Petition Loan borrowed and repaid hereunder may not be re-borrowed. Conditioned on the occurrence of the Effective Date, the Prior Guarantors are hereby released from their obligations under the Prior Guaranty.

3.2 Conditions Precedent to Making the Pre-Petition Loan.

Borrower agrees that Lender's obligation to make the Pre-Petition Loan is conditioned upon (a) Borrower's delivery to Lender on or prior to the Closing Date of the items and documents set forth in Exhibit A, in form and content satisfactory to Lender, duly executed (and acknowledged where necessary) by the appropriate parties thereto; (b) no Event of Default or Potential Default existing on the Closing Date; and (c) all representations and warranties contained in this Agreement and any other

Amended and Restated Loan Document being true and correct in all material respects as of the Closing Date; it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date. Borrower hereby acknowledges and agrees that as of the Closing Date the Pre-Petition Loan is deemed to be fully disbursed and Lender shall have no obligations to make any further advances of the Pre-Petition Loan.

3.3 Term of the Pre-Petition Loan.

The term of the Pre-Petition Loan shall end on the Maturity Date (the “**Loan Term**”).

3.4 Interest.

(a) Interest Rate. Provided that no Event of Default exists (in which event the Default Rate shall be applicable), the principal amount outstanding under the Pre-Petition Loan from time to time shall bear interest until paid at the Interest Rate.

(b) Computation. Interest on the principal amount outstanding under the Pre-Petition Loan shall be calculated based on a three hundred sixty (360) day year and charged for the actual number of days elapsed.

(c) Default Interest. If, and for so long as, an Event of Default shall have occurred under Section 9.1(a) and be continuing, the outstanding principal balance of the Pre-Petition Loan shall accrue interest, at the written election of Lender, at a rate per annum equal to the Default Rate, calculated from the date the Event of Default occurred.

(d) Usury Savings. This Agreement and the other Amended and Restated Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the principal balance of the Pre-Petition Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the other Amended and Restated Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the sums due under the Pre-Petition Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the Loan Term so that the rate or amount of interest on account of the Pre-Petition Loan does not exceed the Maximum Legal Rate from time to time in effect and applicable to the Pre-Petition Loan for so long as the Pre-Petition Loan is outstanding.

3.5 Loan Payments.

(a) Monthly Payments of Interest and Principal. Interest on the outstanding principal balance of the Pre-Petition Loan shall begin to accrue at the Interest Rate as of the Effective Date. Commencing on September 1, 2019 and continuing on the first (1st) day of each calendar month thereafter during the Term, Borrower shall make payments of interest on the outstanding principal balance of the Pre-Petition Loan calculated in arrears at the Interest Rate. Commencing on December 1, 2022 and continuing on the first (1st) day of each calendar month thereafter until the Maturity Date, Borrower shall make payments of principal in equal monthly payments, each in the amount necessary to fully amortize the entire principal balance of the Pre-Petition Loan over the Loan Term. If the Default Rate shall be applicable, interest

shall be so calculated at the Default Rate and interest payable at the Default Rate following an Event of Default shall be payable from time to time on demand of Lender.

(b) Payment on Maturity Date. All accrued and unpaid interest and all other Obligations due under the Amended and Restated Loan Documents are due and payable in full on the Maturity Date.

(c) Late Charge. If any monthly interest or principal payment or any other amount due hereunder or under the Note or the other Amended and Restated Loan Documents (other than the final payment of principal) is not timely made within ten (10) days of its Payment Date, Borrower, without notice or demand by Lender, shall promptly pay a late charge equal to five percent (5%) of the amount of such delinquent payment to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of the delinquent payment. Borrower and Lender agree that such late charge represents a fair and reasonable estimate of the costs that Lender will incur by reason of a late payment by Borrower. In addition, any monthly interest and/or principal payment or any other amount due hereunder or under the Note or the other Amended and Restated Loan Documents (including the final payment of principal) not timely made within fifteen (15) days of its Payment Date, the amount unpaid, including any late charges, shall bear interest at the Default Rate, compounded monthly from such Payment Date to the date of payment thereof, and Borrower shall pay such interest to Lender on demand. The payment of such late charge and/or such interest shall neither constitute waiver of nor excuse or cure the late payment giving rise to such late charge and/or interest nor prevent Lender from exercising any other rights and remedies available to Lender arising from such late payment.

(d) Prepayments; Mandatory Prepayments.

(i) Borrower shall have the right to make prepayments of the Pre-Petition Loan in whole or in part in accordance with the provisions of this Section 3.5(d). Borrower shall give Lender no less than three (3) Business Days advance written notice of Borrower's intent to make any partial prepayment pursuant to the foregoing sentence and any such partial prepayment shall be accompanied by all accrued and unpaid interest on the amount so prepaid up to and including the date of prepayment, if any. The Pre-Petition Loan provided hereunder is not a revolving credit facility, and Borrower is not entitled to any readvances of any portion of the Pre-Petition Loan which it may (or are otherwise required to) prepay pursuant to the provisions of this Agreement.

(ii) Notwithstanding anything in this Agreement to the contrary, each of the following shall require that Borrower make a mandatory prepayment of the Pre-Petition Loan. The mandatory prepayments shall not exceed the obligations owed by the Borrower under the Amended and Restated Loan Documents. Unless otherwise required by applicable law, prepayments may be applied by Lender toward the payment of any interest and/or principal of the Pre-Petition Loan and/or any other amounts due under the Amended and Restated Loan Documents in such order, priority and proportions as Lender in its sole discretion shall determine. Amounts repaid from any mandatory prepayment may not be re-borrowed.

(A) Upon consummation of any Asset Sale, Borrower shall make a mandatory prepayment of the Pre-Petition Loan in an amount equal to 100% of the net cash proceeds of the Asset Sale except for proceeds of such Asset Sale, which Borrower reinvests in its business within ninety (90) days of Borrower's receipt of said cash proceeds.

(B) Upon receipt of any proceeds not customarily received in Borrower's Ordinary Course of Business, including, without limitation, proceeds arising from

insurance, condemnation, eminent domain, tax refunds, deposit refunds, Borrower shall make a mandatory prepayment of the Pre-Petition Loan in an amount equal to 100% of the net proceeds received by the Borrower from such event except for proceeds of such Asset Sale, which Borrower reinvests in its business within ninety (90) days of Borrower's receipt of said cash proceeds. The term "net," as used in this Section 3.5(d), shall include, without limitation, all taxes estimated to be payable by the Borrower as a result of any Asset Sale or other event.

(C) Upon receipt of any proceeds arising from the incurrence of any debt to a third party (other than Permitted Debt), Borrower shall make a mandatory prepayment of the Pre-Petition Loan in an amount equal to 100% of the net proceeds received.

(D) If, for any reason, the aggregate eligible amount of Borrower's accounts receivable (generated from the sale or leasing of goods or the provision of services in connection with the Facilities) (excluding receivables unpaid for longer than the earlier of (i) 120 after the invoice date, and (ii) 120 days after the applicable claim date), is less than [125%] of the Applicable Principal Balance, then Borrower shall, within ten (10) days of Lender's written demand to Borrower, make a principal payment to Lender to reduce the Applicable Principal Balance to an amount that is equal to not more than [80%] of the then aggregate eligible amount of Borrower's accounts receivable. As used herein, "Applicable Principal Balance" means the higher of the then outstanding principal balance under the Pre-Petition Loan or the Amended and Restated DIP Loan.

(e) Method and Place of Payment. Except as otherwise specifically provided herein, all payments and prepayments under this Agreement and the Note shall be made to Lender by electronic funds transfer debit transactions through wire transfer of immediately available funds and shall be initiated by Borrower for settlement on the date when due, and shall be made in lawful money of the United States of America. For purposes of making payments hereunder, but not for purposes of calculating interest accrual periods, whenever any payment to be made hereunder or under any other Amended and Restated Loan Document shall be stated to be due on a day that is not a Business Day, the due date thereof shall be the immediately succeeding Business Day. Lender shall provide Borrower with appropriate wire transfer information. Borrower shall inform Lender of payment by sending a facsimile transmission of Borrower's wire transfer confirmation not later than noon, Pacific Standard or Daylight Savings time on each date when a payment is due hereunder or the Note or by such other means as Lender may reasonably require

(f) No Set-Off. All payments required to be made or caused to be made by Borrower hereunder or under the Note or the other Amended and Restated Loan Documents shall be made irrespective of, and without deduction for, any setoff, claim or counterclaim and shall be made irrespective of any defense thereto.

ARTICLE 4 FINANCIAL REPORTING COVENANTS

4.1 Maintenance of Books and Records.

Borrower shall keep and maintain, or cause to be kept and maintained, proper and accurate books and records in all material respects in accordance with GAAP, which books and records shall in all material respects reflect the financial affairs of Borrower. Lender shall have the right, from time to time

during normal business hours after three (3) Business Days prior oral or written notice to Borrower, quarterly, prior to an Event of Default, and as often as Lender desires while an Event of Default is continuing, to examine and audit such books and records at the office of Borrower or any other applicable Loan Party and to make such copies or extracts thereof as Lender shall request, and Borrower hereby agrees to reasonably cooperate, and to cause each other Loan Party to reasonably cooperate, with any such examination or audit; provided, however, the cost of such examination or audit shall be borne by Lender, except during the continuation of an Event of Default, in which case, the cost of any such examination or audit shall be borne by Borrower and shall be payable within thirty (30) days after Lender's demand therefor.

4.2 Financial, Management and Regulatory Reports.

Borrower shall provide Lender with the reports listed in Exhibit B within the applicable time specified therein. All financial information provided shall be prepared in all material respects in accordance with GAAP and shall be submitted electronically using the applicable template provided by Lender from time to time or, if no such template is provided by Lender, in the form of unrestricted, unlocked ".xls" spreadsheets created using Microsoft Excel or in such other form as Lender may reasonably require from time to time.

4.3 Additional Information.

In addition to the reports required under Section 4.2 above, upon Lender's reasonable request from time to time, Borrower shall use its commercially reasonable efforts to provide Lender with such additional information and unaudited financial information concerning each Facility, the operations thereof and the Loan Parties as Lender may reasonably require, including, without limitation, for purposes of 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 Lender during the Loan Term, subject to the conditions that neither Borrower nor Guarantor shall be required to disclose information that is material non-public information or is subject to attorney-client privilege or the attorney work product doctrine or is protected health information.

4.4 Publication of Information.

Borrower specifically agrees that Lender may include financial information and such information concerning the operation of any Facility 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 Lender's securities or interests, and any other reporting requirements under applicable federal or state laws, including those of any successor to Lender.

ARTICLE 5 OPERATIONAL AND OTHER COVENANTS

5.1 Organizational Covenants.

(a) Prohibition of Assignments and Transfers by Borrower. Borrower shall not assign or attempt to assign its rights under this Agreement without the prior written consent of Lender in its sole discretion and any purported assignment without such consent shall be void. Without the prior written consent of Lender, which consent may be withheld in Lender's sole discretion, Borrower shall not suffer or permit any Transfer.

(b) Organizational Matters. Borrower shall not, and shall not permit any other Loan Party to, without the prior written consent of Lender, which will not be unreasonably withheld, absent a change in control, for clause (i) permit or suffer, (i) the admission of any new member, partner or shareholder to any Loan Party or its constituent entities; (ii) the amendment or modification of any Organizational Document except any such amendments or modifications that would not be adverse to Lender or otherwise result in the violation of the obligations of any Loan Party under this Agreement; (iii) any dissolution or termination of the existence of any Loan Party or its constituent entities; or, (iv) without notifying Lender at 30 days in advance, any change in any Loan Party's state of formation, organization or incorporation or in any Loan Party's name. Borrower shall cause each Loan Party to remain in good standing under its applicable state of formation except where such failure to remain in good standing is cured within 30 days after becoming aware of such failure.

(c) Notice of Change. Borrower shall give Lender prior written notice of any change in: (i) the location of Borrower's or any other Loan Party's place of business or its chief executive office if it has more than one place of business; and (ii) the location of Borrower's or any other Loan Party's books and records.

(d) Affiliate Transactions. Prior to any Loan Party entering into any new agreement with an Affiliate pertaining to a Facility, Borrower shall deliver to Lender a copy of such agreement, which shall be satisfactory to Lender in its reasonable discretion, and the terms of which shall be substantially similar to those that would be available on an arm's length basis with unaffiliated third parties for similar agreements. If requested by Lender, such agreement shall provide Lender the right to terminate it upon Lender's (or its designee's) taking possession of the ownership interests in Borrower or Guarantor. Schedule 3 sets forth those transactions or agreements with Affiliates that are in effect as of the date of this Agreement, and Lender acknowledges and consents to such Affiliate transactions.

(e) Distributions. Borrower shall not, and shall not permit any other Loan Party to, directly or indirectly, declare, order, pay, make or set apart any sum for any Distributions except for Permitted Distributions.

(f) Limited Purpose. Borrower shall do all things necessary to observe organizational formalities in all material respects and preserve its existence and the existence of each other Loan Party. Borrower shall, and shall cause each other Loan Party to, maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates. Borrower shall not, nor permit any other Person to, list Borrower's assets as assets on the financial statement of any other Person (other than with the other Loan Parties on a consolidated basis). Borrower shall file, and shall cause each other Loan Party to file, its tax returns in materially the same manner as Borrower and each Loan Party has filed its tax returns previously and in the Ordinary Course of Business.

(g) Organizational Formalities. Borrower shall, and shall cause each other Loan Party to, at all times (i) hold itself out to the public as a legal entity separate and distinct from any other entity; (ii) correct any known misunderstanding regarding its status as a separate entity; (iii) conduct business in its own name or its registered assumed name; (iv) not identify itself or any of its Affiliates as a division or part of the other, provided, however, that Borrower and the other Loan Parties shall be permitted to hold themselves out to the public as entities that operate as a common enterprise; (v) maintain and utilize separate stationery, invoices and checks bearing its own name; (vi) maintain, adequate capital for its normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; (vii) use commercially reasonable efforts to maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate (other than another Loan Party) or any other Person; and (viii) not commingle its

funds or other assets with those of any Affiliate (other than another Loan Party) or any other Person, and will hold all of its assets in its own name.

5.2 Operational Covenants.

(a) Furnishing Notices. Borrower shall promptly provide, or shall cause the applicable Loan Party to promptly provide, Lender with written notice of (i) any litigation, arbitration or other proceeding or governmental investigation pending or, to Borrower's Knowledge, threatened against any Loan Party that would reasonably be expected to have a Material Adverse Effect; (ii) the existence of any Event of Default or Potential Default; (iii) any strikes or other potential work stoppage pending or, to Borrower's Knowledge, threatened against any Facility; (iv) the receipt from any Governmental Authority of any notice of violation of any Environmental Laws or the release of any Hazardous Materials on, under or from an Facility, which in any such case under this clause (iv) could reasonably be expected to have a Material Adverse Effect; and (v) any infringement or claim of infringement by any other Person with respect to any Intellectual Property that would reasonably be expected to have a Material Adverse Effect. Furthermore, upon the written request of Lender, Borrower shall promptly provide Lender with a written statement detailing all capital or other equity contributions, directly or indirectly made, to any Loan Party.

(b) Maintenance of Properties. Borrower shall: (i) maintain, preserve and protect all of its material properties and equipment necessary in the operation of the Facilities in good working order and condition, ordinary wear and tear excepted and except as may be disposed of in the Ordinary Course of Business; (ii) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (iii) use the standard of care typical in the industry in the operation and maintenance of each of Facilities for its Primary Intended Use.

(c) Payment of Operating Expenses; Use of Proceeds; Other Payments. Borrower shall pay and discharge, on a timely basis as and when due, its Operating Expenses, except for such Operating Expenses that are being contested pursuant to Section 5.7 below or those for which the nonpayment or nondischarge could not reasonably be expected to have a Material Adverse Effect or result in a Lien against any Facility or any portion thereof. Borrower shall not, and shall not permit any other Loan Party to, breach or permit to exist any default under, the terms of any lease, commitment, contract, instrument or obligation to which it is a party, or by which its properties or assets are bound, except for such breaches or defaults which could not reasonably be expected to have a Material Adverse Effect. Borrower shall use the proceeds of the Pre-Petition Loan for general corporate purposes (including working capital purposes) of Borrower and the other Loan Parties.

(d) Compliance with Legal Requirements, Insurance Requirements and Authorizations. Borrower shall, and shall cause each other applicable Loan Party to, (i) comply in all material respects with all Legal Requirements and Insurance Requirements and obtain, maintain and comply in all material respects with all Authorizations, in each instance, applicable to it, its business or property, including the Facilities, except in such instances (i) that failure to comply with any such Legal Requirements, Insurance Requirements or Authorizations could not reasonably be expected to have a Material Adverse Effect; or (ii) the failure to obtain and maintain any such Authorization could not reasonably be expected to have a Material Adverse Effect or (iii) such Legal Requirement is being contested pursuant to Section 5.7.

(e) Material Contracts. Borrower shall, and shall cause each other applicable Loan Party to comply in all material respects with all Material Contracts. Borrower shall not, and shall not permit any other Loan Party to, amend, modify, supplement or otherwise change the terms of any Material Contract if the same (i) is contrary to the terms of this Agreement or any other Amended and Restated Loan Document; or (ii) could reasonably be expected to be adverse in any material respects to the rights and

remedies of Lender under the Amended and Restated Loan Documents or its ability to enforce the same. Borrower shall deliver to Lender an executed copy of any amendments or modifications to any Material Contracts entered into during the Loan Term.

5.3 Financial Covenants.

(a) No Additional Debt or Contingent Obligations. Borrower shall not, and shall not permit any other Loan Party to, directly or indirectly, create, incur, assume, guarantee or otherwise become or remain directly or indirectly liable with respect to (i) any Debt except for Permitted Debt; or (ii) any Contingent Obligations except for Permitted Contingent Obligations. Borrower shall not, and shall not permit any other Loan Party to, default on the payment of any Permitted Debt or Permitted Contingent Obligations unless the same could not reasonably be expected to have a Material Adverse Effect.

(b) Purchase of Assets, Investments. Borrower shall not, and shall not permit any other Loan Party to, directly or indirectly, (i) acquire or enter into any agreement to acquire any assets other than in the Ordinary Course of Business; (ii) engage or enter into any agreement to engage in any joint venture or partnership with any other Person; or (iii) acquire, own or enter into any agreement to acquire or own any Investment other than Permitted Investments.

(c) No Additional Liens. Borrower shall not, and shall not permit any other Loan Party to, create, incur, or permit to exist any Lien upon the Collateral or any Lien upon or pledge of any interest in Borrower or such Loan Party, except for Permitted Liens.

5.4 Regulatory Covenants.

(a) Filing Requirements. Borrower shall timely file or cause to be timely filed (after giving effect to any extension duly obtained), all necessary and required material notifications, reports, submissions, Authorization renewals and reports, which reports will be accurate and complete in all material respects and not misleading in any respect and shall not remain open or unsettled, except in accordance with applicable settlement appeals procedures, if applicable, that are timely and diligently pursued and except for any processing delays of any Governmental Authority.

(b) Compliance Program. During the Loan Term, Borrower shall maintain a current and effective corporate compliance program in form and substance reasonably satisfactory to Lender.

(c) Third Party Payor Programs; Medicare and Medicaid Programs. Borrower shall (i) remain in material compliance with the Legal Requirements of any Third Party Payor Programs in which Borrower participates to continue to receive reimbursement thereunder; (ii) provide to Lender upon request, an accurate, complete and current list of all Third Party Payor Programs currently in place with respect to each Facility, (iii) properly file in all material respects all Medicaid and Medicare cost reports; (iv) remain, qualified for participation in the Medicare and Medicaid programs, maintain current and valid Provider Agreements with such programs, and remain in material compliance with the conditions of participation in such programs; (v) maintain all approvals or qualifications necessary for capital reimbursement for any Facility; (vi) remain in material compliance with (A) all billing practices with respect to any Facility operated by Borrower and all Third Party Payors, including the Medicare and Medicaid programs and private insurance companies, and (B) all Legal Requirements and regulations and policies of such Third Party Payors and the Medicare and Medicaid Programs.

5.5 Loan Covenants.

(a) Loss of Note or other Amended and Restated Loan Documents. Upon notice from Lender of the loss, theft, or destruction of the Note and upon receipt of an affidavit of lost note and an indemnity reasonably satisfactory to Borrower from Lender, or in the case of mutilation of the Note, upon surrender of the mutilated Note, Borrower shall make and deliver a new note of like tenor in lieu of the then to be superseded Note. If any of the other Amended and Restated Loan Documents were lost or mutilated, Borrower agrees to execute and deliver replacement Amended and Restated Loan Documents in the same form of such Loan Document(s) that were lost or mutilated.

(b) Publicity. Lender reserves the right to publicize the making of the Pre-Petition Loan and, in such publicity, may include a description of the Facilities and the Loan and in connection therewith shall have the right to photograph and use pictures of the Facilities in any such advertisements, brochures, print, media and other copy. All news releases, publicity or advertising by Borrower or its Affiliates through any media intended to reach the general public which refers to the Amended and Restated Loan Documents or the financing evidenced by the Amended and Restated Loan Documents shall be subject to the prior written approval of Lender, such approval not to be unreasonably withheld; provided, however, that without prior Lender consent, Borrower or its Affiliates may reference the Pre-Petition Loan generally (without identifying Lender) for any purpose.

(c) Indemnification. Borrower shall indemnify, defend and hold harmless each Indemnified Party from and against all claims, injury, damage, liability, criminal and civil penalties, judgments, suits, excise taxes and Expenses of any and every kind arising from or related to (i) the operation or maintenance of any Facility; (ii) the breach of any representation or warranty made by any Loan Party hereunder or under any of the other Amended and Restated Loan Documents or the Amended and Restated DIP Loan Documents, or Cure Note Loan Documents; or (iii) the breach by Borrower of any of its obligations under this Agreement or the other Amended and Restated Loan Documents (collectively, the “**Indemnified Liabilities**”). Notwithstanding the immediately preceding sentence, no Indemnified Party shall be entitled to be indemnified against its own negligence or willful misconduct. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by such Indemnified Party. Upon written request by an Indemnified Party, Borrower will undertake, at its own costs and expense, on behalf of such Indemnified Party, using counsel reasonably satisfactory to the Indemnified Party, the defense of any legal action or proceeding whether or not such Indemnified Party shall be a party and for which such Indemnified Party is entitled to be indemnified pursuant to this Section 5.5(c). At Lender’s option, Lender may, at Borrower’s expense, prosecute or defend any action involving the priority, validity or enforceability of any of the Amended and Restated Loan Documents. No provision in this Section 5.5(c) shall in any manner limit or otherwise affect any indemnity to which Borrower or any other Loan Party is entitled to claim from any other Person.

(d) Estoppel Certificates. Within fifteen (15) Business Days following written request by Lender, Borrower shall furnish to Lender with a certificate, duly executed and certified, confirming (i) the amount of the original principal amount of the Note, and the unpaid principal amount of the Note; (ii) the rate of interest of the Note, (iii) the date payments of interest and/or principal were last paid; (iv) any defenses to the payment of the Obligations, and if any are alleged, the nature thereof; (v) that the Note and this Agreement have not been modified or if modified, giving particulars of such modification; (vi) that no Event of Default or Potential Default has occurred and is then continuing or if the same is not true, the nature of the Event of Default or Potential Default, the period of time it has existed and the action being taken to remedy such Event of Default or Potential Default, and (vii) such other matters as

Lender may reasonably request, including, without limitation, that the representations and warranties made hereunder remain true and accurate in all material respects as of the date of such certificate.

(e) Further Assurances. Borrower shall, and shall cause each other Loan Party to, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver all such further acts, documents and assurances as may from time to time be reasonably necessary or as Lender may from time to time reasonably request to carry out the intent and purposes of this Agreement and the other Amended and Restated Loan Documents and the transactions contemplated hereby and thereby, including all such actions to establish, create, preserve, protect and perfect a first priority Lien in favor of Lender in the equity interests in the entities comprising Borrower.

(f) Compliance with U.S.A. Patriot Act and Anti-Terrorism Laws. No Loan Party is or will become a person (individually, a “**Prohibited Person**” and collectively, “**Prohibited Persons**”) either listed on the specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, U.S. Department of the Treasury (the “**OFAC List**”) or otherwise subject to any other prohibition or restriction imposed by laws, regulations or executive orders, including Executive Order No. 13224, administered by the Office of Foreign Asset Control, U.S. Department of the Treasury (collectively the “**OFAC Rules**”). No Loan Party (i) is or will become owned or controlled by a Prohibited Person; (ii) is acting or will act for or on behalf of a Prohibited Person; (iii) is otherwise associated with or will become associated with a Prohibited Person; or (iv) is providing or will provide material, financial or technological support or other services to or in support of acts of terrorism of a Prohibited Person. Borrower will not enter into a lease with any Prohibited Person. Borrower will not knowingly enter into any residency agreement with a Prohibited Person and, in the event that Borrower does unknowingly enter into a residency agreement with a Prohibited Person, Borrower will take all appropriate action upon discovering that it has entered into a residency agreement with a Prohibited Person; provided, however, that nothing contained in this Agreement shall be construed as requiring Borrower to conduct an OFAC background check on any potential resident of a Facility unless the same is required under applicable Legal Requirements. Borrower will not enter into any lease or residency agreement or undertake any activities related to this Agreement in violation of the Federal Bank Secrecy Act, 31 U.S.C. §5311, *et seq.* or any federal or state laws, including but not limited to, 18 U.S.C. §§1956, 1957 and 1960 prohibiting money laundering and terrorist financing (collectively, “**Anti-Money Laundering Laws**”). Borrower shall provide and shall cause each Loan Party to provide information as Lender may reasonably require from time to time to permit Lender to satisfy its obligations under the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the “**Patriot Act**”), the OFAC Rules or the Anti-Money Laundering Laws. Borrower shall immediately notify Lender, and shall cause each Loan Party to immediately notify Lender, if Borrower or any Loan Party has knowledge that any Loan Party or any member or beneficial owner of any Loan Party is or becomes a Prohibited Person or (A) is convicted of, (B) pleads nolo contendere to (C) is indicted on or (D) is arraigned and held over on charges under the Anti-Money Laundering Laws or involving money laundering or predicate crimes to money laundering.

5.6 Authorized Representative.

Borrower hereby appoints Steven Vera as its “**Authorized Representative**” for purposes of dealing with Lender on behalf of Borrower in respect of any and all matters in connection with this Agreement, the other Amended and Restated Loan Documents, and the Pre-Petition Loan. The Authorized Representative shall have the power, in his discretion, to give and receive all notices, monies, approvals, and other documents and instruments, and to take any other action on behalf of Borrower. All actions by the Authorized Representative shall be final and binding on Borrower. Borrower may appoint a new Authorized Representative with Lender’s prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Lender may rely on the authority given to the Authorized

Representative until actual receipt by Lender of a duly authorized resolution substituting a different Person as the Authorized Representative whom Lender has previously approved. No more than one Person shall serve as Authorized Representative at any given time.

5.7 Contest Procedure.

Borrower and/or any other applicable Loan Party shall have the right to contest in good faith and with reasonable diligence the amount, validity or application, in whole or in part, of any Lien, Operating Expense, taxes and assessments levied or assessed with respect to any Facility, any licensure or certification decision, Legal Requirement or Insurance Requirement; provided however, that (a) Borrower shall give Lender prior written notice of its or such Loan Party's intent to so contest the obligation if the amount of such obligation exceeds Twenty-Five Thousand and No/100 Dollars (\$25,000.00); (b) the applicable Loan Party establishes such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP to be made on its books and records and financial statements with respect to such obligation; (c) compliance with the obligation that is the subject of such contest is effectively stayed during such challenge; (d) the applicable Loan Party's title to, and its right to use, the applicable Facility is not adversely affected thereby; (e) the applicable Facility or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by such Loan Party; (f) upon request by Lender, from time to time, Borrower provides Lender with notice of the status of such contest and confirmation of the continuing satisfaction of this definition; and (g) upon a final determination of such contest, the applicable Loan Party shall promptly comply with the requirements thereof.

ARTICLE 6 BORROWER'S REPRESENTATIONS AND WARRANTIES

6.1 Organizational Representations and Warranties.

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date:

(a) Organization. Each Loan Party is duly organized, validly existing and in good standing under the laws of the state of its formation with full power and authority to own its assets and conduct its business in all material respects. Each Loan Party's organizational structure and principal place of business is as set forth on Schedule 1 and each Loan Party's books of accounts and records are located at its principal place of business. Borrower has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Amended and Restated Loan Documents by it, and has the power and authority to execute, deliver and perform under this Agreement, the other Amended and Restated Loan Documents and all the transactions contemplated hereby and thereby.

(b) Binding Effect. This Agreement and the other Amended and Restated Loan Documents have been duly authorized, executed and delivered by Borrower and constitute legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) No Conflicts. The execution and delivery of this Agreement and the other Amended and Restated Loan Documents by Borrower and the performance of its obligations hereunder and thereunder will not conflict with, result in a breach of, or constitute a default under any of the terms, conditions or provisions of (i) any Organizational Document, (ii) any material term of any material agreement or

instrument to which Borrower or any other Loan Party is a party or by which it is bound, or result in the creation or imposition of any Lien on any of Borrower's or any other Loan Party's assets or property (other than pursuant to the Amended and Restated Loan Documents) or, (iii) to the best of Borrower's Knowledge, conflict with any provision of any Law, Legal Requirement or any order or other decree of any court or Governmental Authority to which Borrower, any other Loan Party or any Facility is subject.

(d) Enforceability. The Amended and Restated Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense by Borrower, including the defense of usury, nor would the operation of any of the terms of the Amended and Restated Loan Documents, or the exercise of any right thereunder, render the Amended and Restated Loan Documents unenforceable, and Borrower has not asserted any right of rescission, set-off, counterclaim or defense with respect thereto.

(e) Organizational Documents. On or prior to the Closing Date, true and complete copies of the Organizational Documents have been furnished to Lender. The Organizational Documents were duly executed and delivered, are in full force and effect, and binding upon and enforceable in accordance with their terms. No breach exists under the Organizational Documents and no act has occurred and no condition exists which, with the giving of notice or the passage of time would constitute a breach under the Organizational Documents.

(f) Equity Interests. All equity interests in Borrower are free and clear of all Liens other than those in favor of Lender (or an Affiliate of Lender). There are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Loan Party of any equity interests of any such Loan Party. No equity interest in any Loan Party is certificated.

(g) No Bankruptcy Action; Solvency. No Loan Party is Insolvent and there has been no Bankruptcy Action by or against any of them (other than the Bankruptcy Case). Borrower has (i) not entered into this Agreement or any Amended and Restated Loan Document with the actual intent to hinder, delay, or defraud any creditor; and (ii) received reasonably equivalent value in exchange for its obligations under the Amended and Restated Loan Documents. To Borrower's Knowledge, Borrower's assets do not and, immediately following the making of the Pre-Petition Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted.

(h) Foreign Person. No Loan Party is or will be a "foreign corporation", "foreign partnership", "foreign trust", "foreign estate", "foreign person", "affiliate" of a "foreign person" or a "United States intermediary" of a "foreign person" within the meaning of the Internal Revenue Code Sections 897, 1445 or 7701, the Foreign Investments in Real Property Tax Act of 1980, the International Investment and Trade Services Survey Act, the Agricultural Foreign Investment Disclosure Act of 1978, or the regulations promulgated pursuant to such Acts or any amendments to such Acts.

(i) OFAC. No Loan Party or any beneficial owner of Borrower is currently listed on the OFAC List.

(j) Investment Company Act. No Loan Party is (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; or (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

6.2 Operational Representations and Warranties.

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date and shall remain true and correct in all material respects through the Loan Term:

(a) Compliance. Borrower is in compliance in all material respects with all Legal Requirements and all Authorizations applicable to it or to its properties, including the Facilities, except in such instances in which such Legal Requirement or order, writ, injunction or decree is being contested in good faith by appropriate proceedings in accordance with the provisions set forth in Section 5.7.

(b) Litigation. Except as disclosed on Schedule 4, there is no action, suit, proceeding or investigation pending or, to Borrower's Knowledge, threatened against any Guarantor or any Loan Party in any court or by or before any other Governmental Authority that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Condemnation. No Condemnation or other proceeding has been commenced or, to Borrower's Knowledge, is contemplated with respect to all or any portion of any Facility or for the relocation of roadways providing access to any Facility.

(d) Material Contracts. The consummation of the transactions contemplated by the Amended and Restated Loan Documents will not give rise to a default, right of termination, or right of acceleration in favor of any party to any Material Contract, except for such Material Contracts the noncompliance with which would not reasonably be expected to have a Material Adverse Effect.

(e) No Default. As of the date hereof (i) there is no Event of Default under this Agreement or the other Amended and Restated Loan Documents (other than any Event of Default under any Amended and Restated Loan Document that has been expressly waived in writing by Lender as of or before the date hereof) and (ii) no Loan Party is in default in any material respect under any Material Contract.

(f) Intellectual Property. To the best of Borrower's Knowledge, Borrower conducts its business without infringement or claim of infringement of any intellectual property rights of others and there is no infringement or claim of infringement by others of any intellectual property rights of any Borrower, which infringement or claim of infringement could reasonably be expected to have a Material Adverse Effect.

6.3 Financial Representations and Warranties.

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date:

(a) Financial and Other Information. The financial statements and other documents and information furnished by or on behalf of Borrower or Guarantor to Lender prior to the Closing Date in connection with negotiation of this Agreement and the Amended and Restated Loan Documents (as modified or supplemented by other information so furnished), other than forward-looking information and projections and information of a general economic nature and general information about such Borrower's industry, are true, complete and correct in all material respects and fairly present on a consistent basis with the financial conditions of the subjects thereof as of the respective dates thereof and do not fail to state any material fact necessary to make such statements or information not misleading in light of the circumstances when such statements were made. As of the Closing Date, there is no fact or circumstance

presently known to any Loan Party which has not been disclosed to Lender and is reasonably likely to have a Material Adverse Effect.

(b) Tax Filings. To the extent required, each Loan Party has filed (or has obtained effective extensions for filing) all federal tax returns, and material state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal and material state and local taxes, charges and assessments payable by such Loan Party, except to the extent contested in accordance with the terms of Section 5.7. To the best of Borrower's Knowledge, the tax returns filed by each Loan Party have properly reflected the income and taxes of such Loan Party for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

(c) Federal Reserve Regulations. The Pre-Petition Loan is not being made for the purpose of purchasing or carrying "margin stock" within the meaning of Regulation G, T, U or X issued by the Board of Governors of the Federal Reserve System and no portion of the proceeds of the Pre-Petition Loan shall be used in any manner that would violate such Regulations or otherwise violate the Securities Act of 1933 or the Securities Exchange Act of 1934, and Borrower agrees to execute all instruments necessary to comply with all the requirements of Regulation U of the Federal Reserve System.

6.4 Regulatory Representations and Warranties

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date:

(a) Authorizations. Each applicable Borrower has each material Authorization and other rights from, and have made or will make all material declarations and filings with, all applicable Governmental Authorities, all self-regulatory authorities and all courts and other tribunals necessary to engage in the operation of its business and the ownership and management of its properties, including each of the Facilities for its Primary Intended Use. Except as set forth on Schedule 6.4(a), to Borrower's Knowledge, no Governmental Authority is considering limiting, suspending or revoking any such Authorization currently in effect. Except as set forth on Schedule 6.4(a), to Borrower's Knowledge, all Authorizations previously obtained are valid and in full force and effect and the applicable Borrower is in material compliance with the terms and conditions of all such Authorizations, except where failure to be in such compliance (or for an Authorization to be valid and in full force and effect) would not have a Material Adverse Effect.

(b) Specific Licensing. Each Facility is duly licensed for its Primary Intended Use under the applicable laws of the State. No Loan Party has granted to any third party the right to reduce the number of licensed beds, persons served or units in any Facility or the right to apply for approval to move any and all of the licensed beds, persons served or units in any Facility to any other location and there are no proceedings or contemplated to reduce the number of licensed beds, persons served or units in any Facility.

(c) Third Party Payor Program Matters.

(i) Except as set forth on Schedule 6.4(c), there is no investigation, audit, claim review or other action pending or, to Borrower's Knowledge, threatened which would, after giving effect to any grace or cure period to rectify any compliance failure, result in a revocation, suspension, termination, probation, restriction, limitation or non-renewal of any Third Party Payor Program participation agreement or provider number or other Authorization or result in a Borrower's exclusion from any Third Party Payor Program.

(ii) Each Borrower, as applicable, has the requisite Provider Agreement or provider number or other Authorization to bill the Medicare program and the Medicaid program in the State (if the applicable Borrower participates in such Medicare or Medicaid programs as of the Closing Date) and all other Third Party Payor Programs which have historically accounted for any portion of the revenues of such Facility.

(iii) Except as set forth on Schedule 6.4(c), to Borrower's Knowledge, no cost reports for any Facility remain "open" or unsettled and there are no current, pending or outstanding Medicare, Medicaid or other Third Party Payor Program reimbursement audits or appeals pending with respect to any Facility.

(d) No Violation of Healthcare Laws. To Borrower's Knowledge, it is not in violation of any Legal Requirements, including HIPAA and other Legal Requirements relating to healthcare and the operation of facilities similar to the Facilities, except where any such violation would not have a Material Adverse Effect.

(e) Hill-Burton. No Borrower is or will be a participant in any federal program whereby any federal, state or local government or quasi-governmental body, agency, board or other authority may have the right to recover funds by reason of the advance of federal funds, including, without limitation, those authorized under the Hill-Burton Act (42 U.S.C. 291, et seq.).

6.5 Loan Representations and Warranties.

To induce Lender to execute this Agreement and perform its obligations hereunder, Borrower hereby represents and warrants to Lender that the following are true and correct as of the Closing Date:

(a) Consents. No consent, approval, authorization or order of any Governmental Authority or other Person is required for the execution, delivery and performance by Borrower of, or compliance by Borrower with, this Agreement or the other Amended and Restated Loan Documents or the consummation of the transactions contemplated hereby and thereby, other than those which have been obtained by Borrower.

(b) Recitals. All statements set forth in the Recitals are true and correct.

(c) Full and Accurate Disclosure. To Borrower's Knowledge, no information contained in this Agreement, the other Amended and Restated Loan Documents, or any written statement furnished by or on behalf of Borrower pursuant to the terms of this Agreement (as modified or supplemented by other information so furnished), other than forward-looking information and projections and information of a general economic nature and general information about Borrower's industry, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in any material respect in light of the circumstances under which they were made. There is no material fact presently known to Borrower that has not been disclosed to Lender which would reasonably be expected to result in a Material Adverse Effect.

ARTICLE 7 ENVIRONMENTAL MATTERS

7.1 Environmental Representations and Warranties.

Borrower hereby represents and warrants to Lender that, as of the Closing Date (a) no Facility is subject to any federal, state or local investigation to determine whether any remedial work is needed to

address any environmental pollution, Hazardous Material or environmental clean-up, (b) no Loan Party has received any written notice with respect to any alleged violation of Legal Requirements relating to Hazardous Material, and (c) no Loan Party has any material contingent liability with respect to any release of Hazardous Materials or environmental pollution on, under or from any Facility.

7.2 Environmental Covenants.

Borrower shall:

(a) Comply in all material respects with all Legal Requirements relating to Hazardous Material;

(b) not install, use, generate, manufacture, store, treat, release or dispose of, nor permit the installation, use, generation, storage, treatment, release or disposal of, Hazardous Material on, under or about any Facility except for materials used in the Ordinary Course of Business (and in compliance with all Legal Requirements in all material respects) of such Facility;

(c) obtain and comply in all material respects with any and all Authorizations required by applicable Legal Requirements relating to Hazardous Material;

(d) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under applicable all Legal Requirements relating to Hazardous Material following any release of Hazardous Materials, and promptly comply in all material respects with all lawful orders and directives of any Governmental Authority regarding such all Legal Requirements relating to Hazardous Material; and

(e) not install or allow to be installed any tanks for the storage of Hazardous Material on, at or under any Facility except for materials used in the Ordinary Course of Business and in compliance with all Legal Requirements.

7.3 Environmental Indemnity.

Borrower shall protect, indemnify, defend and hold harmless each Indemnified Party from and against any and all actual or potential claims, liabilities, damages (direct or indirect) and Expenses (foreseeable or unforeseeable) that arise out of or relate in any way to (the “**Indemnified Environmental Liabilities**”) (a) any breach of any representation, warranty or covenant contained in this Article 7, (b) any Environmental Proceedings or any use, handling, production, transportation, disposal, release or storage of any Hazardous Material in, under or on any Facility, whether by any Loan Party or any other Person, (c) any exercise by Lender of any of its rights and remedies under this Article 7, including, without limitation, the costs of any required or necessary investigation, assessment, testing, remediation, repair, cleanup, or detoxification of any Facility and the preparation of any closure or other required plans; provided, however, that none of the Borrower or any other Loan Party shall have any obligation to any Indemnified Party hereunder to the extent that it is finally judicially determined that such Indemnified Environmental Liabilities arose from the gross negligence, illegal acts, fraud or willful misconduct of such Indemnified Party.

7.4 Remedies Upon an Environmental Default.

In addition to any other rights or remedies Lender may have under this Article 7, at law or in equity, if Borrower shall fail to timely comply in any material respect with any of the provisions of this Article 7, or if any representation or warranty made in this Article 7 proves to be false or misleading in

any material respect, then, after (a) delivering written notice to Borrower, which notice specifically states that Borrower has failed to comply with the provisions of this Article 7; and (b) the expiration of the earlier to occur of (i) a sixty (60) day period after receipt of such notice and (ii) the cure period, if any, permitted under any applicable Legal Requirements with which the applicable Loan Party shall have failed to comply, Lender may declare an immediate Event of Default and exercise any and all remedies provided for herein or any other Amended and Restated Loan Documents, and do or cause to be done whatever is reasonably necessary to cause the applicable Facility to comply with all Legal Requirements relating to Hazardous Material and other Legal Requirements and the cost thereof shall constitute an Expense hereunder and shall become immediately due and payable by Borrower without notice and with interest thereon at the Default Rate until paid. Borrower shall cause each applicable Loan Party to give to Lender access to each Facility for the purpose of effecting such compliance and hereby specifically grants, for itself and each other Loan Party, to Lender a license, effective upon expiration of the applicable period as described above, if any, to do whatever is necessary to cause the applicable Facility to so comply, including, without limitation, to enter such Facility and remove therefrom any Hazardous Material or otherwise comply with any Legal Requirements relating to Hazardous Material.

7.5 Unconditional Environmental Obligations.

Notwithstanding any term or provision contained herein or in the other Amended and Restated Loan Documents, the covenants and obligations of Borrower under this Article 7 (the “**Environmental Obligations**”) are unconditional. Borrower shall be fully liable for the Environmental Obligations, and such liability shall not be limited to the original principal amount of the Pre-Petition Loan, but shall be limited to Lender’s actual costs and damages. The Environmental Obligations shall be enforceable by Lender, its Affiliates and its successors and assigns. The Environmental Obligations shall survive the repayment of the Pre-Petition Loan and any foreclosure or transfer in lieu of foreclosure or similar proceedings or any transfer of title (directly or indirectly) to the Property or any portion thereof or of the equity interests in Borrower.

7.6 Indemnification Separate from the Pre-Petition Loan.

(a) Borrower agrees that the Environmental Obligations are separate, independent of and in addition to the undertakings of Borrower pursuant to the Pre-Petition Loan, the Note, the other provisions of this Agreement and the other Amended and Restated Loan Documents. A separate action may be brought to enforce the provisions of this Article 7, which shall in no way be deemed to be an action on the Note, whether or not the Pre-Petition Loan has been repaid and whether or not Lender would be entitled to a deficiency judgment following a judicial foreclosure, trustee’s sale or UCC sale. The Environmental Obligations shall not be affected by any exculpatory provisions contained in the Note, this Agreement or any of the other Amended and Restated Loan Documents. All rights and obligations of this Article 7 shall survive performance and repayment of the obligations evidenced by and arising under the Amended and Restated Loan Documents, surrender of the Note, releasing of the Pledge Agreement, release of other security provided in connection with the Pre-Petition Loan, trustee’s sale or foreclosure under the Pledge Agreement and/or any of the other Amended and Restated Loan Documents (whether by transfer or other assignment in lieu of foreclosure, or otherwise), acquisition of the Facilities by Lender, any other transfer of the Facilities, and transfer of Lender’s rights in the Pre-Petition Loan and the Amended and Restated Loan Documents.

(b) In connection with the breach of any Environmental Obligation, Borrower waives all rights to require Lender to (i) proceed against or exhaust any security for the Pre-Petition Loan or (ii) pursue any remedy in Lender’s power whatsoever. Borrower waives all defenses by reason of any disability or other defense under the Pre-Petition Loan or by reason of the cessation from any cause whatsoever of its liability under the Pre-Petition Loan, or that it may acquire by reason of Lender’s

election of any remedy against it including, without limitation, Lender's exercise of its rights to foreclose under the Pledge Agreement.

ARTICLE 8 GRANT OF SECURITY INTEREST; COLLATERAL

8.1 Grant of Security Interest.

As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the obligations under this Agreement, the Note and the other Amended and Restated Loan Documents, each of the entities comprising Borrower hereby grant to Lender a security interest in and right of set-off against, all of Borrower's right, title and interest in the following personal property, whether now owned by Borrower or hereafter acquired and whether now existing or hereafter coming into existence and wherever located (all being collectively referred to herein as the "**Collateral**"): accounts, inventory, goods, documents, equipment, instruments, letter-of-credit rights, general intangibles, payment intangibles, commercial tort claims, records, software, securities (as defined in Section 8-102 of the Uniform Code, security entitlements (as defined in Section 8-102 of the Uniform Code), securities accounts (as defined in Section 8-501 of the Uniform Code), investment property, chattel paper, fixtures, deposit accounts and all other tangible and intangible property of Borrower, including, without limitation, all proceeds, tort claims, products, accessions, rents, profits, income, benefits, substitutions, additions and replacements of and to any of the property of Borrower described above (including, without limitation, any proceeds of insurance thereon, insurance claims and all rights, claims and benefits against any Person relating thereto).

8.2 Authorization to File Financing Statements.

Borrower hereby irrevocably authorizes Lender at any time and from time to time to file, at Borrower's expense, in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of Borrower whether now existing or hereafter arising or acquired, including all proceeds thereof, or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by Part 5 of Article 9 of the Uniform Code for the sufficiency or filing office acceptance of any financing statement or amendment

8.3 Perfection and Maintenance of Security Interest and Lien.

Borrower agrees that until all of the Obligations have been paid in full (other than unasserted contingent obligations), Lender's security interests in and Liens on and against the Collateral shall continue in full force and effect. Borrower shall perform any and all steps reasonably requested by Lender to perfect, maintain and protect Lender's security interests in and Liens on and against the Collateral granted or purported to be granted hereby or to enable Lender to exercise its rights and remedies hereunder with respect to any Collateral, including, without limitation, (i) executing and filing financing or continuation statements, or amendments thereof, in form and substance reasonably satisfactory to Lender, (ii) delivering to Lender all certificated securities, notes and other instruments (including, without limitation, all letters of credit on which Borrower is named as a beneficiary) representing or evidencing Collateral, which certificates, notes and other instruments have been duly endorsed and are accompanied by duly executed instruments of transfer or assignment, including, but not limited to, note powers, all in form and substance reasonably satisfactory to Lender, and (iii) executing and delivering further instruments and documents, including any stock powers or similar instruments of assignment, and taking all further action as Lender may reasonably request from time to time in order to carry out the provisions

and purposes of this Agreement. This Agreement constitutes a security agreement under the Uniform Code. Lender is authorized to file a UCC-1 Financing Statement and such other documents and instruments as Lender may deem to desirable to establish and perfect the security interest granted in the Collateral.

ARTICLE 9 EVENTS OF DEFAULT AND REMEDIES

9.1 Events of Default.

The occurrence of any one or more of the following shall constitute an “**Event of Default**” as said term is used herein:

(a) Failure of Borrower to pay when due within two (2) Business Days after the due date, any interest, principal, premium, fee or any other amount payable under any Amended and Restated Loan Document;

(b) Failure of Borrower to strictly comply, and to cause strict compliance, with the provisions of Section 5.1, Section 5.3(a), Section 5.3(b), Section 5.3(c), Section 5.5(f) and Article 7;

(c) Failure of Borrower for a period of thirty (30) days after written notice from Lender, to observe or perform (or to cause observance or performance of) any non-monetary covenant or condition contained in this Agreement or any other Amended and Restated Loan Document not otherwise set forth in this Section 9.1; provided that if any such failure concerning a non-monetary covenant or condition is susceptible to cure and cannot reasonably be cured within said thirty (30) day period, then Borrower shall have an additional sixty (60) day period to cure such failure and no Event of Default shall be deemed to exist hereunder so long as Borrower commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting ninety (90) day period from the date of Lender’s notice; and provided further that if a different notice or grace period is specified under any other subsection of this Section 9.1 with respect to a particular breach, or if another subsection of this Section 9.1 applies to a particular breach and does not expressly provide for a notice or grace period, the specific provision shall control;

(d) The revocation or termination of any Authorization that would have a Material Adverse Effect, the voluntarily cessation of any material operations at any Facility (except as a result of casualty or Condemnation), the sale or transfer of all or any portion of any material Authorization or the use of any Facility other than for its Primary Intended Use;

(e) Any material suspension, limitation or restriction placed upon any Loan Party, any Authorization, any Facility, the operations at any Facility or any Loan Party’s or Facility’s ability to admit residents or patients at any Facility (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 the applicable Loan Party under the applicable Authorization or Legal Requirement, it shall not constitute an Event of Default if Borrower or the applicable Loan Party promptly commences to cure such breach and thereafter diligently pursues such cure to the completion thereof within the lesser of: (a) the cure period under the applicable Legal Requirement or Authorization, or (b) sixty (60) days after the occurrence of any such material suspension, limitation or restriction;

(f) If any warranty, representation, statement, report or certificate made now or hereafter by Borrower or Guarantor is untrue or incorrect in any material respect at the time made or delivered,

provided that if such breach is reasonably susceptible of cure, then no Event of Default shall exist so long as the applicable party cures said breach (i) by the due date provided in (a) above for a breach that can be cured by the payment of money or (ii) within the notice and cure period provided in (c) above for any other breach;

(g) A Bankruptcy Action is taken by or against any of the entities comprising Borrower or Guarantor or an attachment or execution is levied against any Facility;

(h) (i) If an attachment or execution is levied against the assets of any Loan Party, which is not released within sixty (60) days, or (ii) one or more final and non-appealable judgments or decrees shall be entered against any Loan Party involving in the aggregate a liability in excess of \$50,000 and such judgment or decree is not bonded, settled or dismissed within sixty (60) days after the entry of such judgment or decree;

(i) The institution by any Governmental Authority of criminal proceedings against any Loan Party which is not settled or dismissed within sixty (60) days from the institution thereof;

(j) If, for any reason, the aggregate amount of Borrower's accounts receivable generated from the operation of the Facilities (excluding Medicaid pending) that is unpaid for longer than the earlier of (i) 120 after the invoice date, and (ii) 120 days after the applicable claim date), exceeds fifty percent (50%) of "Beginning A/R". As used herein, "Beginning A/R" means _____;

(k) The sale by Steven Vera, an individual, of any of his direct or indirect membership interests in Guarantor or any Borrower, except to a trust or similar entity for estate planning purposes that is controlled by Mr. Vera;

(l) A material reduction in the hours committed by Steven Vera, an individual, to the business(es) owned and/or operated by Borrower; or

(m) The occurrence of any other event or circumstance constituting a default or denominated as an Event of Default herein or under any of the other Amended and Restated Loan Documents or the Guaranty, the Master Lease, the Amended and Restated DIP Loan Documents, Cure Note Loan Documents, or any other Material Contract and the expiration of any applicable grace or cure periods, if any, specified for such default or Event of Default therein. For the avoidance of doubt, a default under any Material Contract that continues beyond the expiration of any applicable grace or cure period provided for in such Material Contract shall, immediately upon the expiration of any such grace or cure period, become an Event of Default under this Agreement and Borrower shall not have any additional notice or cure period beyond any provided for in said Material Contract.

9.2 Remedies Conferred Upon Lender.

(a) Upon the occurrence and during the continuation of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Amended and Restated Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Obligations shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Amended and Restated Loan Documents. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of

Lender permitted by law, equity or contract or as set forth herein or in the other Amended and Restated Loan Documents.

(b) Any amounts recovered from collateral for the Pre-Petition Loan after the occurrence and during the continuation of an Event of Default may be applied by Lender toward the payment of any interest and/or principal of the Pre-Petition Loan and/or any other amounts due under the Amended and Restated Loan Documents in such order, priority and proportions as Lender in its sole discretion shall determine.

(c) Upon the occurrence and during the continuation of an Event of Default, Lender may declare all unpaid principal of and accrued interest on the Note, together with all other sums payable under the Amended and Restated Loan Documents, to be immediately due and payable, whereupon the same shall become and be immediately due and payable, anything in the Amended and Restated Loan Documents to the contrary notwithstanding, and without presentation, protest or further demand or notice of any kind, all of which are expressly hereby waived by Borrower.

(d) Upon the occurrence and during the continuation of an Event of Default, Lender may appoint or seek appointment of a receiver, without notice and without regard to the solvency of Borrower or the adequacy of the security, for the purpose of preserving any Facility, preventing waste, and to protect all rights accruing to Lender by virtue of this Agreement and the other Amended and Restated Loan Documents.

(e) Upon the occurrence and during the continuation of an Event of Default, for the purposes of carrying out the provisions and exercising the rights, powers and privileges granted by or referred to in this Agreement, Borrower hereby irrevocably constitutes and appoints Lender its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any instruments and do and perform any acts which are referred to in this Agreement, in the name and on behalf of Borrower. The power vested in such attorney-in-fact is, and shall be deemed to be, coupled with an interest and irrevocable.

(f) Except as otherwise expressly set forth herein, Borrower hereby waives to the extent not prohibited by applicable law (a) all presentments, demands for payment or performance, notices of nonperformance (except to the extent required by the provisions hereof or of any other Amended and Restated Loan Documents), protests and notices of dishonor, (b) any requirement of diligence or promptness on Lender's part in the enforcement of its rights (but not fulfillment of its obligations) under the provisions of this Agreement or any other Loan Document, and (c) any and all notices of every kind and description which may be required to be given by any statute or rule of law and are not otherwise required to be given hereunder or under any other Amended and Restated Loan Document, to the fullest extent permitted by applicable law.

(g) No course of dealing and no delay or omission by Lender or Borrower in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. No waiver or consent by Lender shall be binding upon Lender unless it is in writing and signed by Lender. Lender's exercise of Lender's right to remedy any default by Borrower to Lender or any other Person shall not constitute a waiver of the default remedied, a waiver of any other prior or subsequent default by Borrower or a waiver of the right to be reimbursed for any and all of its expenses in so remedying such default.

(h) The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Amended and Restated Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's sole discretion. No delay or omission to exercise any remedy, right or power accruing upon the occurrence and continuation of an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one default or Event of Default with respect to Borrower shall not be construed to be a waiver of any subsequent default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon.

ARTICLE 10 LOAN EXPENSE, COSTS AND ADVANCES

10.1 Loan and Administration Expenses.

Except as otherwise expressly provided in this Agreement, Borrower unconditionally agrees to pay all reasonable costs and expenses of Lender incurred in attempting to enforce or collect payment of the Pre-Petition Loan or enforce any rights of Lender or Borrower's obligations hereunder and expenses of Lender incurred (including expenses relating to documentary and expert evidence) in attempting to realize on any security for the Pre-Petition Loan (including, but not limited to, any foreclosure sale of the equity interests in Borrower, conveyance in lieu transaction or costs incurred in connection with any litigation or bankruptcy or administrative hearing and any appeals therefrom and any post-judgment enforcement action including, without limitation, supplementary proceedings in connection with the enforcement of this Agreement). All such costs or expenses incurred or advances or payments made by Lender shall also include court costs, reasonable legal fees and disbursements relating thereto and shall be included as additional Obligations evidenced by the Note and secured by the Pledge Agreement and the other Amended and Restated Loan Documents and, if not paid within thirty (30) days after payment is requested by Lender, shall bear interest at the Default Rate from the date due until paid. Borrower agrees to pay all brokerage, finder or similar fees or commissions payable in connection with the transactions contemplated hereby and shall indemnify, defend and hold harmless Lender against all claims, liabilities, and Expenses arising in relation to any claim by broker, finder or similar person. Lender is hereby authorized, without any specific request or direction by Borrower, to make disbursements from time to time in payment of or to reimburse Lender for all Loan expenses and fees.

10.2 Right of Lender to Make Advances to Cure Borrower's Defaults.

In the event that Borrower fails to perform any of Borrower's covenants, agreements or obligations contained in this Agreement or any of the other Amended and Restated Loan Documents (after the expiration of applicable grace periods, except in the event of an emergency or other exigent circumstances), Lender may (but shall not be required to) perform any of such covenants, agreements and obligations, and any amounts expended by Lender in so doing shall constitute additional Obligations evidenced by the Note and secured by the Pledge Agreement and the other Amended and Restated Loan Documents and shall bear interest at a rate per annum equal to the Default Rate until paid.

**ARTICLE 11
GENERAL PROVISIONS**

11.1 Captions.

The captions and headings of various Articles, Sections and subsections of this Agreement and the other Amended and Restated Loan Documents and the Exhibits and Schedules pertaining thereto are for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions hereof or thereof.

11.2 Lender's Discretion.

(a) Whenever pursuant to this Agreement Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole discretion of Lender and shall be final and conclusive.

(b) Whenever pursuant to this Agreement Lender has exercised any right given to it to disapprove any materials submitted in writing from Borrower, any resubmission for reconsideration by Borrower to Lender of such materials must be accompanied by a version of such materials clearly showing (by way of a "blackline", "redline" or otherwise) any changes made from the version of such materials previously submitted. Any time period within which Lender may be obligated by the terms of this Agreement to provide its approval or disapproval shall not commence until such time as Lender shall have received such version showing such changes.

(c) Lender may, in Lender's sole and absolute discretion, accept or reject any proposed cure of an Event of Default. In no event shall any portion of this Agreement or any of the other Amended and Restated Loan Documents which provides that Lender shall have certain rights and/or remedies only during the continuance of an Event of Default be construed so as to require Lender to accept a cure of any such Event of Default. Unless and until Lender expressly accepts any proposed cure of an Event of Default or waives an Event of Default in writing, such Event of Default shall be deemed to be continuing for purposes of this Agreement and the other Amended and Restated Loan Documents.

11.3 Governing Law.

THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER AND THE OTHER AMENDED AND RESTATED LOAN DOCUMENTS AND THE OBLIGATIONS ARISING THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA.

11.4 Jurisdiction.

ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER AMENDED AND RESTATED LOAN DOCUMENTS MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN SUFFOLK COUNTY IN THE COMMONWEALTH OF MASSACHUSETTS, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON-CONVENIENS OF ANY

SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING.

11.5 Waiver of Jury Trial.

EACH OF BORROWER AND LENDER HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND TO THE GREATEST EXTENT PERMITTED BY LAW WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE AMENDED AND RESTATED LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. BORROWER AND LENDER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

11.6 Modification; Consent.

No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower, shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances.

11.7 Delay Not a Waiver.

Neither any failure nor any delay on the part of Lender or Borrower in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder or under any other Amended and Restated Loan Document, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, with respect to Lender, and not by way of limitation, by accepting payment after the due date of any amount payable under this Agreement or any other Amended and Restated Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Agreement or the other Amended and Restated Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount.

11.8 Waivers; Acquiescence or Forbearance.

(a) Borrower for itself and all endorsers, guarantors (except as may be otherwise provided in the Guaranty) and sureties and their heirs, legal representatives, successors and assigns, (i) waives presentment for payment, demand, notice of nonpayment or dishonor, protest of any dishonor, protest and notice of protest and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of the Pre-Petition Loan; (ii) waives and renounces all rights to the benefits of any statute of limitations and any moratorium, reinstatement, marshalling, forbearance, valuation, stay, extension, redemption, appraisalment, or exemption and homestead laws now provided, or which may

hereafter be provided, by the laws of the United States and of any state thereof against the enforcement and collection of the obligations evidenced by the Note or this Loan Agreement or as a bar to the enforcement of the Lien or security interest created by any of the Amended and Restated Loan Documents.

(b) Borrower for itself and all endorsers, guarantors (except as may be otherwise provided in the Guaranty) and sureties and their heirs, legal representatives, successors and assigns, (i) agrees that its liability shall not be in any manner affected by any indulgence, extension of time, renewal, waiver, or modification granted or consented to by Lender; (ii) consents to any indulgences and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Loan Agreement, the Note, and to any substitution, exchange or release of the collateral, or any part thereof, with or without substitution, and agrees to the addition or release of any Borrower, endorsers, guarantors, or sureties, or whether primarily or secondarily liable, without notice to Borrower and without affecting its liability hereunder; (iii) agrees that its liability shall be unconditional and without regard to the liability of any other person or entity; and (iv) expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing.

(c) Each and every covenant and condition for the benefit of Lender contained in this Agreement and the other Amended and Restated Loan Documents may be waived by Lender, provided, however, that to the extent that Lender may have acquiesced in any noncompliance with any requirements or conditions precedent to the closing of the Pre-Petition Loan, Lender may at any time after such acquiescence require Borrower to comply with all such requirements. Any forbearance by Lender in exercising any right or remedy under any of the Amended and Restated Loan Documents, or otherwise afforded by applicable law, including any failure to accelerate the maturity of the Pre-Petition Loan shall not be a waiver of or preclude the exercise of any right or remedy nor shall it serve as a novation of the Note or as a reinstatement of the Pre-Petition Loan or a waiver of such right of acceleration or the right to insist upon strict compliance of the terms of the Amended and Restated Loan Documents. Lender's acceptance of payment of any sum secured by any of the Amended and Restated Loan Documents after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other Liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the Pre-Petition Loan, nor shall Lender's receipt of any awards, proceeds, or damages under Article 9 of this Agreement operate to cure or waive Borrower's default in payment of sums secured by any of the Amended and Restated Loan Documents.

11.9 Preferences.

Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the obligations of Borrower hereunder. To the extent Borrower makes a payment or payments to Lender, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

11.10 Disclaimer by Lender.

Lender shall not be liable to any contractors, subcontractors, supplier, architect, engineer or other party for labor or services performed or materials supplied in connection with any Facility. Lender shall

not be liable for any debts or claims accruing in favor of any such parties against Borrower or others or against any Facility. Lender neither undertakes nor assumes any responsibility or duty to Borrower to select, review, inspect, supervise, pass judgment upon or inform Borrower of any matter in connection with any Facility. Borrower shall rely entirely upon its own judgment with respect to such matters, and any review, inspection, supervision, exercise of judgment or supply of information to Borrower by Lender in connection with such matters is for the protection of Lender only, and neither Borrower nor any third party is entitled to rely thereon.

11.11 Partial Invalidity; Severability.

If any of the provisions of this Agreement or the other Amended and Restated Loan Documents, or the application thereof to any person, party or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the other Amended and Restated Loan Documents, or the application of such provision or provisions to persons, parties or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and to this end, the provisions of this Agreement and all the other Amended and Restated Loan Documents are declared to be severable.

11.12 Definitions Include Amendments.

Definitions contained in this Agreement which identify documents, including, but not limited to, the Amended and Restated Loan Documents, shall be deemed to include all amendments and supplements to such documents from the date hereof, and all future amendments, modifications, and supplements thereto entered into from time to time to satisfy the requirements of this Agreement or otherwise with the consent of Lender. Reference to this Agreement contained in any of the foregoing documents shall be deemed to include all amendments and supplements to this Agreement.

11.13 Entire Agreement.

This Agreement (including all Exhibits and Schedules hereto), taken together with all of the other Amended and Restated Loan Documents and all certificates and other documents delivered by Borrower to Lender, embody the entire agreement with respect to the Pre-Petition Loan and supersede all prior commitments, agreements, representations, and understandings, written or oral, relating to the subject matter hereof, and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto.

11.14 Waiver of Damages.

In no event shall Lender be liable to Borrower for punitive, exemplary or consequential damages, including, without limitation, lost profits, whatever the nature of a breach by Lender of its obligations under this Agreement or any of the Amended and Restated Loan Documents, and Borrower waives all claims for punitive, exemplary or consequential damages.

11.15 Waiver of Notice.

Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Amended and Restated Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with

respect to any matter for which this Agreement or the other Amended and Restated Loan Documents do not specifically and expressly provide for the giving of notice by Lender to Borrower.

11.16 Limitation on Liability.

(a) Neither Lender nor any officer, director, employee, attorney, or agent of Lender shall have any liability with respect to, and each entity comprising Borrower hereby waive, release, and agree not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by Borrower in connection with, arising out of, or in any way related to, this Agreement, or any of the Amended and Restated Loan Documents, or any of the transactions contemplated by this Agreement or any of the Amended and Restated Loan Documents. Each entity comprising Borrower hereby waive, release, and agree not to sue Lender or any of Lender's Affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the Amended and Restated Loan Documents, or any of the transactions contemplated by this Agreement or any of the Amended and Restated Loan Documents.

(b) All attorneys, accountants, appraisers, and other professional Persons and consultants retained by Lender shall have the right to act exclusively in the interest of Lender and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to Borrower or any of Borrower's equity holders or any other Person. Documents in connection with the transactions contemplated hereunder have been prepared by counsel engaged by Lender and Borrower acknowledges and understands that Lender's counsel are acting solely as counsel to Lender in connection with the transaction contemplated herein, are not representing Borrower in connection therewith, and have not, in any manner, undertaken to assist or render legal advice to Borrower with respect to this transaction. Borrower has been advised to seek other legal counsel to represent each Borrower's interests in connection with the transactions contemplated herein.

(c) No failure by Lender to perform any of its obligations hereunder shall be a valid defense to, or result in any offset against, any payments that Borrower is obligated to make under any of the Amended and Restated Loan Documents. The obligations of Borrower under this Agreement and the other Amended and Restated Loan Documents shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower, or any other party, against any participant by reason of such participant's failure to perform its obligations under this Agreement, including, without limitation, the failure of any participant to fund any advance. Borrower acknowledges that the foregoing waivers are or may be essential to Lender's ability to enforce its remedies without delay and that such waiver therefore constitutes a substantial part of the bargain between Lender and Borrower with regard to the Pre-Petition Loan. In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where, by law or under this Agreement or the other Amended and Restated Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, neither Lender nor its agents shall be liable for any monetary damages, and Borrower's sole remedy shall be limited to commencing an action seeking injunctive relief or declaratory judgment. Any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment. Any expedited procedure legally available with such a declaratory judgment action or action for injunctive relief may be utilized to the extent possible.

11.17 Set-Offs.

Any assignee of Lender's interest in and to this Agreement and the other Amended and Restated Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are

unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

11.18 Joint and Several.

If more than one Person is Borrower under this Agreement, the liability of such Persons under this Agreement shall be joint and several.

11.19 Relationship.

The relationship between Lender and Borrower shall be that of creditor-debtor only. No term in this Agreement or in the other Amended and Restated Loan Documents and no course of dealing between the parties shall be deemed to create any relationship of agency, partnership, joint venture, tenancy in common or joint tenancy or any fiduciary duty by Lender to Borrower or any other party.

11.20 No Third Party Beneficiaries.

This Agreement and the other Amended and Restated Loan Documents are solely for the benefit of Lender and nothing contained in this Agreement or the other Amended and Restated Loan Documents shall be deemed to confer upon anyone other than Lender any right to insist upon or to enforce the performance or observance of any of the obligations contained herein or therein and no other person or persons shall have any benefits, rights or remedies under or by reason of this Agreement or the other Amended and Restated Loan Documents, or by reason of any actions taken by Lender pursuant to this Agreement or the other Amended and Restated Loan Documents.

11.21 Agents.

In exercising any rights under the Amended and Restated Loan Documents or taking any actions provided for therein, Lender may act through its employees, agents or independent contractors as authorized by Lender.

11.22 Conflict; Construction of Documents; Reliance.

In the event of any conflict between the provisions of this Agreement and any of the other Amended and Restated Loan Documents, the provisions of this Agreement shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Amended and Restated Loan Documents and that the Amended and Restated Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan without relying in any manner on any statements, representations or recommendations of Lender or any parent, subsidiary or affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Amended and Restated Loan Documents or any other agreements or instruments which govern the Pre-Petition Loan by virtue of the ownership by it or any parent, subsidiary or affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages

in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

11.23 Interpretation.

With respect to all Amended and Restated Loan Documents, whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The word “obligations” is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions. No listing of specific instances, items or matters in any way limits the scope or generality of any language in the Amended and Restated Loan Documents. This Agreement and all of the other Amended and Restated Loan Documents shall not be construed more strictly against one party than against the other, merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties.

11.24 Successors and Assigns.

Subject to the restrictions on transfer and assignment contained in Section 5.1(a) of this Agreement, this Agreement and the other Amended and Restated Loan Documents shall inure to the benefit of and shall be binding on Lender and Borrower and their respective legal representative, successors and permitted (in the case of Borrower) assigns.

11.25 Time is of the Essence.

Borrower agrees that time is of the essence under this Agreement and the other Amended and Restated Loan Documents and the performance of each of the covenants and agreements contained herein and therein.

11.26 Notices.

All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a “Notice”) required, permitted or desired to be given hereunder shall be in writing sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 11.26. Lender shall use commercially reasonable efforts to provide copies of notices rendered to Borrower to the additional parties specified below, but the failure to effect any such Notice to such additional party shall not affect the validity and full force and effect of such Notice upon Borrower. Any Notice shall be deemed to have been received on the date of delivery if delivered during business hours on a Business Day (otherwise on the next Business Day), in each case addressed to the parties as follows:

If to Borrower:

c/o Wachusett Ventures, LLC
11 Mayor Thomas J. McGrath Highway
Quincy, MA 02169
Attn: Steven Vera

If to Lender:

c/o Sabra Health Care REIT, Inc.
18500 Von Karman Avenue, Suite 550
Irvine, California 92612
Attn: Richard K. Matros

With a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attn: Jack H. Fainberg, Esq.
And Richard C. Pedone, Esq.

With a copy to:

Sherry Meyerhoff Hanson & Crance LLP
610 Newport Center Drive, Suite 1350
Newport Beach, California 92660
Attn: Kevin L. Sherry, Esq.

Any notice or demand delivered to the person or entity named above to accept notices and demands for such party shall constitute notice or demand duly delivered to such party, even if delivery is refused.

11.27 Execution in Counterparts.

This Agreement and the other Amended and Restated Loan Documents may be executed in any number of counterparts and by different parties hereto or thereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission (including email transmission of a PDF image) shall be deemed to be an original signature hereto.

[Signature page follows]

EXECUTED as of the date first set forth above.

BORROWER:

WV – ROCKPORT SNF OPCO, LLC
WV – QUINCY SNF OPCO, LLC

By: Wachusett Ventures, LLC
Their Sole Member

By: _____
Name:
Title:

WV-CROSSINGS EAST LLC
WV-PARKWAY PAVILION LLC

By: Wachusett Ventures, LLC
Their Sole Member

By: _____
Name:
Title:

[Signatures continue on next page]

LENDER:

CCP FINANCE II LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

Closing Date Deliverables

Amended and Restated Loan Documents

Amended and Restated Credit and Security Agreement by and between Borrower and Lender

Amended and Restated Secured Promissory Note executed by Borrower in favor of Lender

Pledge Agreement executed by Guarantor in favor of Lender and Facility Landlords

Guaranty executed by Guarantor in favor of Lender and Facility Landlords

Deliverables

Certified Organizational Documents for each Loan Party, including good standing certificates from the state of formation

Authorizing resolutions from Borrower and Guarantor, including an incumbency certificate

The fully-executed Master Lease (together with any guaranties or other ancillary agreements entered into in connection therewith), Amended and Restated DIP Loan Documents, and Cure Note Loan Documents

Written confirmation evidencing that the Confirmation Order (as defined in the Plan) has been entered by the Bankruptcy Court and the occurrence of the Effective Date (as defined in the Plan)

[Other]

EXHIBIT B

Reporting Requirements

REPORT	DUE DATE
<p>Monthly financial reports concerning the operations of Borrower and each Facility or such other combination of this and related loans as reasonably requested by Lender, reported using a template provided by Lender (which template may change from time to time as reasonably required by Lender), together with (i) detailed monthly P&L statements (on a TTM basis) and balance sheets for Borrower and each Facility, and (ii) statement of cash flows for each of Borrower and the Facilities on a consolidated basis (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Lender may designate from time to time)</p>	<p><i>Thirty (30) days</i> after the end of each calendar month</p>
<p>Annual financial statements of Borrower and Guarantor reviewed by a reputable certified public accounting firm (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Lender may designate from time to time)</p>	<p><i>One Hundred Twenty (120) days</i> after the fiscal year end of Borrower and Guarantor</p>
<p>Federal tax returns of Borrower and Guarantor</p>	<p><i>Ten (10) days</i> after the filing of such returns with the IRS</p>
<p>Rolling 13-week cash forecasts for Guarantor and its Subsidiaries (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Lender may designate from time to time)</p>	<p>On a monthly basis.</p>
<p>Borrowing Base Certificate with respect to the then outstanding accounts receivable of Borrower generated by the Facilities as of the end of the month immediately preceding the date of such certificate, which certificate shall be certified as true and correct by a senior officer of Borrower</p>	<p>On or before the <i>tenth (10th)</i> day of each calendar month</p>
<p>The following with respect to the Facilities: (1) Schedule of accounts receivable (with aging); and (2) Schedule of outstanding vendor payables (with aging).</p>	<p>On or before the <i>tenth (10th)</i> day of each calendar month</p>
<p>Rolling 3-year operating budget covering the operations of the Facilities for the forthcoming three years (which budget shall include month-to-month projections), reported using a template provided by Lender (which template may change from time to time as reasonably required by Lender). (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Lender may designate from time to time)</p>	<p>Annually <i>Fifteen (15) days</i> prior to beginning of each fiscal year</p>

SCHEDULE 1

Loan Parties

BORROWERS AND GUARANTOR ORGANIZATIONAL STRUCTURE:

Each entity comprising Borrower is 100% owned by Wachusett Ventures, LLC, a Massachusetts limited liability company.

The ownership structure of Wachusett Ventures, LLC is as follows:

[[TO BE PROVIDED]]

BORROWERS (jointly and severally) and PRINCIPAL PLACE OF BUSINESS:

WV – Rockport SNF Opco, LLC:

WV – Quincy SNF Opco, LLC:

WV-Crossings East LLC:

WV-Parkway Pavilion LLC:

SCHEDULE 2

Facility List

Facility Name	Facility Address	Facility Landlord	Loan Party	Primary Intended Use	No. of Beds/Units
				SNF	

Defined Terms

“SNF” Skilled Nursing Facility
 “ALF” Assisted Living Facility
 “ALZ” Memory Care

SCHEDULE 3

Affiliate Transactions and Agreements

SCHEDULE 4

Material Litigation

SCHEDULE 5.3(a)

Existing Permitted Debt

SCHEDULE 5.3(b)

Existing Permitted Investments

SCHEDULE 5.3(c)

Existing Permitted Liens

SCHEDULE 6.4(a)

Authorizations

Facilities with open surveys and imposition notices (impending DPNA's if not corrected by deadline):

<u>Facility</u>	<u>Survey type/Status</u>

SCHEDULE 6.4(c)

Third Party Payor Program Matters

[[Describe any matters:]]

The following facilities currently have open surveys:

<u>Facility</u>	<u>Survey type/Status</u>

SECURED PROMISSORY NOTE

\$1,347,249

September __, 2018

FOR VALUE RECEIVED, WV-Rockport SNF Opco, LLC, a Massachusetts limited liability company, **WV-Quincy SNF Opco, LLC**, a Massachusetts limited liability company, **WV-Crossings East LLC**, a Connecticut limited liability company, and **WV-Parkway Pavilion LLC**, a Connecticut limited liability company (collectively, jointly and severally, the "**Borrower**"), unconditionally promise to pay to **Those Entities Defined as "Lender" on Schedule 1** attached hereto (collectively, together with their respective successors and assigns, "**Lender**"), without setoff, the principal amount of **One Million Three Hundred Forty-Seven Thousand Two Hundred Forty-Nine Dollars (\$1,347,249)** or so much thereof as may be advanced from time to time in immediately available funds, together with interest computed daily on the outstanding principal balance hereunder, at an annual interest rate (the "**Rate**"), and in accordance with the payment schedule indicated below.

This **SECURED PROMISSORY NOTE** (this "**Note**") is executed pursuant to that certain Third Amended Joint Chapter 11 Plan of Reorganization of the Borrower (and certain Affiliates thereof) dated August 21, 2018 (the "**Plan**") pursuant to the Confirmation Order (as defined in the Plan) issued by the United States Bankruptcy Court for the District of Massachusetts (the "**Bankruptcy Court**") on the Confirmation Date (as defined in the Plan) in connection with that certain case filed by Borrower under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* in the Bankruptcy Court.

The amount of this Note represents a settlement of all amounts due in connection with the assumption of the Master Leases as part of the settlement and amendment of the Master Leases as set forth in Article V.J. of the Plan. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

1. Rate. Prior to the Maturity Date, the Rate shall be **SIX PERCENT (6.00%)** per annum (the interest rate floor). From and after the Maturity Date, the Rate shall be the Maturity Rate (as the term "Maturity Rate" is described and defined hereinafter).

Notwithstanding any provision of this Note or any other agreement or commitment between Borrower and Lender, whether written or oral, express or implied, Lender shall never be entitled to charge, receive or collect, nor shall amounts received hereunder be credited so that Lender shall be paid, as interest a sum greater than interest at the Maximum Rate. It is the intention of the parties that this Note, and all instruments securing the payment of this Note or executed or delivered in connection therewith, shall comply with applicable law. If Lender ever contracts for, charges, receives or collects anything of value which is deemed to be interest under applicable law, and if the occurrence of any circumstance or contingency, whether acceleration of maturity of this Note, prepayment of this Note, delay in advancing proceeds of this Note or any other event, should cause such interest to exceed the Maximum Rate, any amount which exceeds interest at the Maximum Rate shall be applied to the reduction of the unpaid principal balance of this Note or any other Indebtedness, and if this Note and such other Indebtedness are paid in full, any remaining excess shall be paid to Borrower. In determining whether the interest exceeds interest at the Maximum Rate, the total amount of interest shall be spread, prorated and amortized throughout

the entire term of this Note until its payment in full. The term “*Maximum Rate*” as used in this Note means the maximum nonusurious rate of interest per annum permitted by whichever of applicable United States federal law or state law permits the higher interest rate, including to the extent permitted by applicable law, any amendments thereof hereafter or any new law hereafter coming into effect to the extent a higher Maximum Rate is permitted thereby. If at any time the Rate shall exceed the Maximum Rate, the Rate shall be automatically limited to the Maximum Rate until the total amount of interest accrued hereunder equals the amount of interest which would have accrued if there had been no limitation to the Maximum Rate.

2. Accrual Method. Interest on the Indebtedness evidenced by this Note shall be computed on the basis of a **THREE HUNDRED SIXTY (360)** day year and shall accrue on the actual number of days elapsed for any whole or partial month in which interest is being calculated. In computing the number of days during which interest accrues, the day on which funds are initially advanced shall be included regardless of the time of day such advance is made, and the day on which funds are repaid shall be included unless repayment is credited prior to the close of business on the Business Day received as provided herein. “*Business Day*” means any day other than a Saturday, Sunday, or any other day on which the Federal Reserve Bank of Boston, Massachusetts is closed.

3. Payment Schedule. The outstanding principal balance of this Note shall be due and payable on February 28, 2026 (“*Maturity Date*”). Interest on the outstanding principal balance of this Note shall accrue from the date of this Note and shall be due and payable on the Maturity Date. Except as expressly provided herein to the contrary, all payments on this Note shall be applied in the following order of priority: (a) the payment or reimbursement of any expenses, costs or obligations (other than the outstanding principal balance hereof and interest hereon) for which Borrower shall be obligated or Lender shall be entitled pursuant to the provisions of this Note or the other Cure Note Loan Documents (as defined below), (b) the payment of accrued but unpaid interest hereon, and (c) the payment of all or any portion of the principal balance hereof then outstanding hereunder. If any payment of principal or interest on this Note shall become due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment.

Notwithstanding the foregoing, in the event that, as of the Maturity Date, no Default has occurred and is continuing by Borrower or their Affiliates, or any of them, under this Note or any of the other Amended and Restated Loan Documents, the Master Lease, or the Amended and Restated Pre-Petition Loan Documents, then as of the Maturity Date this Note shall be deemed fully satisfied and repaid by Borrower, with all principal and interest otherwise due hereunder forgiven and discharged.

4. Security. This Note is secured by:

(a) a Guaranty made of even date herewith by Wachusett Ventures, LLC, a Massachusetts limited liability company (“*Guarantor*”), in favor of Lender (and certain Affiliates of Lender) (the “*Guaranty*”), pursuant to which, among other things, Guarantor agrees to guaranty the obligations of Borrower under this Note,

(b) a Pledge Agreement of even date herewith by Guarantor (the "Pledge Agreement"), pursuant to which, among other things, Guarantor pledges its equity interest in each Borrower (the "Equity Interests") to Lender (and certain Affiliates of Lender), together with UCC financing statements filed to perfect Lender's security interest in such Equity Interests, and

(c) a Security Agreement of even date herewith by Borrower and Lender (the "Cure Security Agreement"), pursuant to which all assets of the Borrower are security for the performance of the obligations of Borrower under this Note.

Without limiting the foregoing, certain first priority security interests in all assets of Borrower previously granted to Lender and/or Affiliates of Lender (the "Prior Security Interests") shall continue to apply. Borrower hereby agrees that the Prior Security Interests shall be deemed to also secure the obligations of Borrower under this Note, and Lender shall have the right to exercise rights with respect to the Prior Security Interests in the event of a Default of Borrower, or any of them, under this Note. Lender shall be entitled to file and/or record all documents and instruments against the assets or interests of Borrower which Lender deems requisite or advisable to perfect its security interests set forth herein.

5. Waivers, Consents and Covenants. Borrower, any endorser or guarantor hereof, or any other party hereto (individually an "Obligor" and collectively "Obligors") and each of them jointly and severally: (a) except as specifically set forth in the Cure Note Loan Documents, waives presentment, demand, protest, notice of demand, notice of intent to accelerate, notice of acceleration of maturity, notice of protest, notice of nonpayment, notice of dishonor, and any other notice required to be given under the law to any Obligor in connection with the delivery, acceptance, performance, default or enforcement of this Note, any endorsement or guaranty of this Note, or any other documents executed in connection with this Note or any other Cure Note Loan Documents now or hereafter executed in connection with any obligation of Borrower to Lender; (b) consents to all delays, extensions, renewals or other modifications of this Note or the Cure Note Loan Documents, or waivers of any term hereof or of the Cure Note Loan Documents, or release or discharge by Lender of any Obligors, or release, substitution or exchange of any security for the payment hereof, or the failure to act on the part of Lender, or any indulgence shown by Lender (without notice to or further assent from any Obligors); (c) agrees that no such action, failure to act or failure to exercise any right or remedy by Lender shall in any way affect or impair the obligations of any Obligors or be construed as a waiver by Lender of, or otherwise affect, any of Lender's rights under this Note, under any endorsement or guaranty of this Note or under any of the Cure Note Loan Documents; and (d) agrees to pay, on demand, all costs and expenses of collection or defense of this Note and/or the enforcement or defense of Lender's rights with respect to, or the administration, supervision, preservation, or protection of, or realization upon, any property securing payment hereof, including, without limitation, reasonable attorneys' fees, including fees related to any suit, mediation or arbitration proceeding, out of court payment agreement, trial, appeal, bankruptcy proceedings or other proceeding, in such amount as may be determined reasonable by any arbitrator or court, whichever is applicable.

6. Prepayments. Intentionally Omitted.

7. Default.

(a) The occurrence of any one or more of the following shall constitute a “Default” as said term is used herein:

(i) The failure of Borrower to repay this Note pursuant to Section 3 above, without necessity or notice or demand;

(ii) The occurrence of any other event or circumstance constituting or denominated as an Event of Default under (A) any of the Guaranty, the Pledge Agreement, or the Cure Security Agreement, together with any amendments, substitutions and/or replacements thereof (together with this Note, the “Cure Note Loan Documents”), or (B) any of the other Amended and Restated Loan Documents, the Master Lease, or the Amended and Restated Pre-Petition Loan Documents, and the expiration of any applicable grace or cure periods, if any, specified for such Event of Default therein (such capitalized terms in clause (B) shall have the meanings given them in that certain Amended and Restated Senior Secured Superpriority Debtor-in-Possession Loan and Security Agreement of even date herewith by and between Borrower, as Borrower, and CCP Finance II, LLC, a Delaware limited liability company (and Affiliate of Lender), as lender);

(iii) The sale by Steven Vera, an individual, of any of his direct or indirect membership interests in Guarantor or any Borrower except as permitted by the Amended and Restated Pre-Petition Loan Documents; and

(iv) A change in control of any of Borrower without the prior written consent of Lender.

(b) Whenever there is a Default under this Note, the entire balance outstanding hereunder and all other obligations of any Obligor to Lender (however acquired or evidenced) shall, at the option of Lender, become immediately due and payable and any obligation of Lender to permit further borrowing under this Note shall immediately cease and terminate. Subject to the second paragraph of Section above, from and after (i) a Default, or (ii) the Maturity Date (whether by acceleration or otherwise), the Rate on the unpaid principal balance of this Note shall be increased at Lender’s discretion up to **TWELVE PERCENT (12.00%)** (the “Maturity Rate”). The provisions herein for a Maturity Rate (A) shall not be deemed to extend the time for any payment hereunder or to constitute a “grace period” giving Obligors a right to cure any default, and (B) shall be deemed the contract rate of interest applicable to the outstanding principal balance of the Note from and after the occurrence of one of the events set forth in this Section. At Lender’s option, any accrued and unpaid interest, fees or charges may, for purposes of computing and accruing interest on a daily basis after the due date of this Note or any installment thereof, be deemed to be a part of the principal balance, and interest shall accrue on a daily compounded basis after such date at the Maturity Rate provided in this Note until the entire outstanding balance of principal and interest is paid in full. Upon a Default, and while it is continuing, Lender is hereby authorized at any time, at its option and without notice or demand, to set off and charge against any deposit accounts of any Obligor (as well as any money, instruments, securities, documents, chattel paper, credits, claims, demands, income and any other property, rights and interests of any Obligor), which at any

time shall come into the possession or custody or under the control of Lender or any of its agents, affiliates or correspondents, any and all obligations due hereunder. Additionally, Lender shall have all rights and remedies available under each of the Cure Note Loan Documents, as well as all rights and remedies available at law or in equity.

8. Waiver. The failure at any time of Lender to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of Lender shall be cumulative and may be pursued singly, successively or together, at the option of Lender. The acceptance by Lender of any partial payment shall not constitute a waiver of any default or of any of Lender's rights under this Note. No waiver of any of its rights hereunder, and no modification or amendment of this Note, shall be deemed to be made by Lender unless the same shall be in writing, duly signed on behalf of Lender; each such waiver shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Lender or the obligations of Obligors to Lender in any other respect at any other time.

9. Applicable Law, Venue and Jurisdiction. Borrower agree that this Note shall be deemed to have been made in the Commonwealth of Massachusetts and shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts and is performable in the Commonwealth of Massachusetts. In any litigation in connection with or to enforce this Note or any endorsement or guaranty of this Note or any Loan Documents, Obligors, and each of them, irrevocably consent to and confer personal jurisdiction on the United States courts located within the Commonwealth of Massachusetts. Nothing contained herein shall, however, prevent Lender from bringing any action or exercising any rights within any other state or jurisdiction or from obtaining personal jurisdiction by any other means available under applicable law.

10. Partial Invalidity. The unenforceability or invalidity of any provision of this Note shall not affect the enforceability or validity of any other provision herein and the invalidity or unenforceability of any provision of this Note or of the Loan Documents to any person or circumstance shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

11. Binding Effect. This Note shall be binding upon and inure to the benefit of Obligors and Lender and their respective successors, assigns, heirs and personal representatives, provided, however, that no obligations of Obligors hereunder can be assigned without prior written consent of Lender.

12. Controlling Document. To the extent that this Note conflicts with or is in any way incompatible with any other document related specifically to the loan evidenced by this Note, this Note shall control over any other such document, and if this Note does not address an issue, then each other such document shall control to the extent that it deals most specifically with an issue.

13. Representation. BORROWER ACKNOWLEDGE HAVING READ AND UNDERSTOOD, AND AGREE TO BE BOUND BY, ALL TERMS AND CONDITIONS OF THIS NOTE.

14. Collection. If this Note is placed in the hands of an attorney for collection, or if it is collected through any legal proceeding at law or in equity or in bankruptcy, receivership or other court proceedings, Borrower agree to pay all costs of collection, including, but not limited to, court costs and reasonable attorneys' fees.

15. Notice of Balloon Payment. Except as set forth in Section 3 of this Note, at the Maturity Date (whether by acceleration or otherwise), Borrower must repay the entire principal balance of this Note and unpaid interest then due. Lender is under no obligation to refinance the outstanding principal balance of this Note (if any) at that time. Borrower will, therefore, be required to make payment out of other assets Borrower may own; or Borrower will have to find a lender willing to lend Borrower the money at prevailing market rates, which may be higher than the interest rate on the outstanding principal balance of this Note. If Obligors have guaranteed payment of this Note, Obligors may be required to perform under such guaranty.

16. Waiver of Jury Trial. BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM THAT RELATES TO OR ARISES OUT OF THIS NOTE OR ANY OF THE LOAN DOCUMENTS OR THE ACTS OR FAILURE TO ACT OF OR BY LENDER IN THE ENFORCEMENT OF ANY OF THE TERMS OR PROVISIONS OF THIS NOTE OR THE OTHER LOAN DOCUMENTS.

NOTICE OF FINAL AGREEMENT

THIS NOTE AND THE OTHER CURE NOTE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE MATTERS SET FORTH HEREIN, AND THE SAME MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES REGARDING SUCH MATTERS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES REGARDING THESE MATTERS.

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EXECUTED as of the date first set forth above.

BORROWER:

WV-CROSSINGS EAST LLC
WV-PARKWAY PAVILION LLC,
each a Connecticut limited liability company

By: Wachusett Ventures, LLC
Their Sole Member

By: _____
Name:
Title:

WV – ROCKPORT SNF OPCO, LLC
WV – QUINCY SNF OPCO, LLC,
each a Massachusetts limited liability company

By: Wachusett Ventures, LLC
Their Sole Member

By: _____
Name:
Title:

SCHEDULE 1

LENDER

**CCP NUTMEG PAVILION 0567 LLC,
CCP PARKWAY PAVILION 0568 LLC,
CCP DEN-MAR 0542 LLC, and
CCP QUINCY 0537 LLC, each**
a Delaware limited liability company

AMENDED AND RESTATED MASTER LEASE

THIS **AMENDED AND RESTATED MASTER LEASE** (this “**Lease**”) is entered into as of September __, 2018 (the “**Effective Date**”), by and between **CCP NUTMEG PAVILION 0567 LLC, CCP PARKWAY PAVILION 0568 LLC, CCP DEN-MAR 0542 LLC, and CCP QUINCY 0537 LLC**, each a Delaware limited liability company (individually and collectively, “**Landlord**”), and **WV-CROSSINGS EAST LLC**, a Connecticut limited liability company, **WV-PARKWAY PAVILION LLC**, a Connecticut limited liability company, **WV-ROCKPORT SNF OPCO, LLC**, a Massachusetts limited liability company, and **WV-QUINCY SNF OPCO, LLC**, a Massachusetts limited liability company (individually and collectively, “**Tenant**”).

**RECOGNITION OF MASTER LEASE;
IRREVOCABLE WAIVER OF CERTAIN RIGHTS**

Tenant and Landlord each acknowledges and agrees that this Lease constitutes a single, indivisible lease of the entire Premises, and the Premises constitutes a single economic unit. The Base Rent, Additional Rent, Deferred Rent, other amounts payable hereunder and all other provisions contained herein have been negotiated and agreed upon based on the intent to lease the entirety of the Premises as a single and inseparable transaction, and such Base Rent, Additional Rent, Deferred Rent, other amounts and other provisions would have been materially different had the parties intended to enter into separate leases or a divisible lease. Any Event of Default under this Lease shall constitute an Event of Default as to the entire Premises.

The entities comprising Landlord and the entities comprising Tenant are parties to the master leases identified on Schedule 2 attached hereto (collectively, the “**Original Leases**”). On March 26, 2018 each of the Tenants, among others, commenced a case (individually “**Bankruptcy Case**” or “**Case**” and collectively, “**Bankruptcy Cases**” or “**Cases**”) under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the District of Massachusetts (the “**Bankruptcy Court**”). The Bankruptcy Court has approved that certain Third Amended Joint Chapter 11 Plan of Reorganization of the Borrowers (and certain Affiliates thereof) dated August 21, 2018 (the “**Plan**”) pursuant to the Confirmation Order (as defined in the Plan) issued by the Bankruptcy Court on the Confirmation Date (as defined in the Plan). Pursuant to the Plan, the parties hereto have agreed to amend and restate the Original Leases in their entirety under the terms and conditions set forth in this Lease.

Each of the entities comprising Tenant and Guarantor, in order to induce Landlord to enter into this Lease, to the extent permitted by law:

A. Agrees, acknowledges and is forever estopped from asserting to the contrary that the statements set forth in the first sentence of this Section are true, correct and complete;

B. Agrees, acknowledges and is forever estopped from asserting to the contrary that this Lease is a new and de novo lease, separate and distinct from any other lease between any of the entities comprising Tenant and any of the entities comprising Landlord that may have existed prior to the date hereof;

C. Agrees, acknowledges and is forever estopped from asserting to the contrary that this Lease is a single lease pursuant to which the collective Premises are demised as a whole to Tenant;

D. Agrees, acknowledges and is forever estopped from asserting to the contrary that if, notwithstanding the provisions of this Section, this Lease were to be determined or found to be in any

proceeding, action or arbitration under state or federal bankruptcy, insolvency, debtor-relief or other applicable laws to constitute multiple leases demising multiple properties, such multiple leases could not, by the debtor, trustee, or any other party, be selectively or individually assumed, rejected or assigned; and

E. Forever knowingly waives and relinquishes any and all rights under or benefits of the provisions of the Federal Bankruptcy Code Section 365 (11 U.S.C. § 365), or any successor or replacement thereof or any analogous state law, to selectively or individually assume, reject or assign the multiple leases comprising this Lease following a determination or finding in the nature of that described in the foregoing Section D.

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 initial term of this Lease (the "**Initial Term**") shall be for the period commencing as of the Effective Date (the "**Commencement Date**") and expiring at 11:59 p.m. on February 28, 2026 (the "**Initial Expiration Date**"). The term of this Lease may be extended for two (2) separate terms of five (5) years each (each, an "**Extension Term**") if: (a) at least twelve (12), but not more than eighteen (18) months prior to the end of the then current Term, Tenant delivers to Landlord a written notice (an "**Extension Notice**") that it desires to exercise its right to extend the Term for one (1) Extension Term; (b) no Event of Default shall have occurred and be continuing on the date Landlord receives the Extension Notice or on the last day of the then current Term; and (c) the Base Rent for such Extension Term is determined pursuant to Section 2.1.2 within one hundred eighty (180) days after the date Landlord receives the Extension Notice. During any such Extension Term, except as otherwise specifically provided for herein, all of the terms and conditions of this Lease shall remain in full force and effect. Once delivered to Landlord, an Extension Notice shall be irrevocable; provided, however, that Tenant shall have ten (10) Business Days following Landlord's notice to Tenant of the final determination of the applicable Fair Market Rental to elect to withdraw the applicable Extension Notice, which election must be in writing and once made, shall be irrevocable. Notwithstanding the foregoing, Tenant shall have no right to withdraw an Extension Notice if the applicable Fair Market Rental was calculated based on the Base Rent payable during the immediately preceding Lease Year rather than on the fair market rent for the Premises as determined pursuant to Exhibit E.

1.3 Definitions. Certain initially-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 RENT

2.1 Base Rent.

2.1.1 During the Initial Term and subject to the provisions of Section 17.3.2, Tenant will pay to Landlord as base rent hereunder (the "**Base Rent**"), a monthly amount equal to One Hundred Fifty-Seven Thousand One Hundred Twenty-Five Dollars (\$157,125); provided, however, that on the first day of the second (2nd) Lease Year and the first day of each Lease Year thereafter during the Initial Term, the Base Rent shall increase to an annual amount equal to the sum of (a) the Base Rent for the

immediately preceding Lease Year, and (b) the Base Rent for the immediately preceding Lease Year multiplied by the Annual Increase.

2.1.2 To establish a fair market rent for the Premises during the Extension Terms, the Base Rent for each Extension Term shall be reset and expressed as an annual amount equal to the Fair Market Rental of the Premises; provided, however, that on the first day of the second (2nd) Lease Year of any Extension Term and the first day of each Lease Year thereafter during such Extension Term, the Base Rent shall increase to an annual amount equal to the sum of (a) the Base Rent for the immediately preceding Lease Year, and (b) the Base Rent for the immediately preceding Lease Year multiplied by the Annual Increase.

2.1.3 The Base Rent shall be payable in advance in twelve (12) equal monthly installments on or before the first (1st) Business Day of each calendar month; provided, however, the Base Rent attributable to the first (1st) full calendar month of the Term and the calendar month in which the Commencement Date occurs, which may be a partial month, shall be payable on the Commencement Date.

2.1.4 Notwithstanding the foregoing, Tenant may elect to defer the payment of Base Rent payable for each of the months below up to the maximum amount specified below for each month (all such amounts collectively deferred by Tenant hereunder, the “**Deferred Rent**”):

October 2018:	\$150,000
November 2018:	\$150,000
December 2018:	\$150,000
January 2019	\$25,000
February 2019	\$25,000
March 2019	\$25,000
April 2019	\$25,000

All Deferred Rent shall be payable by Tenant solely pursuant to the allocation and distribution of Post-Effective Date Net Operating Income in accordance with the provisions of Section 2.2 below. Notwithstanding the foregoing, Tenant shall have no obligation to continue to make payments of Deferred Rent from any Post-Effective Date Operating Income generated after the sixtieth (60th) month following the Effective Date.

2.2 Post-Effective Date Net Operating Income. From and after the Effective Date, all Post-Effective Date Net Operating Income shall be paid and distributed by Tenant in the following priority:

2.2.1 First, to satisfy any then outstanding obligations owed by Tenant, Guarantor or any of their respective Affiliates to any Sabra Entity (excluding Deferred Rent);

2.2.2 Second, to reimburse the members of any of the entities comprising Tenant (the “**Members**”) to reimburse such Members for any capital contribution made to Tenant after the Effective Date (excluding any New Value Contribution (as defined in the Plan)); and

2.2.3 Third, to each of the Members and Landlord in accordance with the following percentage allocations set forth during the applicable time periods below:

<u>Applicable Time Period</u>	<u>Allocation of Post-Effective Date Net Operating Income</u>
0-24 months after Effective Date	5% Members/95% Landlord for Deferred Rent
25-48 months after Effective Date	50% Members/50% Landlord for Deferred Rent
49-60 months after Effective Date	75% Members/25% Landlord for Deferred Rent
61 months or more after Effective Date	100% to Members

Post-Effective Date Net Operating Income shall be computed on a quarterly basis as of the three month period ending December 31, 2018 and as of the end of each calendar quarter thereafter through the end of the fifth (5th) Lease Year. With respect to each such quarterly period of determination, if Post-Effective Date Net Operating Income is greater than Zero Dollars (\$0), Tenant shall pay and distribute such Post-Effective Date Net Operating Income in accordance with the priorities set forth above in arrears concurrently with the Base Rent payable for the third (3rd) month following the calendar quarter for which such determination is made (e.g., Post-Effective Date Net Operating Income for the quarterly period ending December 31, 2018 would be payable on March 1, 2019).

2.3 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 2.3 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.

2.4 Tax Fund Escrow Agreement. Notwithstanding anything to the contrary set forth herein, Landlord shall set aside and hold in escrow (the “**Tax Fund Escrow**”), with respect to each Base Rent payment due thereunder that is paid-in-full by Tenant (as such required Base Rent payment may be reduced by the amount of any deferral of Base Rent taken by Tenant under the provisions of Section 2.1.4 of this Master Lease), Ten Thousand Dollars (\$10,000) (or such lesser amount actually paid by Tenant) from each such installment of Base Rent paid by Tenant during the first forty-five (45) months of the Initial Term. Amounts held in the Tax Fund Escrow shall be disbursed by Landlord from time to time pursuant to the terms of the Tax Fund Escrow Agreement in connection with certain future tax consequences affecting the Members as a result of the obligations of Tenant and its Affiliates to the Sabra Entities under this Lease and the debt obligations under the Plan. Such amounts in the Tax Fund Escrow shall not bear interest, shall remain the property of Landlord, and shall be held under the terms of the Tax Fund Escrow Agreement until the earlier of (a) the payment of all indebtedness to the Sabra Entities; or (b) the end of the Initial Term of this Lease. At the end of such period, any funds then remaining in the Tax Fund Escrow shall be deemed released to Landlord without further restriction or limitation and neither Tenant nor any Member shall have any **rights or other claim or interest therein.**

2.5 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; provided, however, if the Payment Date is not a Business Day, then settlement shall be made on the next succeeding day which is a Business Day. Landlord shall provide Tenant with appropriate wire transfer information. Tenant shall inform Landlord of payment by sending a facsimile transmission of Tenant's wire transfer confirmation not later than noon, Pacific Standard or Daylight Savings time on each Payment Date or by such other means as Landlord may reasonably require. 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.

2.6 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 Impositions, 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.

2.7 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 Facility Mortgagee) shall not be paid within seven (7) 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 Facility 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 III GUARANTY

3.1 Guaranty. Tenant's obligations under this Lease are guaranteed pursuant to that certain Guaranty of Lease of even date herewith made by Wachusett Ventures, LLC, a Massachusetts limited liability company (such guaranty agreement, as it may be amended, renewed, supplemented, extended or replaced from time to time, is herein referred to as the "**Guaranty**," and such guarantor, together with his/her/its successors and assigns, are herein referred to, individually and collectively, as "**Guarantor**").

**ARTICLE IV
IMPOSITIONS AND OTHER CHARGES**

4.1 Impositions.

4.1.1 Tenant shall pay all Impositions attributable to a tax period, or portion thereof, occurring during the Term, irrespective of whether the Impositions 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 Imposition may, at the option of the taxpayer, lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay same (and any accrued interest on the unpaid balance of such Imposition) 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.

4.1.2 Notwithstanding Section 4.1.1 to the contrary, with respect to those Impositions that Landlord is required by Legal Requirements to remit directly to the applicable taxing authority, if any, Landlord shall pay such Impositions directly to such 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 Impositions. 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 any Facility as may be necessary to prepare any required returns and reports.

4.1.3 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.

4.1.4 Landlord or Landlord's designee shall use reasonable efforts to give prompt notice to Tenant of all Impositions 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 Impositions. Tenant shall deliver to Landlord, not less than five (5) days prior to the due date of each Imposition, copies of the invoice for such Imposition, the check delivered for payment thereof and an original receipt evidencing such payment or other proof of payment satisfactory to Landlord.

4.1.5 Impositions 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 Imposition is imposed or assessed before or after such termination, and Tenant's obligation to pay its prorated share thereof shall survive such termination.

4.2 Utilities; CC&Rs. Tenant shall pay any and all charges for electricity, power, gas, oil, water and other utilities used in connection with each Facility 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 any Facility 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 any Facility, including any and all costs and expenses associated with any utility, drainage and parking easements (collectively, "CC&Rs"). 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.

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

4.4 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 each Facility.

4.5 Real Property Imposition Impounds.

4.5.1 Tenant shall include with each payment of Base Rent a payment equal to Forty-Two Thousand and Fifty Dollars (\$42,050) (the “**Monthly Tax Impound Amount**”) to be held by Landlord to discharge the annual amount of Real Property Impositions. Concurrently with the transition or closure of the Rockport Facility pursuant to Section 17.3 below, the Monthly Tax Impound Amount shall be equitably reduced to reflect the removal and termination of the Rockport Facility from this Lease. Landlord may, at its option, from time to time require that any particular deposit be greater than the Monthly Tax Impound Amount if such additional deposit is required to provide a sufficient fund from which to make payment of such Real Property Impositions on or before the next due date of any installment thereof. Additionally, Landlord may change its estimate of any Real Property Imposition for any period on the basis of a change in an assessment or tax rate 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 Impositions. The deposits made under this Section 4.5 shall not bear interest.

4.5.2 The sums deposited by Tenant under Section 4.5.1 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 by Landlord to pay Real Property Impositions as the same become due. Upon the occurrence of any Event of Default, Landlord may apply any funds held by it under Section 4.5.1 to cure such Event of Default or on account of any Losses suffered or incurred by Landlord in connection therewith.

4.5.3 If Landlord transfers this Lease, it shall transfer all amounts then held by it under Section 4.5.1 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 Section 4.5.1 shall be returned to Tenant within sixty (60) days following the Expiration Date and provided that any and all Real Property Impositions due and owing hereunder have been paid in full.

4.5.4 In addition to the payment of each Monthly Impound Tax Amount, Tenant shall include with each payment of Base Rent for the first sixty (60) months of the Term a payment equal to Five Thousand Ninety-One Dollars (\$5,091) in order to reimburse Landlord for Real Property Impositions paid by Landlord on Tenant’s behalf with respect to the Facilities prior to the Effective Date. Such amounts shall be retained by Landlord as a reimbursement of such costs and Tenant shall have no rights with respect to such funds following each payment thereof.

4.6 Insurance Premium Impounds. If required under the terms of any Facility 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 be required to deposit, at the time of any payment of Base Rent, an amount equal to one-twelfth (12th) of Tenant’s estimated annual insurance premiums, into an impound account as directed by Landlord. As applicable, the terms of Section 4.5 shall govern the amounts deposited under this Section 4.6.

4.7 Provider Tax/User Fee Impounds. If required under the terms of any Facility 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 (or immediately following notice if such election is made by Landlord following a monetary Event of Default)), 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 provider tax/user fees required to be paid in connection with the operation of the Facilities for the Primary Intended Use (the "**Provider Taxes**"). 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 Provider Taxes if such additional deposit is required to provide a sufficient fund from which to make payment of such Provider Taxes on or before the next due date of any installment thereof. Additionally, Landlord may change its estimate of any Provider Taxes for any period on the basis of a change in an assessment or tax rate 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. If Landlord elects to require Tenant to impound amounts for payment of Provider Taxes hereunder, Tenant shall deliver to Landlord copies of all notices, demands, claims, bills and receipts in relation to such Provider Taxes. As applicable, the terms of Section 4.5 shall govern the amounts deposited under this Section 4.7.

4.8 Impound Deposits under Original Leases. Tenant hereby **acknowledges that any impound deposits or other escrow funds paid under the Original Leases (whether for insurance, real estate taxes, or capital expenditures) are the sole property of Landlord (subject to Landlord's agreement to release up to \$375,000 thereof to provide for certain payments required under the Plan) and Tenant has no ownership rights or other claim or interest therein.**

ARTICLE V 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, any Facility, from whatever cause, or any Condemnation of any Facility (except as otherwise expressly and specifically provided in Article XIV or Article XV); (b) the interruption or discontinuation of any service or utility servicing any Facility; (c) the lawful or unlawful prohibition of, or restriction upon, Tenant's use of any Facility 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 any Facility, 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 VI PREMISES; TENANT PERSONAL PROPERTY

6.1 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 in 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.”

6.2 Tenant Personal Property. Tenant shall obtain and install all items of furniture, fixtures, supplies and equipment not included as Landlord Personal Property as shall be necessary or reasonably appropriate to operate each Facility in compliance with this Lease (the “**Tenant Personal Property**”).

6.3 Landlord 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 the Landlord Personal Property; provided, however, that, unless such item is functionally obsolete, Tenant shall promptly replace such item with an item of similar or superior quality, use and functionality, and any such replacement item shall, for all purposes of this Lease, continue to be treated as part of the “Landlord 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 the Landlord Personal Property pursuant to this Section 6.3 and shall provide to Landlord with an inventory of the Landlord Personal Property.

ARTICLE VII ACCEPTANCE OF PREMISES

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 prior to the execution and delivery of this Lease 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 present condition. 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 Commencement 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 VIII USE OF PREMISES

8.1 Primary Intended Use. During the entire Term, Tenant shall continually use each Facility for its Primary Intended Use (subject to Articles XIV and XV), employing sound reimbursement principles under all applicable Third Party Payor Programs.

8.2 Compliance with Legal Requirements and Authorizations. Tenant, at its sole cost and expense, shall promptly (a) comply with all Legal Requirements, CC&Rs and Insurance Requirements regarding the use, condition and operation of each Facility and the Tenant Personal Property, and (b) procure, maintain and comply with all Authorizations.

8.3 Preservation of Business. Tenant acknowledges that a fair return to Landlord on and protection of its investment in the Premises is dependent, in part, on the concentration of similar businesses of Tenant and its Affiliates in the geographical area of each Facility. Tenant further acknowledges that the diversion of residents or patient care activities from any Facility to other facilities owned or operated by Tenant or its Affiliates will have a material adverse effect on the value and utility of such Facility. 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 (which may be granted or withheld in Landlord's sole and absolute discretion): (a) operate, own, develop, lease, manage, control, invest in, participate in or otherwise receive revenues from any other business providing services similar to those of the Primary Intended Use of any Facility within a ten (10) mile radius of such Facility, (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 any Facility to any other nursing, health care, senior housing or retirement housing facility or divert actual or potential residents, patients or care activities of any Facility 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 any other businesses any management or supervisory personnel working on or in connection with any Facility or the operations thereof.

8.4 Additional Covenants.

8.4.1 Subject to Section 24.2, Tenant shall not, directly or indirectly, create, incur, assume, guarantee or otherwise become or remain directly or indirectly liable with respect to (i) any Debt except for Permitted Debt; or (ii) any Contingent Obligations except for Permitted Contingent Obligations. Tenant shall not default on the payment of any Permitted Debt or Permitted Contingent Obligations.

8.4.2 Tenant shall not, directly or indirectly, (i) acquire or enter into any agreement to acquire any assets other than in the Ordinary Course of Business, or (ii) engage or enter into any agreement to engage in any joint venture or partnership with any other Person.

8.4.3 Tenant shall not cancel or otherwise forgive or release any material claim or material debt owed to any Tenant by any Person, except for adequate consideration and in the Ordinary Course of Business.

8.4.4 If any proceedings are filed seeking to enjoin or otherwise prevent or declare invalid or unlawful Tenant's occupancy, maintenance, or operation of a Facility or any portion thereof for its Primary Intended Use, Tenant shall cause such proceedings to be vigorously contested in good faith, and shall, without limiting the generality of the foregoing, use all reasonable commercial efforts to bring about a favorable disposition of all such proceedings as expeditiously as reasonably possible.

8.4.5 After the occurrence of an Event of Default and until such Event of Default is cured, unless Landlord notifies Tenant to the contrary, no Tenant shall make any distributions or dividends, or set aside funds for such purpose, to any shareholder, member, partner or other equity interest holder of Tenant, any Guarantor or any Affiliate of Tenant or any Guarantor; provided, however, that nothing herein shall be construed to prevent Tenant, any Guarantor of any Affiliate of Tenant or any Guarantor from making any (a) distributions to equity-holders in order to permit such holders to pay federal or state income taxes attributable to income generated by the operation of the Facilities, and (b) such payments or distributions for purposes of payment of obligations actually and reasonably incurred in the Ordinary Course of Business, including, but not limited to, salaries, bonuses (to the extent the obligation thereof arose prior to the applicable Event of Default), fees, principal and interest; further provided that in no event shall any management fee payment exceed for any calendar month an aggregate

amount equal to the lesser of (a) actual expenses incurred by Tenant for the management of the Facilities, or (b) five percent (5%) of the gross revenues attributable directly to the operation of the Facilities for such month.

ARTICLE IX MAINTENANCE AND REPAIR

9.1 Tenant's Maintenance Obligation. Tenant shall (a) keep and maintain each Facility 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 each Facility in good and lawful order and condition and in compliance with all Legal Requirements, Insurance Requirements and Authorizations and to maintain each Facility in a high quality operating and structural condition for use for its Primary Intended Use, and (c) keep and maintain all Landlord Personal Property and Tenant 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 any Facility, or to make any repairs, replacements, alterations, restorations or renewals of any nature or description to any Facility, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto, or to maintain any Facility 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.

9.2 Premises Condition Report. Landlord, may from time to time and at Tenant's sole expense (but, no more than once every three (3) years at Tenant's expense), cause a third-party designated by Landlord, in its sole discretion, to inspect any Facility and issue a report (a "**Premises Condition Report**") with respect to such Facility's condition. Tenant shall, at its own expense, make any and all repairs or replacements that are recommended by such Premises Condition Report that relate to life safety or are otherwise required to be performed by Tenant under Section 9.1 above.

9.3 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 any Facility 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 any Facility or any portion thereof. Landlord may post, at Tenant's sole cost, such notices of non-responsibility upon, or of record against, any Facility to prevent the lien of any contractor, subcontractor, laborer, materialman or vendor providing work, services or supplies to Tenant from attaching against such Facility. Tenant agrees to promptly execute and record any such notice of non-responsibility at Tenant's sole cost.

9.4 Permitted Alterations. Without Landlord's prior written consent, which consent shall not be unreasonably withheld, Tenant shall not make any Capital Alterations or Material Alterations. Tenant may, without Landlord's consent, make any other Alterations provided the same (a) do not decrease the value of the applicable Facility, (b) do not adversely affect the exterior appearance of such Facility and (c) are consistent in terms of style, quality and workmanship to the original Leased Improvements and Fixtures of such Facility, and provided further that the same are constructed and performed in accordance with the following:

9.4.1 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 of such Facility), 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 Plans and Specifications required to be filed in connection with any such application that require the approval of Landlord shall have been so approved by Landlord.

9.4.2 During and following completion of such construction, the parking that is located on the Land of such Facility shall remain adequate for the operation of such Facility 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 such Land prior to such construction.

9.4.3 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.

9.4.4 If, by reason of the construction of any Alteration, a new or revised certificate of occupancy for any component of such Facility 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.

9.4.5 Upon completion of any Alteration, Tenant shall promptly deliver to Landlord final lien waivers from each and every general contractor and, with respect to Alterations costing in excess of Twenty-Five Thousand Dollars (\$25,000), each and every subcontractor that provided goods or services costing in excess of Five Thousand Dollars (\$5,000) in connection with such Alterations 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.

9.5 **Capital and Material Alterations.** If Landlord consents to the making of any Capital Alterations or Material Alterations, Landlord may impose commercially reasonable conditions thereon in connection with its approval thereof. In addition to any such imposed conditions, all such Alterations shall be constructed and performed in accordance with Sections 9.4.1 through 9.4.5 above, together with the following:

9.5.1 Prior to commencing any such 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 "**Plans and Specifications**") as Landlord shall request, showing in reasonable detail the scope and nature of the proposed Alteration.

9.5.2 Such construction shall not, and prior to commencement of such construction Tenant's licensed architect or engineer (to the extent the services of a licensed architect or engineer are required in connection with such Alterations) shall certify to Landlord that such construction shall not, impair the structural strength of such Facility or overburden or impair the operating efficiency of the electrical, water, plumbing, HVAC or other building systems of such Facility.

9.5.3 Prior to commencing any such Alterations, Tenant's licensed architect or engineer (to the extent the services of a licensed architect or engineer are required in connection with such

Alterations) shall certify to Landlord that the Plans and Specifications conform to and comply with all applicable Legal Requirements and Authorizations.

9.5.4 Promptly following the completion of the construction of any such Alterations, Tenant shall deliver to Landlord: (a) “as built” drawings of any such 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 Plans and Specifications and all applicable Legal Requirements.

9.6 Improvement Funding by Landlord. Tenant intends to perform certain improvement or renovation projects at one or more of the Facilities located in Connecticut (each such project is referred to herein as an “**Improvement Project**,” and collectively, the “**Improvement Projects**”). Landlord has approved an initial capital expenditure budget and hereby agrees to provide Tenant up to One Hundred Eight Thousand Dollars (\$108,000), in the aggregate, to reimburse Tenant for the cost of such Improvement Projects (the “**Improvement Funds**”). The performance of each Improvement Project and the funding thereof by Landlord shall be subject to the following terms and conditions:

9.6.1 the requests for disbursements to fund an Improvement Project shall be made by Tenant in writing, from time to time, but no more frequently than once per calendar month, in increments of not less than \$20,000 (other than the final disbursement with respect to a particular Improvement Project), and any such request must be made, if at all, within sixty (60) days of the applicable date of the invoice or purchase order to be funded through such disbursement;

9.6.2 the requests for disbursements to fund an Improvement Project shall be accompanied with such supporting documentation as may be reasonably requested by Landlord, which may include, without limitation, (a) an itemized account of expenditures to be paid or reimbursed from the requested disbursement, certified by Tenant to be true and correct expenditures which have already been paid or are due and owing and for which no previous disbursement was made hereunder, and (b) copies of invoices or purchase orders from each payee with an identifying reference to the applicable vendor or supplier, which invoices or purchase orders shall support the full amount of costs contained in the requested disbursement;

9.6.3 Landlord shall have the right to make payment directly to any or all applicable vendors if so desired by Landlord and may also establish an escrow account from which payments may be made to applicable vendors on Landlord’s behalf, and if Landlord does not make such payments directly or through an escrow, any payments made by Tenant to vendors for which reimbursement is sought under this Lease by Tenant shall be made on Landlord’s behalf;

9.6.4 all improvements funded by Landlord, in whole or in part, under this Section 9.6 shall immediately become a part of the Premises and the property of Landlord subject to this Lease;

9.6.5 no Event of Default or event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder shall have occurred and be continuing at the time of any request for a disbursement under this Section 9.6;

9.6.6 with respect to any Improvement Project that constitutes an Alteration, Tenant shall comply with the provisions of Section 9.4 and with respect to any Improvement Project that constitutes a Capital Alteration or Material Alteration, Tenant shall comply with the provisions of Section 9.5;

9.6.7 in no event shall funds provided by Landlord under this Section 9.6 be used to remedy any condition which constitutes a default by Tenant under the provisions of this Lease or for any purpose other than funding the applicable Improvement Project;

9.6.8 upon any disbursement of funds by Landlord under this Section 9.6, Landlord and Tenant agree that (a) Landlord shall be treated for all applicable tax purposes as the owner of all improvements funded thereby, (b) Landlord shall be the only party entitled to take depreciation with respect thereto to the extent it has funded such improvements and (c) neither Landlord nor Tenant shall take any position inconsistent with this Section 9.6.8;

9.6.9 Landlord shall be under no obligation to disburse any funds under this Section 9.6 with respect to an Improvement Project from and after September 30, 2019;

9.6.10 Landlord shall be under no obligation to disburse funds under this Section 9.6 with respect to an Improvement Project in excess of the total cost to complete such Improvement Project as reflected in the initial budget reviewed and approved by Landlord, with all such excess costs being the sole responsibility of Tenant unless Landlord elects to fund such excess costs in its sole and absolute discretion; and

9.6.11 from and after the date of each disbursement of funds by Landlord under this Section 9.6, the annual amount of the Base Rent then payable under this Lease shall be increased by the product of (a) the amount of such disbursement, and (b) seven and one-half percent (7.5%); and the portion of such additional Base Rent attributable to the calendar month in which such disbursement is made shall be paid in arrears on the same date as the installment of Base Rent next coming due. For purposes of calculating the annual Base Rent payable in the Lease Year immediately following any Lease Year in which funds are disbursed by Landlord under this Section 9.6, each such disbursement, and the corresponding increase in Base Rent, shall be deemed to have occurred on the first (1st) day of such prior Lease Year.

9.7 **Encroachments.** If any of the Leased Improvements of any Facility shall, at any time, encroach upon any property, street or right-of-way adjacent to such Facility, then, promptly upon the request of Landlord, Tenant shall, at its expense, subject to its right to contest the existence of any encroachment and, in such case, in the event of any adverse final determination, either (a) obtain valid waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, whether the same shall affect Landlord or Tenant, or (b) make such changes in such Leased Improvements, and take such other actions, as Tenant, in the good faith exercise of its judgment, deems reasonably practicable, to remove such encroachment, including, if necessary, the alteration of any of such Leased Improvements, and in any event take all such actions as may be necessary to be able to continue the operation of such Leased Improvements for the Primary Intended Use of such Facility substantially in the manner and to the extent such Leased Improvements were operated prior to the assertion of such encroachment. Any such alteration shall be made in conformity with the applicable requirements of Sections 9.4 and 9.5.

ARTICLE X LIENS

Subject to the provisions of Article XI relating to permitted contests and excluding the applicable 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 any Facility, this Lease or Tenant's interest in any Facility or any attachment, levy, claim or encumbrance in respect of the Rent.

**ARTICLE XI
PERMITTED CONTESTS**

Tenant, upon prior written notice to Landlord and 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, Imposition, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim; provided, however, that (a) in the case of an unpaid Imposition, lien, attachment, levy, encumbrance, charge, or claim, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the applicable Facility, (b) neither the applicable Facility 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 applicable Facility 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 XII 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 XI 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 XI shall survive the termination or expiration of this Lease.

**ARTICLE XII
INSURANCE**

12.1 General Insurance Requirements.

12.1.1 All of the policies of insurance required to be maintained by Tenant under this Article XII shall (a) be written in form satisfactory to Landlord and any Facility Mortgagee and issued by insurance companies (i) with a policyholder and financial rating of not less than "A-"/"X" in the most recent version of Best's Key Rating Guide and (ii) authorized to do insurance business in the applicable Situs State; (b) be primary and noncontributing with any insurance maintained by the Landlord Insured Parties for or with respect to the Premises; and (c) include a waiver of all rights of subrogation and recovery that is in favor and for the benefit of the Landlord Insured Parties.

12.1.2 All liability type policies (with the exception of Tenant's workers' compensation/employer's liability insurance and professional liability insurance, but specifically including crime and cyber insurance) must name the Landlord Insured Parties as additional insureds. 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 Facility 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 Facility Mortgagee unless the amount of the loss is less than \$100,000 in which event no consent shall be required.

12.1.3 Tenant shall provide Landlord copies of the original policies or a satisfactory ACORD certificate (ACORD 28 Evidence of Commercial Property Insurance Certificate of Insurance for any policy described in Sections 12.2.1 - 12.2.4 and Section 12.2.11 (if applicable) and ACORD 25 Certificate of Liability Insurance for any other policy) and the applicable endorsements evidencing the existence of the insurance required by this Lease and showing the interest of the Landlord Insured Parties (and any Facility Mortgagee(s)) prior to the commencement of the Term or, for a renewal policy, not less than ten (10) days prior to the expiration date of the policy being renewed. If Landlord is provided with an ACORD certificate and the applicable endorsements, it may demand that Tenant provide a complete copy of the related policy within ten (10) days.

12.1.4 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 the Landlord Insured Parties 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 XII (including satisfaction of the Facility Mortgagee's requirements and the approval of the Facility 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 a per location aggregate or excess limits as Landlord reasonably determines.

12.1.5 Each insurer under the insurance policies maintained by Tenant pursuant to this Article XII 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 or cancelled.

12.2 Required Policies. During the Term, Tenant shall maintain the following insurance with respect to each Facility at its sole cost and expense:

12.2.1 All Risk or Fire and Extended Coverage against 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, storm, windstorm and fungus and mold, together with coverage for earthquake (including earth movement), flood (if such Facility is located in whole or in part within a designated 100-year flood plain area) and terrorism, to the extent not included or specifically excluded from such Special Risk Insurance, all in an amount equal to one hundred percent (100%) of the full replacement cost of such Facility (as defined below in Section 12.3), and including a building ordinance and law coverage endorsement (with coverage for loss to the undamaged portion of the Facility at full policy limits and coverage for increased cost of construction and demolition, each for at least 10% of the total insured value for the Facility) and an agreed amount endorsement (such that the insurance carrier(s) has accepted the amount of coverage and has agreed that there will be no co-insurance penalty);

12.2.2 If such Facility contains steam boilers, pressure vessels or similar apparatus, insurance with an agreed amount endorsement (such that the insurance carrier has accepted the amount of coverage and has agreed that there will be no co-insurance penalty), covering the major components of the central heating, air conditioning and ventilating systems, boilers, other pressure vessels, high pressure piping and machinery, elevators and escalators, if any, and other similar equipment installed in such Facility, in an amount equal to one hundred percent (100%) of the full replacement cost of such Facility, which policy shall insure against physical damage to and loss of occupancy and use of such Facility arising out of an accident, explosion, or breakdown covered thereunder;

12.2.3 If there is any storage tank, whether above ground or below ground, located at such Facility, whether or not in use, Pollution Liability Insurance with the same limits as required for the commercial general liability insurance pursuant to Section 12.2.5 below;

12.2.4 Business Interruption and Extra Expense Coverage for loss of business income on an actual loss sustained basis for the period of restoration no matter the length, covering perils consistent with the requirements of Section 12.2.1, including either an agreed amount endorsement or a waiver of any co-insurance provisions, so as to prevent Tenant, Landlord and any other insured thereunder from being a co-insurer, and containing an extended period indemnity endorsement that provides that the continued loss of business income will be insured until such income returns to the same level it was prior to the loss or the expiration of not fewer than six (6) months after the date of the completed repairs, with such policy to include coverage for office premises service interruption that causes a loss of income due to electricity, water, gas, sewer, voice and data interruptions;

12.2.5 Commercial General Liability Coverage (including products and completed operations liability and broad form coverage, host liquor liability, broad form property damage (with the explosion, collapse and underground damage exclusions deleted), blanket contractual liability, independent contractors liability, personal injury and advertising injury coverage and medical payments coverage) against claims for bodily injury, death, medical expenses, property damage occurring on, in or about such Facility, affording the parties protection of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate;

12.2.6 Medical Professional Liability Coverage for damages for injury, death, loss of service or otherwise on account of professional services rendered or which should have been rendered, with no exclusion for patient abuse or sexual molestation, in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate, with such policy to include coverage for allegations of abuse or neglect;

12.2.7 Worker's Compensation Coverage for injuries sustained by Tenant's employees in the course of their employment and otherwise consistent with all applicable Legal Requirements and employer's liability coverage with limits of not less than One Million Dollars (\$1,000,000) each accident, One Million Dollars (\$1,000,000) bodily injury due to disease each employee and One Million Dollars (\$1,000,000) bodily injury due to disease;

12.2.8 Motor Vehicle Liability Insurance for all owned and non-owned vehicles, including any rented and/or leased vehicles, covering bodily injury, including death, and property damage with limits not less than \$1,000,000 each accident;

12.2.9 Crime insurance against employee dishonesty, with limits not less than One Million Dollars (\$1,000,000) per incident, including coverage for third parties;

12.2.10 Cyber Insurance (including privacy liability, first party data breach response services, and regulatory defense and penalties), including coverage for third parties, with limits not less than One Million Dollars (\$1,000,000) per claim or data breach, and including (a) a specific exception to the insured v. insured exclusion as it relates to claims brought by any Landlord Insured Party as an additional insured and (b) an exclusion severability provision. If Tenant accepts credit cards, Cyber Insurance shall also include coverage for Payment Card Industry fines, expenses and costs with limits not less than One Million Dollars (\$1,000,000) per claim; and

12.2.11 During such time as Tenant is constructing any improvements, Tenant, at its sole cost and expense, shall carry, or cause to be carried General Liability Insurance without any construction

related exclusions (unless approved by Landlord and any Facility Mortgagee) that includes an additional insured endorsement for Ongoing and Completed Operations, and shall be primary / non-contributory to any other insurance (b) builder's risk insurance, completed value form, covering all physical loss, in an amount and subject to policy conditions satisfactory to Landlord, and shall name the Landlord and Tenant as a "Named Insured" and (c) 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.

12.3 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 XII 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.

12.4 Claims-Made Policies. If Tenant obtains and maintains the commercial general liability coverage and/or professional liability coverage described in Sections 12.2.5 and 12.2.6 above on a "claims-made" basis, Tenant shall provide continuous liability coverage for claims arising during the Term and providing for an extended reporting period reasonably acceptable to Landlord for a minimum of three (3) years after expiration of the Term. If such policy is canceled or not renewed for any reason whatsoever, Tenant must provide evidence of a replacement policy reflecting coverage with retroactive coverage back to the Commencement Date and maintain such coverage for a period of at least three (3) years beyond the expiration of the Term or Tenant must obtain tail coverage for the length of the remaining term plus an additional three (3) years beyond the expiration of the Term.

12.5 Non-Renewal. If Tenant fails to cause the insurance required under Article XII to be issued in the names herein called for, fails to pay the premiums therefor or fails to deliver such policies or certificates thereof to Landlord, at the times required, Landlord shall be entitled, but shall have no obligation, to obtain 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.

12.6 Deductibles. Deductibles/self-insured retentions for the insurance policies required under this Article XII shall not be greater than \$50,000.00; provided, however, that the deductibles/self-insured retentions for losses sustained from earthquake (including earth movement), flood or windstorm (i.e., wind/hail) may be equal, but not greater than, five percent (5%) of the replacement cost of the applicable Facility.

12.7 Increase in Limits; Types of Coverages. If, from time to time after the Commencement Date, Landlord determines in the exercise of its commercially reasonable judgment that the limits of the insurance required to be maintained by Tenant hereunder are no longer commensurate to the limits being regularly required by institutional landlords of similar properties in the applicable Situs State or their institutional lenders or that a particular type of insurance coverage is being regularly required by institutional landlords of similar properties in the applicable Situs State or their institutional lenders and is not then required hereunder, Landlord may notify Tenant of the same, indicating the particular limit or type of coverage that Landlord has determined should be increased or carried by Tenant, as applicable. Unless Tenant, in the exercise of its commercially reasonable judgment, objects to Landlord's

determination, then within thirty (30) days after the receipt of such notice, Tenant shall thereafter increase the particular limit or obtain the particular coverage, as applicable, unless and until further modified pursuant to the provisions of this Section 12.7. Notwithstanding anything herein to the contrary, Landlord shall not request a modification of the insurance requirements of this Lease more frequently than once every three (3) years. If Tenant, in the exercise of its commercially reasonable judgment, objects to Landlord's determination made under this Section 12.7 and Landlord and Tenant are unable to agree upon the matter within fifteen (15) days of Tenant's receipt of the applicable notice from Landlord, such determination shall be made by a reputable insurance company, consultant or expert (an "**Insurance Arbitrator**") with experience in the skilled nursing insurance industry as mutually identified by Landlord and Tenant in the exercise of their reasonable judgment. As a condition to a determination of commercial reasonableness with respect to any particular matter, the Insurance Arbitrator shall be capable of providing, procuring or identifying particular policies or coverages that would be available to Tenant and would satisfy the requirement in issue. The determinations made by any such experts shall be binding on Landlord and Tenant for purposes of this Section 12.7, and the costs, fees and expenses of the same shall be shared equally by Tenant and Landlord. If Tenant and Landlord are unable to mutually agree upon an Insurance Arbitrator, each party shall within ten (10) days after written demand by the other select one Insurance Arbitrator. Within ten (10) days of such selection, the Insurance Arbitrators so selected by the parties shall select a third (3rd) Insurance Arbitrator who shall be solely responsible for rendering a final determination with respect to the insurance requirement in issue. If either party fails to select an Insurance Arbitrator within the time period set forth above, the Insurance Arbitrator selected by the other party shall alone render the final determination with respect to the insurance requirement in issue in accordance with the foregoing provisions and such final determination shall be binding upon the parties. If the Insurance Arbitrators selected by the parties are unable to agree upon a third (3rd) Insurance Arbitrator within the time period set forth above, either party shall have the right to apply at Tenant's and Landlord's joint expense to the presiding judge of the court of original trial jurisdiction in the county in which any Facility is located to name the third (3rd) Insurance Arbitrator.

12.8 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 XII 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 the Landlord Insured Parties and all Facility 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, the Landlord Insured Parties and any Facility 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 Facility Mortgage.

ARTICLE XIII REPRESENTATIONS AND WARRANTIES

13.1 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 applicable Situs 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.

13.2 Anti-Terrorism Representations.

13.2.1 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.

13.2.2 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 13.2 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 XIV
DAMAGE AND DESTRUCTION**

Tenant shall promptly notify Landlord of any damage or destruction of any Facility and diligently repair or reconstruct such Facility to a like or better condition than existed prior to such damage or destruction in accordance with Section 9.5. Any net insurance proceeds payable with respect to the casualty shall be paid directly to Landlord and, if an Event of Default has not occurred hereunder, used for the repair or reconstruction of such Facility pursuant to Landlord’s disbursement requirements. If such proceeds are insufficient, Tenant shall provide the required additional funds; if they 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 any Facility by reason of an insured or uninsured casualty.

**ARTICLE XV
CONDEMNATION**

15.1 General. Except as provided to the contrary in this Article XV, a Condemnation of any Facility 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.

15.2 Notice of Taking. Tenant and Landlord, as the case may be, promptly upon obtaining knowledge of the institution of any proceeding for a Condemnation, shall each notify the other and any Facility Mortgagee thereof and Tenant, Landlord and Facility Mortgagee shall be entitled to participate in any Condemnation proceeding.

15.3 Complete Taking. In the event of a Complete Taking of any Facility and as of the effective date of such Complete Taking, this Lease shall automatically terminate with respect to such

Facility and the current Base Rent shall be proportionally reduced based on the ratio of the applicable Facility's EBITDARM to the EBITDARM of all Facilities. The applicable calculations of EBITDARM shall be based on Tenant's financials for the calendar quarter most recently ended as of the effective date of such Complete Taking. Reference is hereby made to Section 2 of Exhibit F for a numeric example of such reduction.

15.4 Partial Taking. In the event of a Partial Taking of any Facility, this Lease shall remain in effect as to such Facility and, except as specifically set forth herein, Tenant's obligation to make payments of Rent and to pay all other charges required under this Lease with respect to such Facility shall remain unabated during the Term notwithstanding such Partial Taking. If such Partial Taking results in a reduced number of beds at such Facility, then the current Base Rent shall be proportionally reduced based on (a) the ratio of the number of beds reduced at such Facility to the total number of beds at such Facility (prior to such Partial Taking) and (b) the ratio of the applicable Facility's EBITDARM to the EBITDARM of all Facilities. The applicable calculations of EBITDARM shall be based on Tenant's financials for the calendar quarter most recently ended as of the effective date of such Partial Taking. By way of example only, if (1) a Facility originally containing 100 beds suffers a casualty and the number of beds is reduced to 80; (2) the total Base Rent under this Lease, prior to such casualty, is \$1,000,000; (3) the total EBITDARM for all Facilities is \$12,000,000.00; and (4) the EBITDARM for the damaged Facility is \$4,000,000.00, then the Base Rent would be reduced by $\$66,666.66$ (i.e., $(20 \text{ beds}/100 \text{ beds}) * (\$4,000,000/\$12,000,000) * \$1,000,000$).

If there is a Partial Taking of any Facility, Tenant, at its sole cost and expense (subject to reimbursement from the award from such Condemnation, as provided in Section 15.6 below), shall repair and restore such Facility in accordance with Section 9.5 such that the remaining portion of such Facility may continue to be operated for its Primary Intended Use and as otherwise required under this Lease.

15.5 Temporary Taking. In the event of a Temporary Taking of any Facility, this Lease shall remain in effect as to such Facility, Tenant's obligation to make payments of Rent and to pay all other charges required under this Lease with respect to such Facility shall remain unabated during the Term notwithstanding such Temporary Taking, and Tenant shall be responsible for all obligations hereunder not affected by such Temporary Taking.

15.6 Award Distribution. Landlord alone shall be entitled to receive and retain any award for a Condemnation other than a Temporary Taking; provided, however, Landlord shall make available to Tenant the portion of the award necessary and specifically identified for restoration of the affected Facility (pursuant to Landlord's disbursement requirements); and provided, further, that 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 applicable Facility, Tenant's Personal Property, Tenant's lost profits and/or the relocation costs incurred by Tenant as a result thereof. In the event of a Temporary Taking of any Facility, Tenant shall be entitled to receive and retain any and all awards for the Temporary Taking. If the period of the Temporary Taking shall extend beyond the Expiration Date, that part of the award for such Temporary Taking which represents compensation for the use or occupancy of such Facility (or a part thereof) shall be divided between Landlord and Tenant so that Tenant shall receive so much thereof as represents the period to and including the Expiration Date and Landlord shall receive so much as represents the period subsequent to the Expiration Date and, if applicable, Landlord shall be entitled to receive that portion which represents reimbursement for the cost of restoring the Premises as a result of such Temporary Taking.

15.7 Relationship to Facility Mortgage. Notwithstanding anything herein to the contrary, in the event that any Facility Mortgagee is entitled to any Condemnation award, or any portion thereof, under the terms of any Facility Mortgage, such award shall be applied, held and/or disbursed in

accordance with the terms of the Facility Mortgage. In the event that the Facility Mortgagee elects to apply the award to the indebtedness secured by the Facility Mortgage in the case of a Partial Taking as to which the restoration provisions of this Article XV apply, Landlord agrees to make available to Tenant for restoration of such Facility funds equal to the amount applied by the Facility Mortgagee.

ARTICLE XVI DEFAULT

16.1 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 16.1:

16.1.1 Tenant shall fail to pay any installment of Rent within two (2) Business Days of its Payment Date;

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

16.1.3 Any material suspension, limitation or restriction placed upon Tenant, any Authorization, any Facility, the operations at any Facility or Tenant’s ability to admit residents or patients at the Premises (e.g., an admissions ban or non-payment for new admissions by any Third 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;

16.1.4 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;

16.1.5 A material default by Tenant, any Guarantor or any Affiliate of Tenant or any Guarantor shall occur under any lease, guaranty, loan or financing agreement with any other party that is not cured within any applicable cure period provided for therein;

16.1.6 The occurrence of any event or circumstance constituting a default or denominated as an Event of Default under any of the Amended and Restated Loan Documents, the Amended and Restated Pre-Petition Loan Documents, or the Cure Note Loan Documents and the expiration of any applicable grace or cure periods, if any, specified for such default or Event of Default therein.

16.1.7 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;

16.1.8 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 16.1.8;

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

16.1.10 Tenant fails to perform or comply with the provisions of Article XII or Article XX within the applicable time periods set forth therein; or

16.1.11 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.

16.2 Remedies. Upon the occurrence of an Event of Default, Landlord may exercise all rights and remedies under this Lease and the laws of the applicable Situs 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 applicable Situs 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 any Facility 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 any Facility, including fees, commissions and costs of attorneys, architects, agents and brokers.

16.2.1 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 any Facility, terminate this Lease, dispossess Tenant from any Facility 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 a Facility pursuant to clause (b) above and whether or not this Lease has been terminated) relet such Facility 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.

16.2.2 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.

16.2.3 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 applicable Facility 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.

16.2.4 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.

16.2.5 If Landlord initiates judicial proceedings or if this Lease is terminated by Landlord pursuant to this Article XVI, 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 XVII PROVISIONS ON TERMINATION

17.1 **Surrender of Possession.** On the Expiration Date, Tenant shall deliver to Landlord or Landlord's designee possession of each Facility in a neat and clean condition, with each Facility being fully operational as of such date and in compliance with all Authorizations. Tenant shall have no obligation to perform any Alterations necessitated by, or imposed in connection with, a change of ownership inspection survey for the transfer of operation of such Facility to Landlord or Landlord's designee unless Landlord is able to demonstrate that such Alterations were previously required hereunder or by the applicable licensing authorities to be undertaken by Tenant prior to the Expiration Date and Tenant failed to do so.

17.2 Orderly Transition.

17.2.1 Prior to the Expiration Date, Tenant shall use its best efforts to transfer to Landlord or Landlord's designee all Authorizations and shall take all necessary actions, including, without limitation, filing such applications, petitions and transfer notices and making such assignments, conveyances and transfers as are necessary, desirable or advisable, such that the day-to-day operations of the Facilities are transferred and transitioned, practically and legally, to Landlord or Landlord's designee upon termination of the Lease without interruption of the business activities therein, regulatory or otherwise. In connection therewith, Tenant shall transfer, to the extent permitted by applicable law, to Landlord or Landlord's designee all contracts, including contracts with Governmental Authorities, 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, desirable or advisable for the operation of each Facility for its Primary Intended Use. In furtherance of the foregoing, Tenant agrees to enter into a commercially reasonable operations transfer agreement with Landlord or Landlord's designee, which agreement shall provide, *inter alia*, for the proration of operational revenues and liabilities.

17.2.2 Tenant shall cooperate fully to accomplish the transfer of the management and operation of each Facility 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 each Facility under Tenant's Authorizations pending the issuance of new Authorizations to Landlord or Landlord's designee.

17.2.3 In connection with the transfer of the operations of any Facility to a new operator, upon notice from Landlord, Tenant shall operate such Facility in accordance with the terms of this Lease until the earliest to occur of (a) the date on which such successor operator assumes operation of such Facility, (b) the date that is one hundred twenty (120) days after the Expiration Date, or (c) the date that is ninety (90) days after Landlord notifies Tenant that it may commence a Facility Termination.

17.2.4 If Tenant operates one or more Facility at Landlord's request after the Expiration Date, then, from and after the expiration of this Lease and until the earliest to occur of the dates described in Section 17.2.3 (the "**Reimbursement Period**"), (a) Landlord shall provide Tenant with an operating budget, (b) Landlord shall include in the aforesaid operating budget, and Tenant shall continue to pay during the Reimbursement Period, all Rent that would have been owing under this Lease if this Lease had not expired, and (c) Landlord shall reimburse Tenant for any operating deficits that Tenant may be required to fund out-of-pocket on account of operating losses and expenses incurred by Tenant by reason of, or arising out of compliance with, such budget with respect to the Reimbursement Period. Any such reimbursement shall be due from Landlord to Tenant within thirty (30) days after request by Tenant, provided that Tenant shall furnish such documentation of any operating deficits, losses and expenses as Landlord may reasonably request. The terms of this Section 17.2.4 shall survive the expiration or sooner termination of this Lease.

17.2.5 Notwithstanding anything to the contrary herein, Landlord shall have the option, exercisable in its sole discretion, to elect to wind up and terminate the operations of one or more Facility upon the Expiration Date or as soon thereafter as practicable (a "**Facility Termination**"). If Landlord elects to institute a Facility Termination, Tenant shall take all commercially reasonable steps necessary, in compliance with all Legal Requirements and Authorizations, to effectuate the same, all at Tenant's sole cost and expense.

17.3 Transition or Closure of Rockport Facility.

17.3.1 Landlord shall use its commercially reasonable efforts to locate and identify a third-party operator (the “**Replacement Operator**”) in order to (a) transition the operations of the Rockport Facility from Tenant to such Replacement Operator and (b) remove the Rockport Facility from the Premises being leased by Landlord to Tenant under the terms of this Lease. Tenant shall reasonably cooperate with Landlord and such Replacement Operator to accomplish the transfer of the management and operation of the Rockport Facility to Replacement Operator without interrupting the operations thereof. In connection therewith, Tenant shall use its commercially reasonable efforts to transfer to Replacement Operator all Authorizations and shall take all reasonably necessary actions, including, without limitation, filing such applications, petitions and transfer notices and making such assignments, conveyances and transfers as are necessary, desirable or advisable, such that the day-to-day operations of the Rockport Facility are transferred and transitioned, practically and legally, to Replacement Operator without interruption of the business activities therein, regulatory or otherwise. In connection therewith, Tenant shall transfer, to the extent permitted by applicable law, to Replacement Operator all contracts, including contracts with Governmental Authorities, 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, desirable or advisable for the operation of the Rockport Facility for its Primary Intended Use. In furtherance of the foregoing, Tenant agrees to enter into a commercially reasonable operations transfer agreement with, which agreement shall provide, *inter alia*, for the proration of operational revenues and liabilities.

17.3.2 In the event that the transition contemplated under Section 17.3.1 above has not been initiated or consummated on or before June 30, 2019, Tenant shall have the option, exercisable in its sole discretion, to elect to wind up and terminate the operations of the Rockport Facility as soon thereafter as is reasonably practicable (a “**Rockport Closure**”). If Tenant elects to institute the Rockport Closure, Tenant shall take all commercially reasonable steps necessary, in compliance with all Legal Requirements and Authorizations, to effectuate the same in a timely manner. Notwithstanding anything to the contrary set forth in this Lease, during the period in which the Rockport Closure has been initiated by Tenant and is continuing, the Base Rent payable under this Lease shall be temporarily reduced by Twenty Thousand Dollars (\$20,000) per month. Such temporary reduction in Base Rent shall terminate and the Base Rent otherwise payable under this Lease shall be fully-restored at such time as the residents of the Rockport Facility have been discharged and the Rockport Closure has been completed.

17.4 Tenant 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 Tenant 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 the Tenant Personal Property for its then net book value during such five (5) Business Day notice period, in which case Tenant shall convey the Tenant 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 Tenant 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 Tenant 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 such Tenant Personal Property which is not so removed by Tenant without obligation or accounting to Tenant.

17.5 Facility 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 the Tenant Personal Property pursuant to Section 17.4 above, Landlord or its designee shall be permitted to use the name under which each Facility has done business during the Term in connection with the continued operation of such Facility for its Primary Intended Use, but for no other use and not in connection with any other property or facility.

17.6 Holding Over. Unless at the request of Landlord pursuant to Section 17.2.4 or otherwise with the written consent of Landlord, if Tenant shall for any reason remain in possession of any Facility after the Expiration Date, such possession shall be a tenancy at sufferance and during the period of such possession, Tenant shall pay as rental on the first (1st) Business Day of each month an amount equal to the product of (x) the number of days in such calendar month and (b) 150% of 1/30th of the monthly Base Rent payable with respect to the last Lease Year, plus all Additional Rent accruing during the month and all other sums, if any, payable by Tenant pursuant to this Lease (collectively, the “**Holdover Rent**”). Landlord and Tenant hereby agree and acknowledge that the parties do not intend for the payment of the Holdover Rent on a monthly basis to create a periodic tenancy. 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 XVIII 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 any Facility; (b) any use, misuse, non-use, condition, maintenance or repair of any Facility 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 any Facility. Any amounts which become payable by Tenant under this Article XVIII 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 XVIII shall survive the expiration or sooner termination of this Lease. For purposes of this Article XVIII, 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 XIX
LANDLORD'S FINANCING**

19.1 Grant Lien. Without the consent of Tenant, Landlord may from time to time, directly or indirectly, create or otherwise cause to exist any Facility Mortgage upon any Facility or interest therein. This Lease is and at all times shall be subject and subordinate to any such Facility Mortgage which may now or hereafter affect any Facility or interest therein and to all renewals, modifications, consolidations, replacements, restatements and extensions thereof or any parts or portions thereof; provided, however, so long as no Event of Default has occurred, no Facility Mortgagee shall have the right to disturb Tenant's leasehold interest or possession of any Facility or interfere with any other rights of Tenant accorded by the terms of this Lease. 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 Facility Mortgagee may request for such purposes so long as the same contains commercially reasonable non-disturbance and attornment provisions. If, in connection with obtaining any Facility Mortgage for any Facility or interest therein, a Facility Mortgagee or prospective Facility 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.

19.2 Attornment. If Landlord's interest in any Facility or interest therein is sold, conveyed or terminated upon the exercise of any remedy provided for in any Facility 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 Facility 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.

19.3 Compliance with Facility Mortgage Documents. Tenant acknowledges that any Facility 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 any Facility to comply with all representations, covenants and warranties contained therein relating to such Facility and the operator and/or lessee of such Facility, including, covenants relating to (a) the maintenance and repair of such Facility; (b) maintenance and submission of financial records and accounts of the operation of such Facility and related financial and other information regarding the operator and/or lessee of such Facility and such Facility itself; (c) the procurement of insurance policies with respect to such Facility; and (d) without limiting the foregoing, compliance with all applicable Legal Requirements relating to such Facility and the operations thereof. For so long as any Facility Mortgages encumber any Facility or interest therein, Tenant covenants and agrees, at its sole cost and expense and for the express benefit of Landlord, to operate such Facility in strict compliance with the terms and conditions of the Facility 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 19.3 shall not be deemed to impose on Tenant obligations materially more burdensome than Tenant's obligations otherwise under this Lease. If any new Facility Mortgage Documents to be executed by Landlord or any Affiliate of Landlord would impose on Tenant any obligations under this Section 19.3, 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.

ARTICLE XX ASSIGNMENT AND SUBLETTING

20.1 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%).

20.2 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.

20.3 Affiliated Transfer. Notwithstanding Section 20.1 to the contrary, but subject to the rights of any Facility Mortgagee, Tenant may, without Landlord's prior written consent, assign this Lease or sublease any Facility to an Affiliate of Tenant or 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 Guarantor remains fully liable under the Guaranty; (c) the use of such Facility 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.

20.4 Permitted Occupancy Agreements. Notwithstanding Section 20.1 to the contrary, Tenant may enter into an occupancy agreement with residents of each Facility without the prior written consent of Landlord provided that (a) the agreement does not provide for life care services; (b) the agreement does not contain any type of rate lock provision or rate guaranty for more than one calendar year; (c) the agreement does not provide for any rent reduction or waiver other than for an introductory period not to exceed thirty (30) days; (d) 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 (e) all

residents of each Facility are accurately shown in accounting records for such Facility. Without the prior written consent of Landlord, Tenant shall not materially change the form of resident occupancy agreement that was submitted to Landlord prior to the Commencement Date; provided, however, no consent will be required for changes required 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.

20.5 Costs. Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses incurred in conjunction with the processing and documentation of any assignment, master subletting or management arrangement, including reasonable attorneys' or other consultants' fees whether or not such assignment, master sublease or management agreement is ultimately consummated or executed.

ARTICLE XXI REPORTING REQUIREMENTS; ESTOPPEL CERTIFICATE

21.1 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 each Facility, individually and collectively. 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.

21.2 Financial, Management and Regulatory Reports. Tenant shall provide Landlord with the reports listed in Exhibit D within the applicable time specified therein. All financial information provided shall be prepared in accordance with GAAP and shall be submitted electronically using the applicable template provided by Landlord from time to time or, if no such template is provided by Landlord, in the form of unrestricted, unlocked ".xls" spreadsheets created using Microsoft Excel or in such other form as Landlord may reasonably require from time to time. 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 D within the applicable time specified therein, which administrative fee shall be immediately due and payable to Landlord.

21.3 Additional Information. In addition to the reports required under Section 21.2 above, upon Landlord's request from time to time, Tenant shall provide Landlord with such additional information and unaudited financial information concerning each Facility, the operations thereof and Tenant as Landlord may require, including those related to or 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 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.

21.4 Publication of Tenant's Reports. Tenant specifically agrees that Landlord may include financial information and such information concerning the operation of any Facility 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.

21.5 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 XXII CERTAIN RIGHTS OF LANDLORD

22.1 Right of Entry. Landlord and its representatives may enter on any Facility at any reasonable time after reasonable notice to Tenant to inspect such Facility for compliance to this Lease, to exhibit such Facility 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 such Facility.

22.2 Conveyance by Landlord. If Landlord or any successor owner of any Facility shall convey such Facility 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 19.2, all such future liabilities and obligations shall thereupon be binding upon the new owner.

22.3 Granting of Easements, etc. Landlord may, from time to time, with respect to each Facility: (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 such Facility, (c) dedicate or transfer unimproved portions of such Facility for road, highway or other public purposes, (d) execute petitions to have such Facility annexed to any municipal corporation or utility district, (e) execute amendments to any easements, covenants and restrictions affecting such Facility 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 such Facility) without the necessity of obtaining Tenant's consent provided that such easement or other instrument or action contemplated by this Section 22.3 does not unreasonably interfere with Tenant's operations at such Facility.

22.4 New Lease and Combination of Leases.

22.4.1 Landlord shall have the right from time to time during the Term, by notice to Tenant, to require that Tenant execute an amendment to this Lease pursuant to which one or more Facilities (individually, a "**Transferred Facility**" or collectively, "**Transferred Facilities**") are separated and removed from this Lease, and, in such event, simultaneously with the execution of such amendment, Landlord and Tenant shall execute a substitute lease with respect to such Transferred Facilities pursuant to the terms of Exhibit F (a "**New Lease**"). Notwithstanding the foregoing, Landlord shall only have the

right to require Tenant to enter into a New Lease if the same is required, in Landlord's reasonable determination, in connection with a proposed financing transaction involving Landlord or any Affiliate of Landlord, including, without limitation, if an Affiliate of Landlord elects to include some, but not all, of the Facilities within the borrowing base of a corporate-level credit facility.

22.4.2 Landlord shall have the right, at any time during the Term, by notice to Tenant, to require that this Lease and any New Lease be recombined into a single lease pursuant to the terms of Exhibit F. For the avoidance of doubt, only a New Lease to which Tenant, or an Affiliate of Tenant, and Landlord, or an Affiliate of Landlord, are then parties shall be subject to the provisions of this Section 22.4.2.

ARTICLE XXIII ENVIRONMENTAL MATTERS

23.1 Hazardous Materials. Tenant shall not allow any Hazardous Materials to be located in, on, under or about any Facility or incorporated in any Facility; provided, however, that Hazardous Materials may be brought, kept, used or disposed of in, on or about a Facility 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 such Facility's Primary Intended Use or in connection with the construction of facilities similar to such Facility and which are brought, kept, used and disposed of in strict compliance with all Hazardous Materials Laws.

23.2 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 any Facility; (c) any remedial action taken by Tenant in response to any Hazardous Materials Claims or any Hazardous Materials on, under or about any Facility in violation of any Hazardous Materials Laws; (d) Tenant's discovery of any occurrence or condition on or in the vicinity of any Facility that materially increase the risk that such Facility 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 any Facility, including copies thereof.

23.3 Remediation. If Tenant becomes aware of a violation of any Hazardous Materials Laws relating to any Hazardous Materials in, on, under or about any Facility or any adjacent property, or if Tenant, Landlord or any Facility becomes subject to any order of any federal, state or local agency to repair, close, detoxify, decontaminate or otherwise remediate any Facility 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.

23.4 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, before or during (but not 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 of any Facility, (b) the presence of any Hazardous Materials in, on, under or about any Facility 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.

23.5 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 any Facility to determine Tenant's compliance with this Article XXIII. 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 23.5 shall be paid on demand by Tenant; provided, however, absent reasonable grounds to suspect Tenant's breach of its obligations under this Article XXIII, Tenant shall not be required to pay for more than one (1) such inspection in any two (2) year period with respect to each Facility. The obligations set forth in this Article XXIII shall survive the expiration or earlier termination of this Lease.

ARTICLE XXIV LANDLORD'S SECURITY INTEREST

24.1 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.

24.2 Accounts Receivable Financing. Tenant shall not obtain financing with respect to any Facility (or its operations) or otherwise pledge or grant any third party a security or collateral interest in the Accounts Collateral without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion.

24.3 Certain Changes. In no way waiving or modifying the provisions of Article XX 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 XXV 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 each Facility 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 XXVI
REIT RESTRICTIONS**

26.1 General REIT Provisions. Tenant understands that, in order for Landlord's Affiliate, Sabra Health Care REIT, Inc., or any successor Affiliate that is a real estate investment trust to qualify as a real estate investment trust, certain requirements must be satisfied, including the provisions of Section 856 of the Code. Accordingly, Tenant agrees, and agrees to cause its Affiliates, permitted subtenants, if any, and any other parties subject to its control by ownership or contract, to reasonably cooperate with Landlord to ensure that such requirements are satisfied, including providing Landlord or any of its Affiliates with information about the ownership of Tenant and its Affiliates. Tenant agrees, and agrees to cause its Affiliates, upon request by Landlord or any of its Affiliates, to take all action reasonably necessary to ensure compliance with such requirements.

26.2 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.

26.3 Prohibited Transactions. Notwithstanding anything to the contrary herein, Tenant shall not (a) sublet, assign or enter into a management arrangement for any Facility 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 any Facility so subleased, assigned or managed; (c) sublet, assign or enter into a management arrangement for any Facility to any Person (other than a taxable REIT subsidiary of Landlord) in which 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 any Facility 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 26.3 shall likewise apply to any further subleasing by any subtenant.

26.4 Personal Property REIT Requirements. Notwithstanding anything to the contrary herein, upon request of Landlord, Tenant shall cooperate with Landlord in good faith 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 the Landlord 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 the Landlord Personal Property in connection with the compliance with the Personal Property REIT Requirement.

**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:

c/o Wachusett Ventures, LLC
11 Mayor Thomas J. McGrath Highway
Quincy, MA 02169
Attn: Steven Vera

If to Landlord:

c/o Sabra Health Care REIT, Inc.
18500 Von Karman Avenue, Suite 550
Irvine, California 92612
Attn: Richard K. Matros

With a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attn: Jack H. Fainberg, Esq. and
Richard C. Pedone, Esq.

With a copy to:

Sherry Meyerhoff Hanson & Crance LLP
610 Newport Center Drive, Suite 1350
Newport Beach, California 92660
Attn: Kevin L. Sherry, Esq.

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. Delivery to any officer, general partner or principal of a party shall be deemed delivery to such party. Notice to any one co-Tenant shall be deemed notice to all co-Tenants.

**ARTICLE XXVIII
TENANT PURCHASE OPTION**

28.1 Purchase Option. Landlord hereby grants to Tenant an option (the "**Purchase Option**") to purchase the Premises on the expiration of the Initial Term (referred to herein as the "**Purchase Option Date**"). Tenant must exercise the Purchase Option, if at all, by written notice (the "**Election Notice**") to Landlord no less than twelve (12) months prior to the Purchase Option Date. The purchase price shall be equal to the Fair Market Value of the Premises as of the Purchase Option Date plus the then outstanding balance due under the Amended and Restated Loan Documents and the Amended and Restated Pre-Petition Loan Documents (the "**Option Purchase Price**"). Once the Option Purchase Price is established in accordance with the provisions of Exhibit E, the parties shall sign a real estate purchase and sale agreement in form and substance reasonably satisfactory to Landlord and Tenant (the "**Purchase Contract**"); provided, however, the Purchase Contract shall not contain any due diligence or other contingencies in favor of Tenant and shall not contain any representations or warranties on the part of Landlord, other than with respect due authorization, execution and no conflicts. An office of First American Title (or its successor) located in Irvine, California, shall serve as the title company and escrow agent under the Purchase Contract. Tenant shall deposit three percent (3%) of the Option Purchase Price (the "**Option Deposit**") with the title company concurrently with the mutual execution of the Purchase Contract, which may be retained by Landlord as liquidated damages solely for any breach by Tenant of these terms or the terms of the Purchase Contract (and which in no way shall liquidate or limit Landlord's damages by reason of any other breach of this Lease). The escrow shall close on the Purchase Option

Date, at which time Tenant shall pay the Option Purchase Price in cash and Landlord shall deliver title to the Premises only to the Permitted Encumbrances by means of a special warranty deed and a bill of sale, in form and substance reasonably satisfactory to Landlord and Tenant. Tenant shall pay all title and escrow fees, recording fees, transfer taxes and all other transaction costs arising from the sale of the Premises to Tenant. If Tenant fails to close the escrow for any reason other than a breach by Landlord, then Landlord shall have the right to extend the Term for an additional one (1) year period during which period the Base Rent shall be calculated as if Tenant has delivered an Extension Notice rather than the Election Notice.

28.2 Limitation on Tenant's Right. Tenant shall have no right to exercise the Purchase Option, and Tenant's Election Notice will be ineffective, if an Event of Default shall have occurred and be continuing on the date Landlord receives the Election Notice or on the Purchase Option Date. Any termination of this Lease terminates all rights under this Article XXVIII and the Purchase Option is not assignable, separate and apart from this Lease.

ARTICLE XXIX MISCELLANEOUS

29.1 Memorandum of Lease. Landlord and Tenant shall, promptly upon the request of either, enter into a short form memorandum of this Lease, in form suitable for recording under the laws of the applicable Situs 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.

29.2 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.

29.3 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.

29.4 Acceptance of Surrender. No surrender to Landlord of this Lease or any Facility, 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.

29.5 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.

29.6 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.

29.7 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.

29.8 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 consequential damages suffered by Tenant from whatever cause.

29.9 Successors and Assigns. This Lease shall be binding upon Landlord and its successors and assigns and, subject to the provisions of Article XX, upon Tenant and its successors and assigns.

29.10 Governing Law; Jury Waiver. This Lease shall be governed by and construed and enforced in accordance with the internal laws of Massachusetts, without regard to the conflict of laws rules thereof; provided that that the law of the applicable Situs State shall govern procedures for enforcing, in the respective Situs State, provisional and other remedies directly related to such Facility and related personal property as may be required pursuant to the law of such Situs State, including without limitation the appointment of a receiver; and, further provided that the law of the Situs State also applies to the extent, but only to the extent, necessary to create, perfect and foreclose the security interests and liens created under this Lease. **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.**

29.11 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.

29.12 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.

29.13 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. Executed copies hereof may be delivered by facsimile, email or other electronic means and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

29.14 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.

29.15 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.

29.16 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.

29.17 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:

WV-CROSSINGS EAST LLC
WV-PARKWAY PAVILION LLC,
each a Connecticut limited liability company

By: Wachusett Ventures, LLC
Their Sole Member

By: _____
Name: _____
Title: _____

WV – ROCKPORT SNF OPCO, LLC
WV – QUINCY SNF OPCO, LLC,
each a Massachusetts limited liability company

By: Wachusett Ventures, LLC
Their Sole Member

By: _____
Name: _____
Title: _____

[Signatures continue on next page]

LANDLORD:

**CCP NUTMEG PAVILION 0567 LLC,
CCP PARKWAY PAVILION 0568 LLC,
CCP DEN-MAR 0542 LLC, and
CCP QUINCY 0537 LLC, each**
a Delaware limited liability company

By: _____
Name: _____
Title: _____

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 merchandise, goods or services by any Tenant Sublessee, or from the operations of any Tenant Sublessee at each Facility, 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.

“Additional Rent” has the meaning set forth in Section 2.3.

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

“Alterations” means, with respect to each Facility, any alteration, improvement, exchange, replacement, modification or expansion of the Leased Improvements or Fixtures at such Facility.

“Amended and Restated Loan Documents” means all loan documents evidencing and/or securing the amended and restated CCP DIP Loan Documents (as defined in the Plan), together with any amendments, substitutions and/or replacements thereof, by and between CCP Finance II LLC (or one or more Affiliates thereof) and Tenant (or one or more Affiliates thereof), together with any amendments, substitutions and/or replacements thereof.

“Amended and Restated Pre-Petition Loan Documents” means all loan documents evidencing and/or securing the amended and restated CCP Finance Loan Documents (as defined in the Plan), together with any amendments, substitutions and/or replacements thereof, by and between CCP Finance II LLC (or

one or more Affiliates thereof) and Tenant (or one or more Affiliates thereof), together with any amendments, substitutions and/or replacements thereof.

“Annual Increase” means two percent (2.0%).

“Authorization” means, with respect to each Facility, any and all licenses, permits, certifications, accreditations, Provider Agreements, CONs, certificates of exemption, approvals, waivers, variances and other governmental or “quasi-governmental” authorizations necessary or advisable for the use of such Facility for its Primary Intended Use and receipt of reimbursement or other payments under any Third Party Payor Program in which such Facility participates.

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

“Base Rent” has the meaning set forth in Section 2.1.1.

“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, with respect to each Facility, repairs, replacements and improvements to such Facility (other than the Landlord 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 9.4 and 9.5 applicable to any Alterations.

“CC&Rs” has the meaning set forth in Section 4.2.

“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 1.2.

“Complete Taking” means the Condemnation of all or substantially all of a Facility or a Condemnation that results in a Facility no longer being capable of being operated for its Primary Intended Use.

“CON” means, with respect to each Facility, 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 such Facility 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 such Facility or (iii) the modification of the services provided at such Facility used as a nursing facility, assisted living facility, senior independent living facility and/or rehabilitation hospital.

“**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**” means any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

“**Contingent Obligation**” means any direct or indirect liability of Tenant: (i) with respect to any Debt of another Person; (ii) with respect to any undrawn portion of any letter of credit issued for the account of Tenant as to which Tenant is otherwise liable for the reimbursement of any drawing; (iii) to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement; or (iv) for any obligations of another Person pursuant to any guaranty or pursuant to any agreement to purchase, repurchase or otherwise acquire any obligation or any property constituting security therefor, to provide funds for the payment or discharge of such obligation or to preserve the solvency, financial condition or level of income of another Person. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determinable amount, the maximum amount so guaranteed or otherwise supported.

“**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.

“**CPI**” means the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for All Urban Wage Earners and Clerical Workers, United States Average, Subgroup “All Items” (1982 - 1984 = 100). If the foregoing index is discontinued or revised during the Term, the governmental index or computation with which it is replaced shall be used to obtain substantially the same result as if such index had not been discontinued or revised.

“**CPI Increase**” means the percentage increase (but not decrease) in (i) the CPI published for the month immediately prior to the beginning of each Lease Year, over (ii) the CPI published for the month immediately prior to the beginning of the immediately preceding Lease Year.

“**Cure Note**” means that certain Secured Promissory Note entered into as of the date hereof executed by Tenant, as borrower, in favor of Landlord, as lender, and evidencing the loan to repay the CCP Cure Claims (as defined in the Plan) and any amendments, restatements or other modifications thereof.

“**Cure Note Loan Documents**” means the Cure Note, together with such other documents evidencing and/or securing the loan referred to the Cure Note, together with any amendments, substitutions and/or replacements thereof.

“**Debt**” means, for any Person, without duplication: (i) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit or for the deferred purchase price of property for which such Person or its assets is liable; (ii) all unfunded amounts under a loan agreement, letter of credit or other credit facility for which such Person would be liable if such amounts were advanced thereunder; (iii) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests; (iv) all indebtedness guaranteed by such Person, directly or indirectly; (v) all obligations under leases that

constitute capital leases for which such Person is liable; (vi) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss; (vii) off-balance sheet liabilities of such Person; and (viii) obligations arising under bonus, deferred compensation, incentive compensation or similar arrangements, other than those arising in the Ordinary Course of Business.

“**Deferred Rent**” has the meaning set forth in Section 2.1.4.

“**EBITDARM**” means, for any period of determination, the aggregate net income of Tenant (or the net income of the applicable Tenant Sublessees if the Facility is subject to a sublease for the entire Facility) for such period to the extent derived from the operation of the Facilities (reasonably normalized for non-recurring items and seasonality), adjusted to add thereto, to the extent allocable to the Facilities, without duplication, (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization expense, (iv) rental expense, and (v) management fee expense, in each case determined in accordance with GAAP consistently applied, to the extent applicable. Where the context requires (e.g., Sections **Error! Reference source not found.** and **Error! Reference source not found.**), EBITDARM shall be calculated on a per Facility basis using the net income of the applicable Tenant (or the net income of the applicable Tenant Sublessees if such Facility is subject to a sublease for the entire Facility) for such period to the extent derived from the operation of only the applicable Facility.

“**Environmental Activities**” mean, with respect to each Facility, the use, generation, transportation, handling, discharge, production, treatment, storage, release or disposal of any Hazardous Materials at any time to or from such Facility or located on or present on or under such Facility.

“**Event of Default**” has the meaning set forth in Section 16.1.

“**Expiration Date**” means the Initial Expiration Date, as may be extended pursuant to Section 1.2.

“**Extension Notice**” has the meaning set forth in Section 1.2.

“**Extension Term**” has the meaning set forth in Section 1.2.

“**Facility**” means each healthcare facility located on the Premises, as identified on Schedule 1 attached hereto, including, where the context requires, the Land, Leased Improvements, Intangibles and Landlord Personal Property associated with such healthcare facility.

“**Facility Mortgage**” means any mortgage, deed of trust or other security agreement or lien encumbering any Facility 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 any Facility are subject from time to time.

“**Facility Mortgage Documents**” means with respect to each Facility Mortgage and Facility Mortgagee, the applicable Facility 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.

“**Facility Mortgagee**” means the holder or beneficiary of a Facility Mortgage and any other rights of the lender, credit party or lessor under the applicable Facility Mortgage Documents.

“**Facility Termination**” has the meaning set forth in Section 17.2.5.

“**Fair Market Rental**” means the greater of (i) the fair market rent for the Premises as determined pursuant to Exhibit E, and (ii) an annual amount equal to the sum of (a) the Base Rent payable during the immediately preceding Lease Year, and (b) the Base Rent for the immediately preceding Lease Year multiplied by the Annual Increase.

“**Fair Market Value**” means the fair market value of the Premises and/or a Facility as determined pursuant to Exhibit E.

“**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, commission, bureau, office or authority or any governmental unit (federal, state, county, district, municipal, city or otherwise) and any regulatory, administrative or other subdivision, department or branch of the foregoing, whether now or hereafter in existence, including, without limitation, CMS, the United States Department of Health and Human Services, any state licensing agency or any accreditation agency or other quasi-governmental authority.

“**Governmental Payor**” means any state or federal health care program providing medical assistance, health care insurance or other coverage of health care items or services for eligible individuals, including but not limited to the Medicare program more fully described in Title XVIII of the Social Security Act (42 U.S.C. §§ 1395 *et seq.*) and the Medicaid program more fully described in Title XIX of the Social Security Act (42 U.S.C. §§ 1396 *et seq.*) and the regulations promulgated thereunder.

“**Guarantor**” has the meaning set forth in Section 3.1, together with any and all permitted successors and assigns of the Guarantor originally named herein and any additional Person that guaranties the obligations of Tenant hereunder, from time to time.

“**Guaranty**” has the meaning set forth in Section 3.1.

“**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 any Facility or to Persons on or about any Facility or cause any Facility 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 any Facility or the owners and/or occupants of property adjacent to or surrounding any Facility, 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 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 any Facility, Landlord or Tenant relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

“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.

“Holdover Rent” has the meaning set forth in Section 17.6.

“Impositions” means any property (real and personal) and other taxes and assessments levied or assessed with respect to this Lease, any Facility, Tenant’s interest therein or Landlord, with respect to any Facility, 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, Impositions 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 any Facility to any Person other than Tenant or its Affiliates.

“Improvement Funds” has the meaning set forth in Section 9.6.

“Improvement Project(s)” has the meaning set forth in Section 9.6.

“Initial Expiration Date” has the meaning set forth in Section 1.2.

“Initial Term” has the meaning set forth in Section 1.2.

“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 each Facility as a going concern, including, without limitation, any names or trade names by which each Facility 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, individually and collectively, the real property described in 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 Personal Property**” means the machinery, equipment, furniture and other personal property described in Exhibit C attached to this Lease, 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 Insured Parties**” means Landlord and the Landlord Indemnified Parties and their assigns.

“**Landlord’s Representatives**” means Landlord’s agents, employees, contractors, consultants, attorneys, auditors, architects and other representatives.

“**Lease**” has the meaning set forth in the opening preamble.

“**Lease Year**” means the period commencing on the Effective Date and ending on September 30, 2019 and each successive period of twelve (12) calendar months during the Term.

“**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 any Facility or the applicable Tenant 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 each Facility for its Primary Intended Use.

“**Licensing Impairment**” means, with respect to each Facility, (i) the revocation, suspension or non-renewal of any Authorization, (ii) any withholding, non-payment, reduction or other adverse change respecting any Provider Agreement, (iii) any admissions hold under any Provider Agreement, or (iv) any other act or outcome similar to the foregoing that would impact Tenant’s ability to continue to operate such Facility for its 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.

“**Material Alterations**” mean any Alterations that (i) would materially enlarge or reduce the size of the applicable Facility, (ii) would tie in or connect with any improvements on property adjacent to the applicable Land, or (iii) would affect the structural components of the applicable Facility or the main electrical, mechanical, plumbing, elevator or ventilating and air conditioning systems for such Facility in any material respect.

“**New Lease**” has the meaning set forth in Section 22.4.1.

“**OFAC**” has the meaning set forth in Section 13.2.1.

“**Ordinary Course of Business**” means in respect of any transaction involving Tenant, the ordinary course of business of Tenant, as conducted by Tenant in accordance with past practices. In respect of any transaction involving a Facility or the operations thereof, the ordinary course of operations for such Facility, as conducted by Tenant in accordance with past practices.

“**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 a Facility 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 Contingent Obligations**” means each of the following: (i) Contingent Obligations arising in respect of Tenant’s obligations under this Lease; (ii) Contingent Obligations resulting from endorsements for collection or deposit in the Ordinary Course of Business; (iii) Contingent Obligations incurred in the Ordinary Course of Business with respect to surety and appeal bonds, performance bonds and other similar obligations not to exceed, with respect to any particular Tenant, \$50,000 in the aggregate at any time outstanding; (iv) Contingent Obligations arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions of personal property assets permitted under this Lease; and (v) other Contingent Obligations not permitted by clauses (i) through (iv) above, not to exceed, with respect to each Tenant, \$100,000 in the aggregate at any time outstanding.

“**Permitted Debt**” means the following: (i) the obligations of Tenant under this Lease, and (ii) trade accounts payable arising and paid on a timely basis in the Ordinary Course of Business.

“**Permitted Encumbrances**” means, with respect to each Facility, collectively, (i) all easements, covenants, conditions, restrictions, agreements and other matters with respect to such Facility 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 Impositions that are not yet due and payable; (iii) occupancy rights of residents and patients of such Facility; 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.

“**Plans and Specifications**” has the meaning set forth in Section 9.5.1.

“**Post-Effective Date Net Operating Income**” means, for any period of determination, (A) EBITDARM *minus* (B) five percent (5.0%) of gross revenue generated by the Facilities, *minus* (C) Base Rent payable under this Lease (as reduced for any Base Rent deferred during such period of determination pursuant to Section 2.1.4), *minus* (D) Capital Expenditures made by Tenant to the extent the same are not

funded by Landlord, but not to exceed the amounts budgeted by Tenant for Capital Expenditures unless such excess is approved by Landlord in its reasonable discretion, and *minus* (E) distributions to members of Tenant or its Affiliates for income tax purposes associated with the income derived from the operation of the Facilities (excluding any amounts disbursed from the Tax Fund Escrow).

“**Premises**” means, collectively, the Land, Leased Improvements, Related Rights, Fixtures, Intangibles and Landlord Personal Property.

“**Premises Condition Report**” has the meaning set forth in Section 9.2.

“**Primary Intended Use**” means, as to each Facility, the type of healthcare facility corresponding to such Facility as shown on Schedule 1 attached hereto, with no less than the number of licensed beds as shown on Schedule 1 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 meanings set forth in Section 13.2.1.

“**Property Collateral**” means all of Tenant’s right, title and interest in and to the Tenant 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 issued to or held by Tenant pursuant to which any Facility is licensed, certified, approved or eligible to receive reimbursement under any Third Party Payor Program.

“**Provider Taxes**” has the meaning set forth in Section 4.7.

“**Real Property Impositions**” mean any real property Impositions secured by a lien encumbering any Facility.

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

“**Rent**” means, collectively, Base Rent and Additional Rent.

“**Replacement Operator**” has the meaning set forth in Section 17.3.1.

“**Rockport Closure**” has the meaning set forth in Section 17.3.2.

“**Rockport Facility**” shall mean Den-Mar Health and Rehabilitation Center located at 44 South Street, Rockport (Essex), MA.

“**Sabra Entity**” means each of the entities comprising Landlord together with any Affiliate thereof (including, without limitation, CCP Finance II, LLC) with which any of the entities comprising Tenant or Guarantor (or their respective Affiliates) is contractually bound.

“**Situs State**” means the state or commonwealth where a Facility is located.

“**Tax Fund Escrow**” shall have the meaning set forth in Section 2.4.

“**Tax Fund Escrow Agreement**” shall mean that certain Tax Fund Escrow Agreement dated as of the Effective Date between Landlord and Tenant, which agreement shall set forth and govern the terms under which the funds being held by Landlord in the Tax Fund Escrow shall be made available for disbursement by Landlord.

“**Temporary Taking**” means any Condemnation of a Facility 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 such Facility, or any portion thereof, for no more than twelve consecutive (12) months.

“**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 Personal Property**” shall have the meaning set forth in Section 6.2.

“**Tenant Sublessees**” mean Tenant, and any direct or indirect subtenants or operator of any Facility, together with their successors and assigns and any additions thereto or replacements thereof.

“**Term**” means the Initial Term, plus any duly authorized Extension Terms.

“**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, Governmental Payor, 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 any Facility; (iii) engaging the services of any Person for the management or operation of all or any part of any Facility; (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, Guarantor shall be deemed a Person that Controls Tenant, whether or not the same is true.

“**Transferred Facility**” or “**Transferred Facilities**” has the meaning set forth in Section 22.4.1.

EXHIBIT B

DESCRIPTION OF THE LAND

[see attached]

EXHIBIT C

THE LANDLORD PERSONAL PROPERTY

[see attached]

EXHIBIT D

FINANCIAL, MANAGEMENT AND REGULATORY REPORTS

REPORT	DUE DATE
<p>Monthly financial reports concerning the operations of Tenant and each Facility and the combined Facilities or such other combination of this as reasonably requested by Landlord, reported using a template provided by Landlord (which template may change from time to time as reasonably required by Landlord), together with (i) detailed monthly P&L statements and census data (on a TTM basis) and balance sheets for Tenant and each Facility, and (ii) statement of cash flows for each Tenant and the Facilities on a consolidated basis (Via e-mail to sabra_reporting@sabrahealth.com, or such other e-mail address as Landlord may designate from time to time)</p>	<p><i>Thirty (30) days</i> after the end of each calendar month</p>
<p>Quarterly consolidated or combined financial statements of Tenant and any Guarantor (Via e-mail to sabra_reporting@sabrahealth.com, or such other e-mail address as Landlord may designate from time to time)</p>	<p><i>Forty-Five (45) days</i> after the end of each of the first three quarters of the fiscal year of Tenant and such Guarantor</p>
<p>Annual consolidated or combined financial statements of Tenant and any Guarantor reviewed by a reputable certified public accounting firm (Via e-mail to sabra_reporting@sabrahealth.com, or such other e-mail address as Landlord may designate from time to time)</p>	<p><i>One Hundred Twenty (120) days</i> after the fiscal year end of Tenant and such Guarantor</p>
<p>Regulatory reports with respect to each Facility, as follows:</p> <ol style="list-style-type: none"> (1) all federal, state and local licensing and reimbursement certification surveys, inspection and other reports received by Tenant as to any Facility and its operations, including state department of health licensing surveys and reports relating to complaint surveys; (2) Medicare and Medicaid certification surveys; and (3) life safety code survey reports and/or fire marshal survey reports. <p>(Via e-mail to sabra_reporting@sabrahealth.com, or such other e-mail address as Landlord may designate from time to time)</p>	<p><i>Five (5) Business Days</i> after receipt</p>
<p>Reports of regulatory violations, by written notice of the following:</p> <ol style="list-style-type: none"> (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 (including immediate jeopardy) placed upon Tenant or any Facility, the operation of any Facility or the ability to admit residents or patients; (3) the inclusion of any Facility on the “Special Focus List” maintained by CMS; or (4) any violation of any other permit, approval or certification in connection with any Facility or the operations thereof, by any federal, state or local authority, including Medicare or Medicaid. 	<p><i>Two (2) Business Days</i> after receipt</p>
<p>Annual operating and capital budget covering the operations of each Facility for the forthcoming fiscal year (which budget shall include month-to-month projections). (Via e-mail to sabra_reporting@sabrahealth.com or such other e-mail address as Landlord may designate from time to time)</p>	<p><i>Fifteen (15) days</i> prior to beginning of each fiscal year</p>

EXHIBIT E

FAIR MARKET VALUE/RENTAL

If it becomes necessary to determine the Fair Market Value or Fair Market Rental of the Premises or any individual Facility for any purpose under this Lease, Landlord and Tenant shall first attempt to agree on such Fair Market Value or Fair Market Rental, as the case may be. 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 or Fair Market Rental, as the case may be, 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 or Fair Market Rental, as the case may be, 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 or Fair Market Rental, as the case may be, 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 or Fair Market Rental, as the case may be, 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 or Fair Market Rental, as the case may be, 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 within such forty-five (45) days, as applicable, shall alone determine the Fair Market Value or Fair Market Rental, as the case may be, 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 (1/2) of the fees and expenses of the third Appraiser.

For purposes of determining the Fair Market Value or Fair Market Rental, as the case may be, the Premises or the applicable Facility, as applicable, shall be valued at its highest and best use which shall be presumed to be as a fully-permitted facility operated for its Primary Intended Use 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 or Fair Market Rental, as the case may be:

1. The negative value of (a) any deferred maintenance or other items of repair or replacement of the Premises or the applicable Facility, (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 or the applicable Facility, 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 same 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 or Fair Market Rental, as the case may be, 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 or Fair Market Rental, as the case may be.

As used herein, “**Appraiser**” means an appraiser licensed or otherwise qualified to do business in the applicable Situs 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 F

NEW LEASES AND COMBINATION LEASES

1. New Lease. If Landlord elects to enter into a New Lease with respect to one or more Transferred Facilities pursuant to Section 22.4.1 of this Lease, Tenant shall execute such New Lease and an amendment to this Lease, pursuant to the following terms:

(a) Landlord and Tenant shall execute a New Lease for such Transferred Facility(ies), effective as of the date specified in Section 1(c) of this Exhibit F (the “**Lease Division Date**”), in the same form and substance as this Lease, except as follows:

(i) The initial base rent under such New Lease shall be the amount of Base Rent under this Lease allocable to the Transferred Facilities immediately prior to the Lease Division Date pursuant to Section 2 of this Exhibit F. Such New Lease shall provide for the same annual increases in base rent as this Lease (i.e., the same date and the same percentage increase); provided, however, the initial base rent payable from the Lease Division Date to the date of the first (1st) scheduled increase in base rent under such New Lease shall be annualized for purposes of determining the base rent payable for the twelve (12) month period following such first (1st) scheduled increase in base rent.

(ii) Such New Lease shall provide that each Tenant thereunder shall be responsible for the payment, performance and satisfaction of all duties, obligations and liabilities arising under this Lease, insofar as they relate to the Transferred Facilities subject to the New Lease, that were not paid, performed and satisfied in full prior to the Lease Division Date (and Tenant under this Lease shall also be responsible for the payment, performance and satisfaction of the aforesaid duties, obligations and liabilities not paid, performed and satisfied in full prior to the Lease Division Date).

(iii) Such New Lease shall be guaranteed in the same manner or fashion as this Lease, if applicable. Accordingly, contemporaneously with the execution and delivery of such New Lease, Tenant shall cause each guarantor of this Lease to execute and deliver to Landlord a lease guaranty in the same form and substance with respect to such New Lease and the duties, liabilities and other obligations of each Tenant under such New Lease as such guarantor’s lease guaranty with respect to this Lease and the duties, liabilities and other obligations of Tenant under this Lease. Additionally, each guarantor of this Lease shall reaffirm its duties under its applicable lease guaranty with respect to this Lease, as the same shall be modified pursuant to Section 1(b) of this Exhibit F.

(b) Upon execution of a New Lease, and effective as of the applicable Lease Division Date, this Lease shall be deemed amended to (i) remove the Transferred Facilities from the Premises hereunder, and (ii) reduce the Base Rent hereunder by the amount of the Base Rent allocated to the New Lease pursuant to Section 2 of this Exhibit F. Such amendments shall occur automatically and without the necessity of any further action by Landlord or Tenant, but, at Landlord’s election, Tenant shall execute an amendment to this Lease to memorialize such modifications to this Lease.

(c) Each New Lease shall be effective on the earlier of: (i) the date such New Lease is fully executed and delivered by the parties thereto and (ii) the date specified in the notice from Landlord to Tenant requiring such New Lease pursuant to Section 22.4.1 of this Lease, which date shall be no sooner than thirty (30) days after the date such notice is issued.

(d) Tenant shall take such actions and execute and deliver such documents, including the New Lease and, if requested by Landlord, an amendment to this Lease, as are reasonably necessary and appropriate to effect fully the provisions and intent of this Section 1 of this Exhibit F.

(e) Notwithstanding anything to the contrary contained in Section 1.2 of this Lease, this Exhibit F or elsewhere in this Lease, Tenant acknowledges and agrees that (a) any purported Extension Notice sent by it under this Lease shall be void and of no force or effect unless, simultaneously with the issuance of any such Extension Notice, each Tenant under each of the New Leases also issues a comparable extension notice with respect to each such New Lease and (b) if any Tenant under any New Lease is for any reason precluded by the terms of such New Lease from exercising its extension rights thereunder (e.g., due to the existence of an event of default under such New Lease), Tenant shall be precluded from exercising its extension rights under this Lease. Without limiting the generality of the foregoing, it Tenant elects (or is deemed to have elected) to rescind an Extension Notice under this Lease, each Tenant under the New Leases shall be deemed to have likewise rescinded the comparable extension notices delivered under the New Leases, and vice versa.

2. Percentage of Base Rent. For purposes of calculating the base rent payable under a New Lease under this Exhibit F, Landlord and Tenant shall reference the financials of Tenant with respect to the calendar quarter most recently ended as of the date Landlord issues the notice under Section 22.4.1 of this Lease electing to enter into a New Lease. Based on such financials, the Base Rent under this Lease shall equitably be apportioned among the Facilities based on the ratio of an individual Facility's EBITDARM for the applicable calendar quarter to the EBITDARM of all Facilities for such calendar quarter, with such ratio being expressed as a percentage. By way of example only, if (1) the aggregate Base Rent under this Lease equaled \$1,000,000.00; (2) Landlord elected to enter into a New Lease with respect to one Facility; (3) the EBITDARM for all Facilities equaled \$12,000,000.00; and (3) the EBITDARM for the Facility that would be subject to the New Lease equaled \$4,000,000.00, then (x) the Base Rent under this Lease would be reduced to \$666,666.67 (i.e., $(\$12,000,000 - \$4,000,000) \div \$12,000,000 * \$1,000,000$) and (y) the base rent under the New Lease would be \$333,333.33 (i.e., $(\$4,000,000 \div \$12,000,000) * \$1,000,000$).

3. Combination of Properties. If Landlord desires to combine this Lease with a New Lease pursuant to Section 22.4.2 of this Lease, Tenant shall execute an amendment to this Lease pursuant to which the premises leased under such New Lease shall be added to the Premises under this Lease and where such New Lease shall otherwise be merged into this Lease, in each case subject to the following terms and conditions:

(a) Effective as of the date specified in Section 3(b) of this Exhibit F (the "**Lease Combination Date**"), this Lease shall be deemed to be amended as follows:

(i) The premises leased under such New Lease shall be included as part of the Premises under this Lease and the appropriate exhibits and schedules to this Lease shall be amended to add the addresses and legal descriptions of such added premises.

(ii) Base Rent under this Lease shall be the combination of the respective amounts of the Base Rent under this Lease and the base rent under such New Lease, and the base rent added to this Lease on account of the combination with the New Lease and payable from the Lease Combination Date to the date of the first (1st) scheduled increase in Base Rent under this Lease shall be annualized for purposes of determining the Base Rent payable for the twelve (12) month period following such first (1st) scheduled increase in base rent.

(iii) Tenant under this Lease shall be responsible for the payment, performance and satisfaction of all duties, obligations and liabilities arising under such New Lease that were not paid, performed and satisfied in full prior to the Lease Combination Date, and, without limitation of the foregoing, (A) any event of default that had occurred, arisen or accrued under such New Lease prior to the Lease Combination Date shall be, and shall be deemed to be, an Event of Default under this Lease, as to which the rights and remedies and other provisions of this Lease shall be applicable, (B) any breach or default that had occurred, arisen or accrued under such New Lease prior to the Lease Combination Date but had not yet become an event of default under such New Lease as of the Lease Combination Date shall be, and be deemed to be, a breach or default under this Lease, as to which the cure periods, rights and remedies and other provisions of this Lease shall be applicable, and (C) with respect to any breach or default described in clause (B) above, although the cure periods, rights and remedies and other provisions of this Lease shall be applicable, the portion of any cure period under such New Lease that had elapsed as of the Lease Combination Date shall be counted in determining whether and when the applicable cure period under this Lease has expired.

(b) The combination of this Lease with a New Lease shall be effective on the earlier of (i) the date the required amendments to this Lease and such New Lease are fully executed and delivered by the parties thereto or (ii) the date specified in the notice from Landlord to Tenant requiring a combination of this Lease and such New pursuant to Section 22.4.2 of this Lease, which date shall be no sooner than thirty (30) days after the date such notice is issued.

(c) Landlord and each Tenant shall take such actions and execute and deliver such documents, including required amendments to this Lease and the applicable New Lease, as are reasonably necessary and appropriate to effectuate fully the provisions and intent of this Section 3 of this Exhibit F and, in the event any ambiguity, or actual or apparent conflict in the terms or provisions of this Lease and the applicable New Lease arises on account of any combination of leases pursuant to this Section 3 of this Exhibit F, such ambiguity or conflict shall be resolved by Landlord, in its reasonable discretion.

SCHEDULE 1

FACILITY LIST

Facility Name	Facility Address	Primary Intended Use	No. of Beds
Crossings East Health and Rehabilitation Center	78 Viets Street New London, CT	SNF	128
Parkway Pavilion Health and Rehabilitation Center	1157 Enfield Street Enfield, CT	SNF	130
Den-Mar Health and Rehabilitation Center	44 South Street, Rockport (Essex), MA	SNF	76
Quincy Health and Rehabilitation Center	11 Mayor Thomas J. McGrath Highway, Quincy (Norfolk), MA	SNF	126

Defined Terms

“SNF” Skilled Nursing Facility

SCHEDULE 2

ORIGINAL LEASES

1. That certain Master Lease and Security Agreement between CCP Camelot 0563 LLC, CCP Nutmeg Pavilion 0567 LLC and CCP Parkway Pavilion 0568 LLC, individually and collectively, as landlord, and WV-Crossings West LLC, WV Crossings East LLC, and WV- Parkway Pavilion LLC, individually and collectively, as tenant, dated March 1, 2016, as subsequently amended.
2. That certain Master Lease and Security Agreement between CCP Den-Mar 0542 LLC, CCP Quincy 0537 LLC and CCP Walden 0588 LLC, individually and collectively, as landlord, and WV Rockport SNF OPCO LLC, WV - Quincy SNF OPCO, LLC and WV-Concord SNF OPCO LLC, individually and collectively, as tenant, LLC, dated February 10, 2017 as subsequently amended.

MASTER LEASE

By and among

**CCP NUTMEG PAVILION 0567 LLC,
CCP PARKWAY PAVILION 0568 LLC,
CCP DEN-MAR 0542 LLC, and
CCP QUINCY 0537 LLC,**
each a Delaware limited liability,

as “Landlord”

and

**WV-CROSSINGS EAST LLC, and
WV-PARKWAY PAVILION LLC,**
each a Connecticut limited liability company,
**WV-ROCKPORT SNF OPCO, LLC, and
WV-QUINCY SNF OPCO, LLC,**
each a Massachusetts limited liability company,

as “Tenant”

Dated: September __, 2018

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EXHIBITS/SCHEDULES

- Exhibit A Defined Terms
- Exhibit B Description of the Land
- Exhibit C The Landlord Personal Property
- Exhibit D Financial, Management and Regulatory Reports
- Exhibit E Fair Market Value/Rental
- Exhibit F New Leases and Combination Leases
- Schedule 1 Facility List

EXHIBIT E

TERMS OF VERA EMPLOYMENT

Mr. Vera will serve as CEO and his compensation will be \$250,000 per year. In his first year he will be eligible for a bonus of \$25,000 to be paid in quarterly installments contingent only on his continued employment. Other terms will be comparable to his current employment agreement.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MASSACHUSETTS
(EASTERN DIVISION)**

-----X	:	Chapter 11
In re:	:	
	:	Case No. 18-11053 (FJB)
WACHUSETT VENTURES, LLC, et al.,	:	
	:	Jointly Administered
Debtors.¹	:	
-----X	:	Re: Docket Nos. _____

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING THIRD AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF THE WV DEBTORS DATED AUGUST 23, 2018

RECITALS

A. On March 26, 2018 (the "Petition Date"), the WV Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code in this Court. The WV Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On April 6, 2018, the Office of the United States Trustee filed the *Appointment of the Official Committee of Unsecured Creditors* and appointed the Committee pursuant to section 1102(a) of the Bankruptcy Code. The WV Debtors' chapter 11 cases have been consolidated for procedural purposes only and are jointly administered pursuant to Bankruptcy Rule 1015(b).

B. On August 23, 2018, the WV Debtors filed the *Third Amended Joint Chapter 11 Plan Of Reorganization Of The WV Debtors Dated August 23, 2018* (the "Plan")² and the *Third*

¹ The Debtors, along with the last four digits of each debtor's tax identification number, as applicable, are: Wachusett Ventures, LLC (8587), WV—Crossings East LLC (0809), WV—Crossings West, LLC (1860), WV—Parkway Pavilion, LLC (5082), WV—Brockton SNF, LLC (3855) ("Brockton"), WV—Concord SNF OPCO, LLC (0813), WV—Rockport SNF OPCO, LLC (3681), and WV—Quincy SNF OPCO, LLC (9951).

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Amended Disclosure Statement for Third Amended Joint Chapter 11 Plan of Reorganization of the WV Debtors Dated August 23, 2018 (the “Disclosure Statement”). On August 23, 2018, the Court entered the *Order Pursuant to Bankruptcy Code Sections 105, 502, 1125, 1126 and 1128, Bankruptcy Rules 2002, 3003, 3017, 3018 and 3020, and MLBR 3017-1, (I) Approving WV Debtors’ Disclosure Statement; (II) Establishing the Voting Record Date; (III) Approving Solicitation Packages and Distribution Procedures; (IV) Approving Forms of Ballots and Establishment of Procedures for Voting on Plan of Reorganization; (V) Approving Forms of Notices to Non-Voting Classes Under the Plan of Reorganization; (VI) Establishing Voting Deadline to Accept or Reject Plan; (VII) Approving Procedures for Vote Tabulations; and (VIII) Establishing a Confirmation Hearing and Notice and Objection Procedures Thereof* [Docket No. 644] (the “Scheduling Order”).

C. Pursuant to the Scheduling Order, this Court established (i) July 30, 2019, as the record date for determining holders of Claims entitled to vote on the Plan (the “Voting Record Date”); (ii) 4:30 p.m. Eastern Time on September 21, 2018 as the voting deadline by which all persons or entities entitled to vote on the Plan were required to have returned their completed ballots to the WV Debtors’ voting agent, Donlin, Recano & Company, Inc. (the “Voting Agent”), for purposes of voting on the Plan; (iii) 4:30 p.m. Eastern Time on September 21, 2018, as the deadline by which objections to the Plan were to be filed (the “Objection Deadline”); and (iv) 9:30 a.m., Eastern Time on September 26, 2018 as the time and date for the hearing to consider confirmation of the Plan (the “Confirmation Hearing”).

D. Pursuant to the Scheduling Order, the WV Debtors were required to distribute, or cause to be distributed, the Scheduling Order (excluding exhibits attached thereto), a notice of the Confirmation Hearing (the “Confirmation Hearing Notice”), the Disclosure Statement and

Plan, and any other materials as the Court may direct to the following: (i) the U.S. Trustee; (ii) the attorneys for the official committee of unsecured creditors (the “Committee”); (iii) the attorneys for CCP Finance II; (v) all parties requesting notice in these cases; and (vi) all persons or entities listed in the schedules of executory contracts and unexpired leases. All such material was duly distributed in compliance with the directives set forth in the Scheduling Order. *See* [Docket Nos. 676, 686, 689, and 690].

E. In addition, in accordance with the Scheduling Order, the WV Debtors caused the Confirmation Hearing Notice to be published in the Boston Globe and the Harford Courant on [____], 2018. *See* [____].

F. On September 12, 2018, the WV Debtors filed the Plan Supplement to the Plan (the “Plan Supplement”) [Docket No. ____].

G. Pursuant to the Scheduling Order, the WV Debtors completed solicitation (the “Solicitation”) of votes to accept or reject the Plan on August 24, 2018. Specifically, the WV Debtors caused Voting Agent to distribute a copy of (i) the Disclosure Statement Order (excluding exhibits attached thereto); (ii) the appropriate form of Ballot to accept or reject the Plan with instructions and a return envelope; (iii) the Disclosure Statement and Plan; (iv) the Confirmation Hearing Notice and (v) such other material as the Court may direct to holders of Claims or Interests in Class 2b, 3, 4, 5, and 6 (collectively, the “Voting Classes”). The Ballots and Confirmation Hearing Notice were distributed in paper format and the remainder of the Solicitation Package was made available in electronic format on-line at www.donlinrecano.com/wv.

H. Holders of Claims in Class 1, 2a, 7, 8, 9, 10 and 11 (the “Non-Voting Classes”) are conclusively presumed to accept or reject the Plan. Accordingly, members of the Non-

Voting Classes are not entitled to vote or receive a Ballot. Solicitation packages distributed to holders of claims and interests in Non-Voting Classes contained copy of (i) the Confirmation Hearing Notice and (ii) the appropriate Notice of Non-Voting Status annexed as Exhibits C and D to the Scheduling Order.

I. At the conclusion of Solicitation on August 24, 2018, the following classes accepted the Plan:

Class	Claim/Interest	Status	Voting Rights
2b	Quality Secured Claim	Impaired	Entitled to Vote
3	CCP Finance DIP Claim	Impaired	Entitled to vote
4	CCP Finance Prepetition Claim	Impaired	Entitled to vote
5	CCP Cure Claim	Impaired	Entitled to vote
6	General Unsecured Claims	Impaired	Entitled to vote

See [_____]. The Solicitation complied with sections 1125 and 1126 of the Bankruptcy Code.

The acceptance of Classes 2b, 3, 4, 5, and 6 (the “Accepting Classes”) is sufficient to confirm the Plan under sections 1126(a) and (c) of the Bankruptcy Code and satisfy section 1129 of the Bankruptcy Code.

J. On September 24, 2018, the WV Debtors filed the *WV Debtors’ Memorandum Of Law In Support Of An Order Confirming Third Amended Joint Chapter 11 Plan Of Reorganization Of The WV Debtors Dated August 23, 2018* (the “Confirmation Brief”), (ii) the proposed order confirming the Plan, (ii) the declaration of Steven Vera, and (iii) the Voting Affidavit of Donlin Recano tabulating the votes for and against the Plan (collectively, the “Confirmation Submissions”).

K. At the Confirmation Hearing, this Court considered the Confirmation Submissions and heard the arguments of counsel supporting confirmation of the Plan.

WHEREFORE, this Court having reviewed the Plan, the **Voting Affidavit**, and the Confirmation Submissions; this Court having heard statements of counsel in support of the approval of confirmation of the Plan at the Confirmation Hearing; this Court having considered all testimony presented and evidence submitted by affidavits, declarations, or otherwise at the Confirmation Hearing; this Court having taken judicial notice of the papers and pleadings on file in the Chapter 11 Cases; it appearing to this Court that (i) notice of the Confirmation Hearing and the opportunity of all parties-in-interest to object to confirmation of the Plan were adequate and appropriate as to all parties to be affected by the Plan and the transactions contemplated thereby, and (ii) the legal and factual bases set forth in the Confirmation Submissions and the Voting Affidavit and presented at the Confirmation Hearing establish just cause for the relief granted herein; and after due deliberation thereon and good cause appearing therefor, this Court hereby makes and issues the following Findings of Fact and Conclusions of Law:

Findings of Fact and Conclusions of Law

IT IS HEREBY FOUND AND DETERMINED THAT:

1. Exclusive Jurisdiction; Venue: Core Proceeding (28 U.S.C. §§ 157, 1334(a), 1408 and 1409). This Court has jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2), and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. Venue in the District of Massachusetts was proper as of the Petition Date and continues to be proper.

2. Adequacy of the Solicitation Procedures and Adequacy of the Information Contained in the Solicitation (11 U.S.C. §§ 1125, 1126). Votes for acceptance and rejection of

the Plan were solicited in good faith and the Solicitation complied with the Court's orders and sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3017 and 3018, the Disclosure Statement, all other applicable provisions of the Bankruptcy Code, and all other applicable rules, laws, and regulations. Accordingly, the WV Debtors and their members, (and to the extent applicable, the Committee and its members), officers, employees, attorneys, and advisors are entitled to the protections of section 1125(e) of the Bankruptcy Code.

3. Transmittal and Mailing of Materials, Notice. The Solicitation Packages were transmitted and served in compliance with the Court's orders and the Bankruptcy Code, the Bankruptcy Rules, and applicable nonbankruptcy law. Such transmittal and service and the Solicitation Procedures were adequate and sufficient. Proper, adequate, and sufficient notice of the Confirmation Hearing, the opportunity to object to the Plan, and the other dates described in the Scheduling Order was given and was in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Scheduling Order. All parties in interest had a full and fair opportunity to appear and be heard at the Confirmation Hearing and no other or further notice is or shall be required. Notice to counterparties to the executory contracts and unexpired leases of the proposed assumption of such contracts and the WV Debtors' proposed cure amounts was adequate and sufficient.

4. Burden of Proof. The WV Debtors, as proponents of the Plan, have met their burden of proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence.

5. Plan Compliance with the Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). As set forth below, the Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

i. Proper Classification of Claims (11 U.S.C. §§ 1122 and 1123(a)(1)). The Plan designates 11 Classes of Claims and Interests. In addition, the Plan provides treatment for all Claims against any WV Debtor for costs and expenses of administration under section 503(b)(1) or 507(b) of the Bankruptcy Code, including (i) the actual and necessary costs and expenses incurred after the Petition Date of preserving the WV Debtors' estates and operating the businesses of the WV Debtors, (ii) compensation for services and reimbursement of expenses under sections 330(a) and 331 of the Bankruptcy Code, including fees and expenses of Professionals, (iii) any indebtedness or obligations incurred or assumed by the Debtors during the Chapter 11 Cases, (iv) all fees and charges assessed against the WV Debtors' estates under 28 U.S.C. §§ 1911-1930 and (v) all Claims against any WV Debtor of the kind specified in section 507(a)(8) of the Bankruptcy Code ("Priority Tax Claims"), none of which need to be classified in the Plan. The Claims placed in each Class are substantially similar to other Claims in such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims created under the Plan, and such Classes do not unfairly discriminate among Holders of Claims. Thus, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

ii. Specification of Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Classes 1, 2, 7, 9 and 10 are Unimpaired within the meaning of section 1124 of the Bankruptcy Code, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

iii. Specification of Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). The Plan designates Classes 2b, 3, 4, 5, 6, 8 and 11 as Impaired within the meaning of section 1124 of the Bankruptcy Code and specifies the treatment of Claims in those Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

iv. Equal Treatment Within Classes (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the WV Debtors for each Claim in a particular Class, except where the Holder of a Claim has agreed to less favorable treatment, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

v. Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for implementation of the Plan, including, without limitation, the New Value Contribution, borrowing contemplated and provided for in the Plan, and the release of certain escrow funds by the Master Landlords as provided in Article V.J. of the Plan.

vi. Charter Provisions (11 U.S.C. § 1123(a)(6)). Article IV.C of the Plan provides that, on the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Restructuring Transactions under and in connection with the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, conversion to alternative corporate form including to a C Corp, or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any property, right, liability, duty or obligation on terms consistent with the terms of the Plan; and (3) the filing of appropriate certificates of incorporation, merger or consolidation with the appropriate governmental authorities pursuant to applicable law. The certificates of incorporation or bylaws for the Reorganized Debtors either previously filed or to be filed in the jurisdiction of organization of the Reorganized Debtors which prohibit the issuance of nonvoting

equity securities to the extent required by section 1123(a)(6). Thus, the requirements of section 1123(a)(6) of the Bankruptcy Code are satisfied.

vii. Selection of Officers (11 U.S.C. § 1123(a)(7)). The provisions of the Plan for the selection of officers are consistent with the interests of creditors and public policy.

Consequently, the requirements of section 1123(a)(7) of the Bankruptcy Code have been met.

6. Bankruptcy Rule 3016. The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Clerk of this Court satisfies Bankruptcy Rule 3016(b).

7. Bankruptcy Rule 3017. The WV Debtors have given proper and sufficient notice of the Confirmation Hearing to the extent required by Bankruptcy Rule 3017(d), as modified by the Scheduling Order.

8. Bankruptcy Rule 3018 and Sections 1125 and 1126 of the Bankruptcy Code. The solicitation of votes to accept or reject the Plan, including without limitation the form of the Ballots and the solicitation solely from the Holders in the Voting Classes, satisfies Bankruptcy Rule 3018. In particular, and without limitation, (i) the Solicitation Packages were transmitted to all parties-in-interest entitled to vote thereon by sending the Solicitation Packages to such parties-in-interest which properly and timely solicited votes from such parties, (ii) sufficient and reasonable time and notice were prescribed for the Holders of Impaired Claims in the Voting Classes to accept or reject the Plan, (iii) the Solicitation Packages, the Solicitation Procedures, and the Solicitation complied with the Bankruptcy Code (including sections 1125 and 1126 thereof) and applicable nonbankruptcy law, (iv) the Ballots were submitted by the Holders of Impaired Claims in the Voting Classes and those Holders of Impaired Claims were the Holders

of record on the Voting Record Date, and (v) the establishment and notice of the Voting Record Date was appropriate and reasonable.

9. WV Debtors' Compliance with the Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The WV Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically: (i) the WV Debtors are eligible to be debtors under section 109 of the Bankruptcy Code and are proper proponents of the Plan under section 1121(a) of the Bankruptcy Code; (ii) the Debtors have complied with the applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of this Court; and (iii) the WV Debtors have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126, the Bankruptcy Rules, and the Scheduling Order in transmitting the Solicitation Packages and in soliciting and tabulating votes to accept or reject the Plan.

10. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The WV Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Plan is the culmination of significant arm's-length negotiations with the Committee, CCP Finance and other constituencies and is proposed with the honest purposes of substantially reducing the WV Debtors' outstanding debt and expeditiously making the distributions provided for in the Plan, and the release, exculpation, compromise, settlement, and indemnification provisions contained in the Plan are consistent with such purpose. Each of the Debtors, the Committee and CCP Finance participated in good faith negotiations with respect to the Plan and the contracts, instruments, releases, agreements, and documents necessary to implement, effectuate, and consummate the Plan, including, without limitation, the Plan Documents.

11. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Except as otherwise provided or permitted by the Plan, or orders of this Court, any payment made or to be made by the WV Debtors for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, this Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

12. Officers and Insiders (11 U.S.C. § 1129(a)(5)). The WV Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as the initial officers of the Reorganized Debtors after confirmation of the Plan have been fully disclosed in the Plan and Plan Supplement, and the continuation in such offices of such persons is consistent with the interests of the WV Debtors' creditors and with public policy. The identity of any insider that will be employed or retained by the Reorganized Debtors and the nature of such insider's compensation also have been fully disclosed.

13. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for any change in rates subject to governmental regulation. Thus, section 1129(a)(6) of the Bankruptcy Code is not applicable in the Chapter 11 Cases.

14. Best Interests of Creditors Test (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis contained in the Disclosure Statement and other evidence proffered or adduced at the Confirmation Hearing: (i) are persuasive and credible; (ii) have not been controverted by other evidence or challenged; and (iii) establish that each Holder of a Claim in an Impaired Class either (a) has accepted the Plan or (b) will receive or retain under the Plan, on account of such Claim, property of a value, as of the

Effective Date of the Plan, that is not less than the amount that it would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

15. Acceptance or Non-Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)).

Holders of Impaired Claims in the Accepting Classes have voted to accept the Plan pursuant to section 1126(c) of the Bankruptcy Code. Holders of Claims in Classes 1, 2a, 7, 9 and 10 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Holders of Claims in Classes [] have not submitted any votes either to accept or reject the Plan and therefore have not voted to accept the Plan. Other than with respect to the Non-Accepting Classes, the Plan satisfies section 1129(a)(8) of the Bankruptcy Code.

Notwithstanding the lack of compliance with section 1129(a)(8) of the Bankruptcy Code with respect to the Non-Accepting Classes, the Plan is confirmable because it satisfies section 1129(b)(1) of the Bankruptcy Code with respect to such Classes. The percentages of Holders of Claims in Classes entitled to vote on the Plan that voted to accept the Plan are set forth in the Voting Affidavit.

16. Treatment of Priority Claims (11 U.S.C. § 1129(a)(9)). Subject to the provisions of sections 330(a), 331, and 503(b) of the Bankruptcy Code, Article II.A of the Plan provides that except with respect to Administrative Claims that are Fee Claims and except to the extent that a Holder of an Allowed Administrative Claim and the applicable WV Debtor(s) agree to less favorable treatment with respect to such Holder, each Holder of an Allowed Administrative Claim against a WV Debtor shall be paid in full in Cash on the later of: (a) on or as soon as reasonably practicable after the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) on or as soon as reasonably practicable after the date such Administrative

Claim is Allowed; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is practicable.

17. Article III of the Plan also classifies Priority Tax Claims and provides that except to the extent that a Holder of an Allowed Priority Tax Claim against a WV Debtor agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive, at the option of the WV Debtors or Reorganized Debtors, one of the following treatments: (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code, payable on the or as soon as practicable following the Effective Date; (2) Cash in an aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code; or (3) such other treatment as may be agreed upon by such holder and the WV Debtors or otherwise determined upon an order of the Bankruptcy Court.

18. Acceptance of At Least One Impaired Class (11 U.S.C. § 1129(a)(10)). As set forth in the Voting Affidavit, Holders of Claims in the Accepting Classes, which are Impaired under the Plan, have voted to accept the Plan in requisite numbers and amounts without the need to include any acceptance of the Plan by any insider. Thus, the Plan satisfies section 1129(a)(10) of the Bankruptcy Code.

19. Feasibility (11 U.S.C. § 1129(a)(11)). Confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors. The Plan has more than a reasonable likelihood of success. The financing and other transactions contemplated under the Plan will enable the WV Debtors to continue their current operations and will eliminate a substantial portion of the long-term debt. The Plan is found to be feasible and, therefore, satisfies section 1129(a)(11) of the Bankruptcy Code.

20. Payment of Certain Fees (11 U.S.C. § 1129(a)(12)). All fees payable prior to the Effective Date under 28 U.S.C. § 1930, have been or shall be paid in full in cash on the Effective Date. All fees payable after the Effective Date under 28 U.S.C. § 1930, or other fees, if any, payable to the U.S. Trustee, will be paid by the WV Debtors or the Reorganized Debtors in each Chapter 11 Case until such time as this Court enters a final decree closing such Chapter 11 Case or enters an order either converting such Chapter 11 Case to a case under chapter 7 or dismissing such Chapter 11 Case, and the Debtors and the Reorganized Debtors, will be jointly liable for the same. Accordingly, the Plan satisfies section 1129(a)(12) of the Bankruptcy Code.

21. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Article V.F of the Plan provides that except as otherwise provided in this Plan, the WV Debtors' health care plans (including medical plans, dental plans, vision plans, prescription plans, health savings accounts and spending accounts), retiree benefit programs, defined contribution plans, severance plans, discretionary bonus plans, performance-based incentive plans, long-term incentive plans, retentions plans, workers' compensation programs and life, disability, accidental death and dismemberment, directors and officers liability, and other insurance plans are treated as Executory Contracts under this Plan and shall, on the Effective Date be deemed assumed by the WV Debtors in accordance with sections 365(a) and 1123(b)(2) of the Bankruptcy Code. On and

after the Effective Date, all Claims submitted for payment in accordance with the foregoing benefit programs, whether submitted prepetition or postpetition, shall be processed and paid in the ordinary course of business of the applicable Reorganized Debtors, in a manner consistent with the terms and provisions of those benefit programs. Notwithstanding any other provision of this Plan, the cure obligations, if any, related to the assumptions of each of the collective bargaining agreements or modified collective bargaining agreements, shall be satisfied by the applicable Reorganized Debtors by payment, in the ordinary course. Therefore, the WV Debtors have complied with section 1129(a)(13) of the Bankruptcy Code.

22. All Transfers of Property Accord with Applicable Nonbankruptcy Law (11 U.S.C. § 1129(a)(16)). All transfers of property made pursuant to the Plan are made in compliance with applicable nonbankruptcy law. Therefore, the WV Debtors have complied with section 1129(a)(16) of the Bankruptcy Code.

23. Satisfaction of Confirmation Requirements. The Plan satisfies all the requirements for confirmation set forth in section 1129(a) of the Bankruptcy Code, other than section 1129(a)(8) of the Bankruptcy Code.⁶

24. Confirmation of Only One Plan. The Plan is the only plan of reorganization considered by this Court for confirmation, in accordance with section 1129(c) of the Bankruptcy Code.

25. Principal Purpose (11 U.S.C. § 1129(d)). The principal purpose of the Plan is neither the avoidance of taxes nor the avoidance of section 5 of the Securities Act, and no governmental unit has objected to the confirmation of the Plan on any such grounds. The Plan, therefore, satisfies the requirements of section 1129(d) of the Bankruptcy Code.

26. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before this Court, the WV Debtors have solicited votes on and participated in the formation of the Plan and the Debtors and any and all members, officers, employees, trustees, attorneys, and advisors of the foregoing (including of the Debtors) that may have participated in the formation of the Plan, in each case, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules and, therefore, are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the release, exculpatory, and injunctive provisions set forth in Article IX of the Plan.

27. [Confirmation of Plan Over Nonacceptance of Impaired Classes (11 U.S.C. § 1129(b)). As described above, the Plan satisfies all of the applicable requirements of section 1129(a) of the Bankruptcy Code other than section 1129(a)(8). Pursuant to section 1129(b)(1) of the Bankruptcy Code, the Plan may be confirmed notwithstanding the fact that not all Impaired Classes have voted to accept the Plan. Requisite numbers and amounts of Holders of Claims in the Accepting Classes, the only Impaired Classes other than the Non-Accepting Classes, have voted to accept the Plan. With respect to the Non-Accepting Classes, no Holders of Claims subordinate to the holders of Claims in the Non-Accepting Classes will receive or retain any property under the Plan. Accordingly, the requirements of section 1129(b)(2)(B)(ii) of the Bankruptcy Code are satisfied with respect to the Non-Accepting Classes; the Plan is fair and equitable with respect to such Classes and does not unfairly discriminate against such Classes. Accordingly, the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code and shall be confirmed notwithstanding the requirements of section 1129(a)(8) of the Bankruptcy Code.]

28. Rule 9019(a) Settlement. Except as otherwise provided in the Plan and this Confirmation Order, the Plan is a settlement between and among the WV Debtors and their creditors of all Claims and controversies resolved under the Plan, pending or threatened, or that were or could have been commenced against the WV Debtors prior to the date of entry of this Confirmation Order. Such settlements, as reflected in the relative distributions and recoveries or other benefits provided to Holders of Claims under the Plan, (i) will save the WV Debtors and the Estates the costs and expenses of prosecuting various disputes, the outcome of which is likely to consume substantial resources of the Estates and require substantial time to adjudicate and (ii) have facilitated the creation and implementation of the Plan and benefits the Estates and creditors. Accordingly, such settlements are fair and reasonable.

29. Releases, Exculpations, and Injunctions. The Court has jurisdiction to approve the settlements, compromises, releases, discharges, exculpations, and injunctions set forth in the Plan, including, without limitation, those contained in Article VIII. Such provisions were prominently displayed in the Plan and the Disclosure Statement. Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the settlements, compromises, releases, discharges, exculpations, and injunctions set forth in the Plan and implemented by this Confirmation Order are fair, equitable, reasonable, and in the best interests of the WV Debtors, the Reorganized Debtors, and their Estates, creditors, and equity holders. The releases of non-Debtors under the Plan by the WV Debtors are supported by fair, sufficient, and adequate consideration provided by the Debtors. The record of the Confirmation Hearing and these Chapter 11 Cases is sufficient to support the releases, exculpations, and injunctions provided for in Article VIII of the Plan. Such releases, exculpations, and injunctions are binding on the parties set forth in Article VIII of the Plan. All entities benefited by the settlements, compromises,

releases, discharges, exculpation, and injunction provisions set forth in the Plan have contributed and/or will contribute value to the WV Debtors and the Estates.

30. Retention of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court, except as otherwise provided in the Plan or herein, shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, but not limited to, the matters set forth in Article XI of the Plan.

DECREES

**WHEREFORE, IT IS HEREBY ORDERED, ADJUDGED, DECREED, AND
DETERMINED THAT:**

31. Confirmation. The Plan, including all exhibits and modifications thereto, is approved and confirmed under section 1129 of the Bankruptcy Code. Any objection to the Plan, to the extent not heretofore withdrawn, is overruled in its entirety.

32. Provisions of Plan and Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

33. Appointment of the Limited Plan Administrator. The appointment of Brian Ryniker as the Limited Plan Administrator is approved. The Limited Plan Administrator shall have the rights, powers, and duties as more fully set forth in the Plan.

34. Plan Classification Controlling. The classification and Allowed amounts of Claims for purposes of the distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications and amounts of Claims, if any, set forth on the Ballots returned by the Holders of Impaired Claims in connection with voting on the Plan: (i) were set

forth on the Ballots solely for purposes of voting to accept or reject the Plan; (ii) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual Allowed amount or classification of such Claims under the Plan for distribution purposes; and (iii) shall not be binding on the Debtors or the Reorganized Debtors, except with respect to voting on the Plan.

35. Discharge of WV Debtors. Except as otherwise expressly provided in the Plan or this Confirmation Order, the discharge set forth in Article VIII.B of the Plan is approved; provided that nothing in Article VIII.B of the Plan shall affect, limit, or enlarge the discharge provided the Debtors under section 1141 of the Bankruptcy Code.

36. Exemption from Certain Transfer Taxes. Pursuant to section 1146 of the Bankruptcy Code: (i) the issuance, transfer, or exchange of any securities, instruments, or documents; (ii) the creation of any other Lien, mortgage, deed of trust, or other security interest; (iii) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with, the Plan, including, without limitation, any deeds, bills of sale, or assignments executed in connection with any of the transactions contemplated under the Plan or the reinvesting, transfer, or sale of any real or personal property of the WV Debtors pursuant to, in implementation of, or as contemplated in, the Plan, and (iv) the issuance, renewal, modification, or securing of indebtedness by such means, and the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, this Confirmation Order, shall not be taxed under any law imposing a stamp tax or similar tax. Consistent with the foregoing, each recorder of deeds or similar official for any county, city, or governmental unit in which any instrument hereunder is to be recorded is hereby

ordered and directed to accept such instrument without requiring the payment of any stamp tax or similar tax.

37. Documentation. The WV Debtors and the Reorganized Debtors and the officers and members of the boards thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan, in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization or consents except those expressly required pursuant to the Plan.

38. Binding Effect. Pursuant to section 1141 of the Bankruptcy Code, effective as of the Confirmation Date, but subject to the occurrence of the Effective Date, and except as expressly provided in the Plan or this Confirmation Order, the provisions of the Plan (including the exhibits to, and all documents and agreements executed pursuant to, the Plan) and this Confirmation Order shall be binding on (i) the WV Debtors, (ii) the Reorganized Debtors, (iii) all parties in interest, (iv) Holders of Claims against the WV Debtors, whether or not such Claims are Impaired under the Plan and whether or not, if Impaired, such Holders of Claims accepted the Plan, (v) each person acquiring property under the Plan, (vi) each counterparty to an executory contract or unexpired lease of any of the WV Debtors, (vii) any Person or Entity making an appearance in the Chapter 11 Cases or any other Person in the Chapter 11 Cases, and (viii) the successors and assigns of all of the above-listed entities.

39. Restructuring Transactions. On the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to

effectuate the Restructuring Transactions under and in connection with the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, conversion to alternative corporate form including to a C Corp, or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any property, right, liability, duty or obligation on terms consistent with the terms of the Plan; and (3) the filing of appropriate certificates of incorporation, merger or consolidation with the appropriate governmental authorities pursuant to applicable law.

40. Corporate Existence and Form; other Restructuring Matters. Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each WV Debtor shall continue to exist after the Effective Date as a Reorganized Debtor and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be or as its Member(s) elect to change it to with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable WV Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other analogous formation or governing documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation or governing documents) are amended by the Plan or otherwise amended in accordance with applicable law. After the Effective Date, each Reorganized Debtor may amend and restate its new certificate of incorporation and other constituent documents as permitted by relevant state corporate law.

41. Vesting of Assets in Reorganized Debtors and Avoidance of Liens. Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, pursuant to section 1141(c) of the Bankruptcy Code, all property in each WV Estate, all Causes of Action and any property acquired by any of the WV Debtors pursuant to the Plan will vest in each respective Reorganized Debtor, free and clear of all Claims and Interests, except for (a) the existing Lien securing the WV Debtors' obligations under the CCP DIP Loan, the CCP Finance Loan Documents and the Master Leases, (b) the existing Lien of parties who lease equipment to the WV Debtors to the extent such leases are Executory Contracts assumed by the WV Debtors, (c) any Other Secured Claims specifically reinstated under this Plan, and (d) any Lien or security interest granted by a WV Debtor under or pursuant to this Plan. For the avoidance of doubt, the Reorganized Debtors shall release all Causes of Action under chapter 5 of the Bankruptcy Code except for the Pledged Litigation Claims. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any claims, Interests or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

42. Cancellation of Existing Indebtedness and Securities. Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date: (i) the obligations of the WV Debtors under any certificate, share, loan agreement, guaranty, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the WV Debtors giving rise to any Claim

or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the WV Debtors that are specifically Reinstated pursuant to the Plan) shall be cancelled solely as to the WV Debtors and the Reorganized Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (ii) the obligations of the WV Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, loan agreement, guaranty, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the WV Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligations of the WV Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged; provided, however, notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the Holder of a Claim shall continue in effect solely for purposes of enabling Holders of Allowed Claims to receive distributions under the Plan as provided herein; provided, further, however, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under this Plan. For the avoidance of doubt, the WV Debtors' obligations under the CCP DIP Loan, the CCP Finance Loan Documents and the Master Leases shall not be canceled, released or discharged under this section but shall be treated in accordance with the treatment set forth in Article III of the Plan.

43. Corporate Action. Upon the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved in all

respects. All matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the WV Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Security holders, directors or officers of the WV Debtors or the Reorganized Debtors.

44. Releases. Except as otherwise expressly provided in the Plan, this Confirmation Order, or a separate order of this Court, the release provisions set forth in Article VIII of the Plan are approved.

45. Exculpation. Except as otherwise expressly provided in the Plan, this Confirmation Order, or a separate order of this Court, the exculpation provisions set forth in Article VIII.F of the Plan are approved.

46. Injunction. Except as otherwise expressly provided in the Plan, this Confirmation Order, or a separate order of this Court, the injunctions set forth in Article VIII.G of the Plan are approved.

47. Preservation of Causes of Action. In accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action belonging to the WV Debtors, whether arising before or after the Petition Date, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, except as otherwise expressly provided in the Plan. For the avoidance of doubt, the preservation of Causes of Action described in the preceding sentence includes, but is not limited to, the WV Debtors' (i) right to object to Administrative Claims, (ii) right to object to other Claims, (iii) right to object to Subordinated Claims, and (iv) right to prosecute any other

potential claims, Causes of Action, including the Pledged Litigation Claims, charges, suits or rights of recovery under state, federal, or other applicable law; provided, however, that the Limited Plan Administrator shall retain the right to object to Class 6 General Unsecured Claims, provided further, all Causes of Action arising under title 11 of the U.S. Code and applicable law, including without limitation sections 502(d), 510, 542 through 551, and 553 of title 11 and any similar state laws other than the Pledged Litigation Claims shall be waived by the Reorganized Debtors on the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors in their respective discretion. The WV Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. The Reorganized Debtors reserve and shall retain the applicable Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. The applicable Reorganized Debtor through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

48. Personal Health Information. The WV Debtors or the Reorganized Debtors, as the case may be, may share Personal Health Information (“PHI”) with the Limited Plan Administrator in order to allow the Limited Plan Administrator to fulfil its duties and to object to Class 6 General Unsecured Claims, provided however, the Limited Plan Administrator shall hold

and keep such PHI confidential absent further order of the Court and only use such PHI in order to fulfil his duties as specifically set forth under the Plan.

49. Compromises and Settlements. All settlements and compromises of claims and causes of action against nondebtor entities embodied in the Plan that are approved herein as fair, equitable, reasonable, and in the best interests of the WV Debtors, the Reorganized Debtors and the Estates, creditors, and equity holders shall be, and hereby are, effective and binding on all persons and entities who may have had standing to assert such claims or causes of action, and no person or entity shall possess such standing to assert such claims or causes of action after the Effective Date.

50. Continuation of Automatic Stay. Except as otherwise expressly provided in the Plan, this Confirmation Order, or a separate order of this Court, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect through and including the Effective Date and at that time shall be dissolved and of no further force and effect, subject to the injunction set forth in Article VIII of the Plan and/or sections 524 and 1141 of the Bankruptcy Code, except that nothing herein shall bar the filing of documents in connection with the Plan Documents, or the taking of such other actions as are necessary to effectuate the transactions specifically contemplated by the Plan, all exhibits and schedules thereto, the Plan Documents, or this Confirmation Order.

51. Executory Contracts and Unexpired Leases. On the Effective Date, except as otherwise provided herein, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, Executory Contracts and Unexpired Leases, including those listed on the Assumed Executory Contract and Unexpired Lease List,

shall be deemed assumed as of the Effective Date, unless such Executory Contract or Unexpired Lease: (i) was assumed or rejected prior to the Effective Date by the WV Debtors; (ii) previously expired or terminated pursuant to its own terms; (iii) is the subject of a motion to reject Filed on or before the Effective Date; (iv) is identified as an executory Contract or Unexpired Lease on the Rejected Executory Contracts and Unexpired Lease List, or (v) is the subject of a dispute regarding the Cure Claim. For the avoidance of doubt, the Master Leases shall be assumed, as amended, and all security interests granted under the Master Leases shall survive and be binding against the Reorganized Debtors. The terms of Article V.J shall govern the assumption and cure of the Master Leases.

52. Entry of this Order shall constitute a Bankruptcy Court order approving the assumptions or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan, the Rejected Executory Contract and Unexpired Leases List, or the Assumed Executory Contract and Unexpired Leases List pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Solely with respect to the those Executory Contracts or Unexpired Leases that have not been rejected by way of a separate order prior to the Confirmation of the Plan, on the later of (i) ten days after the entry Confirmation Order, or (ii) the WV Debtors' filing of a notice determining to reject an Executory Contract or Unexpired Lease, the WV Debtors shall serve a separate notice to each counterparty whose Executory Contract or Unexpired Lease is being rejected, informing the counterparty of such rejection and notifying them that they have 30 days from service of that notice to file their rejection damages claims, attaching a proof of claim form, and providing instructions as to where such form should be sent.

53. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.

54. In accordance with the Bar Date Order, Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court by the later of (a) the General Bar Date, or (b) the date provided in (i) the order authorizing the Debtors to reject such executory contract or unexpired lease, or (ii) if no such date is provided, then 4:00 p.m. (Eastern Time) on the date that is 30 days after the date on which the Debtors provide notice of such rejection pursuant to the following paragraph.

55. Solely with respect to the those Executory Contracts or Unexpired Leases that have not been rejected by way of a separate order prior to the Confirmation of the Plan, on the later of (i) ten days after the entry Confirmation Order, or (ii) the WV Debtors' filing of a notice determining to reject an Executory Contract or Unexpired Lease, the WV Debtors shall serve a separate notice to each counterparty whose Executory Contract or Unexpired Lease is being rejected, informing the counterparty of such rejection and notifying them that they have 30 days from service of that notice to file their rejection damages claims, attaching a proof of claim form, and providing instructions as to where such form should be sent.

56. Unless otherwise ordered by the Bankruptcy Court, any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within the time period set forth in the Plan or the Bar Date Order will be automatically disallowed, forever barred from assertion and shall not be enforceable against the WV Debtors or the Reorganized Debtors, the Estates, or their property without the need for any objection by the Reorganized Debtors or further notice to, or action, order or approval of the Bankruptcy Court. Allowed Claims arising from the rejection of the WV Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan, as applicable.

57. Rejection Claims for which a Proof of Claim is not timely Filed are forever barred from assertion against the WV Debtors, their WV Estates, the Reorganized Debtors and their respective property unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. Such Rejection Claims shall, as of the Effective Date, be subject to the discharge and permanent injunction set forth in Article VIII of the Plan.

58. Any monetary defaults under each Executory Contract and Unexpired Lease as reflected on the Assumed Executory Contract and Unexpired Leases List are satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount; provided, however, the WV Debtors shall have the right to alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List or Rejected Executory Contracts and Unexpired Lease List, as applicable, as identified in the Plan Supplement, through and including

the Effective Date. To the extent that the WV Debtors alter, amend, modify or supplement the lists of Executory Contracts and Unexpired Lease included in the Plan Supplement, the WV Debtors will provide notice to each counterparty to an affected Executory Contract or Unexpired Lease within five days of such decision.

59. Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan and payment of the Cure Amount or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date of the WV Debtors or Reorganized Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court.

60. For the avoidance of doubt, the Master Leases shall be assumed, as amended, and all security interests granted under the Master Leases shall survive and be binding against the Reorganized Debtors. The terms of Article V.J of the Plan shall govern the assumption and cure of the Master Leases.

61. Further, for the avoidance of doubt, as of the Effective Date, and in accordance with 11 U.S.C. § 365, the WV Debtors hereby assume their Medicare Provider Agreements, identified by CMS Certification Number(s) 075195, 075196, 225456, and 225263 (the “WV Medicare Provider Agreements”). As of same date, the Reorganized Debtors accept automatic assignment of the WV Debtors’ Medicare Provider Agreement under 42 C.F.R. § 489.18, including all benefits and burdens. Thereafter, the WV Medicare Provider Agreements shall be

governed exclusively by the Medicare statute, regulations, policies and procedures, and without regard to bankruptcy law. These include, but are not limited to, adjustment of all payments to the Reorganized Debtors, as the owners of the WV Medicare Provider Agreements, to account for all prior overpayments and underpayments, including those relating to the pre-petition periods. For purposes of clarity CMS Certification Number(s) 075267 and 225170 were terminated by the WV Debtors prior to the Petition Date.

62. Notwithstanding anything to the contrary in the Plan, any of its exhibits, the Plan Supplement, or the Confirmation Order, CMS' right of recoupment and CMS' administration of the WV Medicare Provider Agreements and federal Medicare laws and regulations, will not be impacted by the confirmation of the Plan.

63. Immediately prior to the Effective Date, all executory contracts and unexpired leases of the Debtors that (a) are not rejected by the Debtors prior to the Effective Date, (b) are not subject to a motion seeking such rejection as of the Effective Date, or (c) were not identified in the Plan Supplement as executory contracts or unexpired leases for which the Debtors expressly reserved the right to seek to reject, shall be deemed to have been assumed by the Debtors as of the Effective Date pursuant to sections 365 and 1123 of the Bankruptcy Code without further notice or order of this Court. To the extent any pending dispute with respect to a cure amount is not resolved in the WV Debtors' favor, the WV Debtors may elect to reject such contract.

64. Entry of this Confirmation Order shall constitute (a) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption of the executory contracts and unexpired leases assumed pursuant to Article V of the Plan; and (b) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the

executory contracts and unexpired leases rejected pursuant to Article V of the Plan. Each executory contract and unexpired lease assumed pursuant to Article V of the Plan shall revert in, and be fully enforceable by, the respective Reorganized Debtor in accordance with the terms thereof, except as otherwise modified by the provisions of the Plan or by any order of this Court.

65. Establishment of Administrative Bar Date. Except as otherwise provided in Article II.A of the Plan, requests for payment of Administrative Claims against a WV Debtor must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date, which is date that is 30 days after the Effective Date for all Administrative Expense Claims other than those arising under section 503(b)(9) of the Bankruptcy Code. For Claims arising under section 503(b)(9) of the Bankruptcy Code the Administrative Claims Bar Date means July 2, 2018.

66. Authorization to Take Acts Necessary to Implement Plan. Pursuant to section 1142(b) of the Bankruptcy Code and any comparable provision of the corporation laws of any state, each of the WV Debtors and the Reorganized Debtors hereby is authorized and empowered to take such actions and to perform such acts as may be necessary, desirable, or appropriate to comply with or implement the Plan, and all documents, instruments, and agreements related thereto, and all annexes, exhibits, and schedules appended thereto, and the obligations thereunder shall constitute legal, valid, binding, and authorized obligations of each of the respective parties thereto, enforceable in accordance with their terms without the need for any approval from any member or board of trustees. Each of the WV Debtors and the Reorganized Debtors hereby is authorized and empowered to take such actions, to perform all acts, to make, execute, and deliver all instruments and documents, to make payments, and to pay all fees and expenses as set forth in

the documents relating to the Plan and the Plan Supplement, including without limitation, documents that may be required or necessary for its performance thereunder. On the Effective Date, the appropriate officers of the Reorganized Debtors are authorized and empowered to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan and the Plan Supplement in the name of and on behalf of the Reorganized Debtors. Each of the Debtors, the Reorganized Debtors, and the officers and thereof are authorized to take any such actions without further corporate action or action of the trustees or members of the Debtors or the Reorganized Debtors.

67. Fee Claims. Professionals asserting a Fee Claim against a WV Debtor for services rendered before the Effective Date must File and serve on the WV Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, or any other applicable order of the Bankruptcy Court, an application for final allowance of such Fee Claim no later than 30 days after the Effective Date. Objections to any Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party no later than 60f days after the Effective Date. To the extent necessary, the Plan and the Confirmation Order shall amend and supersede any previously entered order regarding the payment of Fee Claims.

68. Execution By Third Parties. Each and every federal, state, and local governmental agency or department is hereby directed to accept, and lessors and holders of liens are directed to execute, any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Plan including, without limitation, documents and instruments for recording in county and state offices where the Reorganized Debtors' certificates of incorporation or any other Plan document may need to be filed in order to effectuate the Plan.

69. Governmental Approvals Not Required. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any state or any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts referred to in or contemplated by the Plan, the Disclosure Statement, and any documents, instruments, or agreements, and any amendments or modifications thereto.

70. Notice of Entry of Confirmation Order and Bar Dates. The form of notice of entry of the Confirmation Order, the establishment of the Administrative Claim Bar Date, and the bar date to file proofs of claim for executory contracts rejected by the Plan (the "Confirmation Notice"), attached as Exhibit A, is hereby approved. On or before the 15th day following the date of entry of this Confirmation Order, the WV Debtors shall serve the Confirmation Notice pursuant to Rules 2002(f)(7), 2002(k) and 3020(c) of the Bankruptcy Rules on the Office of the U.S. Trustee, all Holders of Claims in the WV Debtors, all counterparties to Plan Supplement Contracts, and all other parties-in-interest, by causing a notice of entry of this Confirmation Order to be delivered to such parties by first class mail, postage prepaid, which shall constitute sufficient notice of this Confirmation Order and the bar dates established herein.

71. Confirmation Order Controlling. If there is any direct conflict between the Plan and this Confirmation Order, the terms of this Confirmation Order shall control.

72. Reversal. If any or all of the provisions of this Confirmation Order are hereafter reversed, modified, vacated, or stayed by subsequent order of this Court or any other court of competent jurisdiction, such reversal, modification, or vacatur shall not affect the validity or enforceability of any acts, or obligations, indebtedness, liability, priority, or Lien incurred or undertaken by the WV Debtors and the Reorganized Debtors under or in connection with the

Plan prior to the WV Debtors' or the Reorganized Debtors' (as applicable) receipt of written notice of any such order. Notwithstanding any such reversal, modification, or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on this Confirmation Order prior to the WV Debtors or Reorganized Debtors, as applicable, receipt of written notice of such reversal, modification, or vacatur shall be governed in all respects by the provisions of this Confirmation Order, and the Plan and any amendments or modifications thereto in effect prior to the date the WV Debtors or Reorganized Debtors, as applicable, received such actual written notice.

73. Applicable Non-Bankruptcy Law. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Confirmation Order, the Plan or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law, and all transfers comply with applicable non-bankruptcy law to the extent required by section 1129(a)(16) of the Bankruptcy Code.

74. Release of Liens. Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the WV Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors.

75. Rule 9019(a) Settlement. The Plan is a settlement between and among the WV Debtors and the Holders of Claims that are either entitled to vote on the Plan or are unimpaired under the Plan of all claims and litigation of such Holders against the WV Debtors, pending or

threatened against the WV Debtors, or that was or could have been commenced against the Debtors prior to the date of entry of this Confirmation Order (other than the Reorganized Debtors' ability to prosecute objections to Claims to the extent preserved under the Plan). Such settlement, as reflected in the relative distributions and recoveries of Holders of Claims under the Plan, is fair and reasonable and is accordingly approved in all respects pursuant to Bankruptcy Rule 9019(a). This Court finds that the settlements embodied in the Plan will save the Debtors and the Estates the costs and expenses of prosecuting various disputes, the outcome of which is likely to consume substantial resources of the WV Debtors' estates and require substantial time to adjudicate. This Court also finds that the settlements have facilitated the creation and implementation of the Plan and benefit the creditors of the WV Debtors.

76. Effectiveness of Confirmation Order. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), and 6006(d), or any other provision of the Bankruptcy Code or the Bankruptcy Rules, this Confirmation Order shall be effective immediately on its entry. This Confirmation Order is and shall be deemed to be a separate order with respect to each of the WV Debtors for all purposes. This Confirmation Order is intended to be a final order and the period in which an appeal must be filed shall commence on entry hereof.

77. Substantial Consummation. Substantial consummation of the Plan under section 1101(2) of the Bankruptcy Code shall be deemed to occur on the Effective Date.

78. The Record. The record of the Confirmation Hearing is closed. The Findings of Fact and Conclusions of Law of this Court set forth herein and at the Confirmation Hearing shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, as made applicable herein by Bankruptcy Rule 9014, and the Findings of Fact and Conclusions of Law of this Court at the Confirmation Hearing are incorporated herein by reference. To the extent any of

the foregoing Findings of Fact constitute conclusions of law, they are adopted as such. To the extent any of the foregoing Conclusions of Law constitute findings of fact, they are adopted as such.

Dated: _____, 2012
Boston, MA

HONORABLE FRANK J. BAILEY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MASSACHUSETTS
(EASTERN DIVISION)**

-----X
In re: : **Chapter 11**
: :
WACHUSETT VENTURES, LLC, et al., : **Case No. 18-11053 (FJB)**
: :
: **Jointly Administered**
Debtors.¹ :
-----X

**NOTICE OF (A) ENTRY OF CONFIRMATION ORDER WITH RESPECT TO PLAN
AND (B) DEADLINES/PROCEDURES ASSOCIATED THEREWITH**

**TO ALL CREDITORS AND PARTIES IN INTEREST IN THE ABOVE-CAPTIONED
CHAPTER 11 CASES:**

PLEASE TAKE NOTICE that on August 23, 2018, the WV Debtors filed the *Third Amended Joint Chapter 11 Plan Of Reorganization Of The WV Debtors Dated August 23, 2018* (the “Plan”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Modified Plan.

PLEASE TAKE FURTHER NOTICE that:

1. Entry of Confirmation Order: On [____], the United States Bankruptcy Court for the District of Massachusetts (the “Bankruptcy Court”) entered an order confirming the Plan (the “Confirmation Order”).
2. Effective Date of Plan: [____]
3. Plan May Affect Your Rights: The Plan, as approved by the Confirmation Order, may affect your rights. Please be advised that the Plan contains certain releases, exculpations, and injunctions. These provisions are found in Article VIII of the Plan. **YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE MODIFIED PLAN AND THE CONFIRMATION ORDER, INCLUDING THE RELEASES, EXCULPATIONS, AND INJUNCTIONS, AS YOUR RIGHTS MAY BE AFFECTED.**
4. Administrative Claims Bar Date. Except as otherwise provided in Article II.A of the Plan, requests for payment of Administrative Claims against a WV Debtor must be Filed and

¹ The Debtors, along with the last four digits of each debtor’s tax identification number, as applicable, are: Wachusett Ventures, LLC (8587), WV—Crossings East LLC (0809), WV—Crossings West, LLC (1860), WV—Parkway Pavilion, LLC (5082), WV—Brockton SNF, LLC (3855) (“Brockton”), WV—Concord SNF OPCO, LLC (0813), WV—Rockport SNF OPCO, LLC (3681), and WV—Quincy SNF OPCO, LLC (9951).

served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date, which is date that is 30 days after the Effective Date for all Administrative Expense Claims other than those arising under section 503(b)(9) of the Bankruptcy Code. For Claims arising under section 503(b)(9) of the Bankruptcy Code the Administrative Claims Bar Date means July 2, 2018.

Each requests for payment of an Administrative Claim t must (i) be in writing; (ii) state the amount of the Administrative Claim arising or accruing during the Administrative Claim Period; (iii) set forth the date(s) when such Administrative Claim arose or accrued; (iv) provide a detailed statement of the legal and factual basis for the Administrative Claim; and (v) attach documentary evidence providing a basis for, or otherwise supporting, the Administrative Claim.

ANY HOLDER OF AN ADMINISTRATIVE CLAIM THAT AROSE DURING THE ADMINISTRATIVE CLAIM PERIOD THAT FAILS TO TIMELY FILE AND SERVE AN ADMINISTRATIVE CLAIM REQUEST BY THE ADMINISTRATIVE BAR DATE SHALL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH ADMINISTRATIVE CLAIM AGAINST THE WV DEBTORS, THE ESTATES, OR ANY ENTITY FORMED PURSUANT TO THE PLAN AND SUCH ADMINISTRATIVE CLAIM WILL BE DEEMED DISCHARGED AS OF THE ADMINISTRATIVE BAR DATE.

5. Fee Claims. Professionals asserting a Fee Claim against a WV Debtor for services rendered before the Effective Date must file and serve on the WV Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, or any other applicable order of the Bankruptcy Court, an application for final allowance of such Fee Claim no later than 30 days after the Effective Date. Objections to any Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party no later than 60 days after the Effective Date.

6. Deadline to File Claims for Damages Arising from Rejection of Executory Contract or Unexpired Lease. Solely with respect to the those Executory Contracts or Unexpired Leases that have not been rejected by way of a separate order prior to the Confirmation of the Plan, on the later of (i) ten days after the entry Confirmation Order, or (ii) the WV Debtors' filing of a notice determining to reject an Executory Contract or Unexpired Lease, the WV Debtors shall serve a separate notice to each counterparty whose Executory Contract or Unexpired Lease is being rejected, informing the counterparty of such rejection and notifying them that they have 30 days from service of that notice to file their rejection damages claims, attaching a proof of claim form, and providing instructions as to where such form should be sent.

Rejection Claims for which a Proof of Claim is not timely Filed are forever barred from assertion against the WV Debtors, their WV Estates, the Reorganized Debtors and their respective property unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. Such Rejection Claims shall, as of the Effective Date, be subject to the discharge and permanent injunction set forth in Article VIII of the Plan.

7. Copies of Documents: For copies of the Plan and Confirmation Order, parties should contact the Debtors' Voting Agent at (212) 771-1128. The Plan, Confirmation Order and related documents may be examined free of charge at www.donlinrecano.com/wv. The Plan and Confirmation Order are also on file with the Court and may be viewed by accessing the Court's website at www.mab.uscourts.gov. To access documents on the Court's website, you will need a PACER password and login, which you can be obtained at www.pacer.psc.uscourts.gov.

Dated: __ 2018
Boston, Massachusetts

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Possession*