IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re:	:	Chapter 11
WHITEHALL MANOR, Inc., *Debtor*.	:	Case No. 25-15245 (PMM) (Jointly Administered)

SECURED CREDITOR LEHIGH VALLEY 1, LLC'S AND RECEIVER'S JOINT MOTION TO (1) COMPEL THE MANOR DEBTORS TO ASSUME OR REJECT THEIR LEASES, (2) ESTABLISH THE CURE AMOUNT AND (3) FOR RELIEF FROM THE AUTOMATIC STAY

Secured Creditor Lehigh Valley 1, LLC ("Lender") and Receiver Duane Morris LLP through Erin Duffy, Esquire ("Receiver") hereby jointly move this Court for entry of an Order (1) compelling the Manor Debtors to assume or reject their Leases pursuant to 11 U.S.C. § 365(d)(2) promptly, (2) establishing the cure amount, and (3) in the alternative, for relief from the automatic stay. In support thereof, Lender and Receiver state as follows:

INTRODUCTION

1. The Manor Debtors currently operate personal care homes on the Trusts' properties. They leased these properties from the Trusts.[1] But they have not paid rent in five years, and the Leases have likely expired by their terms. And, as a result of this Court's ruling that Section 365(d)(3) does not apply to the Manor Debtors, ECF 246, at 4 (Case No. 25-15241), the Manor Debtors have not paid any rent since the Petition Date.

[1] "Leases" as used in this Motion shall mean the Whitehall Manor Lease Agreement (originally dated August 14, 2008, and amended by the First through Third Amendments) (attached hereto as Exhibit A), and the Saucon Valley Manor Lease Agreement (originally dated January 1, 2006, and subsequently amended by the First through Fifth Amendments) (attached hereto as Exhibit B).

2. Accordingly, the Lender – which has a lien on the rents due from the Manor Debtors – and the Receiver – appointed to take possession of the properties and collect those rents – seek relief from this Court to protect their interest in those rents. As set forth below, the Court should enter an order either: (1) compelling the Manor Debtors to assume or reject their Leases promptly and, if assumed, fully cure all payment defaults by immediate payment; or (2) if the Leases have already expired, grant relief from the automatic stay to permit the Receiver to take possession of the property and evict the Manor Debtors so that the personal care homes can be operated safely and profitably. As set forth below, the factors that a Court must consider in deciding whether to compel a debtor to assume or reject a lease all weigh in favor of granting Lender and Receiver's motion to compel the Manor Debtors to make this decision immediately. An analysis of these factors demonstrates that Lender and Receiver will face ongoing harm if the insolvent Manor Debtors are not given a deadline by which to assume or reject their respective Leases. Based on their own reports, the Manor Debtors are insolvent, and there is little chance that they will be able to pay the full arrearage necessary to assume the Leases or propose a viable Chapter 11 plan of reorganization that resolves the pre- and post-petition arrearages. Allowing the Manor Debtors to continue operating their personal care homes in their current financial state will not only harm Lender and Receiver, but also the residents of the personal care homes. Lender and Receiver are willing and prepared to put in a qualified operator who can safely and profitably operate these personal care homes. Accordingly, the factors to be considered all weigh in favor of the Court compelling the Manor Debtors to assume or reject their Leases promptly.

3. Moreover, if the Manor Debtors choose to assume their respective Leases, they are required under Section 365(b)(1) to cure all past-due lease payments (including

pre-and post-petition rent obligations). Accordingly, Lender and Receiver request that the Court determine that the amount required to cure the Manor Debtors' pre-petition default on their respective Leases is $8,460,843.01 for Saucon Manor and $8,271,961.00 for Whitehall Manor. *See* Whitehall Manor Proof of Claim, ECF 44 (Case No. 25-15245); Saucon Manor Proof of Claim, ECF 26 (Case No. 25-15244). Given the Manor Debtors' financial difficulties and current financial situation—described in detail below—the Manor Debtors will not be able to provide adequate assurance of a prompt cure. Thus, the Court should direct the Manor Debtors to cure immediately as a condition of the Manor Debtors' assumption of their Leases.

4. In the alternative, the Court should grant Lender and Receiver relief from the automatic stay. The Manor Debtors' Leases have expired by their express terms and thus the Manor Debtors cannot assume them. *See In re Turner*, 326 B.R. 563, 578 (W.D. Pa. 2005). Accordingly, there is cause to grant Lender and Receiver relief from the automatic stay in order to take possession of the properties and evict the Manor Debtors, and bring in a new, qualified operator to operate and maintain the personal care homes. *See* 11 U.S.C. § 362(d)(1); *In re Burch*, 401 B.R. 153, 157, 160 (Bankr. E.D. Pa. 2008).

JURISDICTION

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A), (B), (G), and (O).

6. The statutory bases for the relief requested herein is 11 U.S.C. §§ 362(d) and 365(b)(1) and (d)(2).

FACTUAL BACKGROUND

7. Lender and Receiver incorporate by reference the detailed Factual Background set forth in the First Objection of Secured Creditor Lehigh Valley 1, LLC to Motion for (1) Interim and Final Orders (A) Authorizing Debtors to Use Cash Collateral of Existing Secured Party and Granting Adequate Protection for Use and (B) Prescribing Form and Manner of Notice and Setting the Time for the Final Hearing and (2) Expedited Hearing on the Relief Sought Herein (ECF 41). The Lender and Receiver repeat here for emphasis particular portions of the background that are relevant to this motion.

I. The Loans and Defaults

8. On January 26, 2012, M&T Realty Capital Corporation ("M&T") provided a loan to Whitehall Trust in the amount of $15,788,700, secured by a mortgage on the real property located at 1177 6th Street, Whitehall, Pennsylvania. Lender's Obj. to Cash Collateral Mot.,[2] ECF No. 41, at ¶ 10 (Case No. 25-15241).

9. On December 1, 2012, M&T provided a loan to Saucon Trust in the amount of $19,462,800, secured by a mortgage on the real property located at 1050 Main Street, Unit #1, Hellertown, Pennsylvania. *Id.*

10. Debtor Whitehall Manor and Debtor Saucon Valley Manor (collectively, the "Manor Debtors"), leased these real properties from the respective Trusts and operate personal care homes on them. Lender's Obj. to Appl. to Employ, ECF No. 71, at ¶ 6 (Case No. 25-15241).

[2] The full name of what is referred to in short as the "Cash Collateral Motion" is Motion for (1) Interim and Final Orders (A) Authorizing Debtors to Use Cash Collateral of Existing Secured Party and Granting Adequate Protection for Use and (B) Prescribing Form and Manner of Notice and Setting the Time for the Final Hearing and (2) Expedited Hearing on the Relief Sought Herein, ECF 41 (Case No. 25-15241).

11. The loans were insured by U.S. Department of Housing and Urban Development ("HUD"). Due to Whitehall Trust's and Saucon Trust's (collectively, the "Trusts") payment defaults, both notes and both mortgages were assigned by M&T to HUD effective November 16, 2022. ECF No. 41, at ¶ 12 (Case No. 25-15241). HUD then held a publicly advertised loan sale, at which Windstream Capital LLC was the authorized and winning bidder on these two loans. HUD then assigned both notes, both mortgages, all security agreements, and all related loan documents to Windstream Capital LLC on September 20, 2023. *Id.* Windstream Capital subsequently assigned the loan documents to Lender on May 15, 2024. *Id.* Lender now holds mortgages on the Trusts' real property, security interests in all of the Trusts' and Manor Debtors' assets including rents, and security interests in and the right to collect rents directly from all the residents living at the personal care homes operated by the Manor Debtors. ECF No. 71, at ¶ 9 (Case No. 25-15241).

12. Neither of the Trusts has made a single voluntary mortgage payment on either loan since February 2021—a period of more than five years. ECF 41, at ¶ 13 (Case No. 25-15241). Due to the Trusts' defaults, both Loans were accelerated, and demand was made for the immediate payment of all amounts due. *Id.* However, the Trusts and the Manor Debtors continue to refuse to make any mortgage payments on either loan. *Id.*

13. Additionally, as a result of the Trusts' and the Manor Debtors' failure to pay real estate taxes, both Properties were subject to significant tax and municipal liens which caused the Properties to be listed for tax sale. *Id.* ¶ 15. The Trusts (through the Manor Debtors) entered into a tax repayment plan, which to date has repaid the past-due 2023 property taxes. *Id.* However, the Trusts and the Manor Debtors currently still owe hundreds of thousands of dollars in property taxes for Whitehall and Saucon. *Id.* ¶ 16.

II. Appointment of Receiver

14. On June 20, 2024, Lender filed foreclosure actions in the Eastern District of Pennsylvania against both Trusts (Case Nos. 24-cv-02627 and 24-cv-02709). Lender filed Motions to Appoint a Receiver for both Properties. ECF 8 (Case No. 24-cv-02627); ECF 12 (Case No. 24-cv-02709); *see also* ECF No. 41, at ¶ 18 (Case No. 25-15241).

15. On May 2, 2025, presiding District Judge Catherine Henry entered an Order appointing Erin Duffy, Esquire of Duane Morris LLP as Receiver for both Properties for the benefit of Lender. ECF 65 (Case No. 24-cv-02627); ECF 58 (Case No. 24-cv-02709); *see also* ECF No. 41, at ¶ 19 (Case No. 25-15241). In the Opinion in Support of the Order, the Court found that: (a) the mortgages themselves provided that the holder "shall be entitled to the appointment of a Receiver of the rents and profits of the mortgaged premises as a matter of right and without notice"; (b) Defendants had failed to make payments since February 2021—over four years; (c) audited financial statements showed "substantial doubt about the Trusts' ability to continue as a going concern"; and (d) appointment of a receiver was necessary to manage the Properties and ensure bills would be paid on time and structures maintained. ECF 64, at 5-8 (Case No. 24-cv-02627); ECF 57, at 5-8 (Case No. 24-cv-02709).

16. In its opinion appointing Receiever, the Court also noted concerns about a potential diminution in the value of Lender's collateral because the Trusts refused to provide: (a) updated financial statements; (b) information on the Trusts and the Manors' current leases and rent collections; (c) proof that taxes were paid; (d) proof of insurance; or (e) information about other liens. *See* ECF 64 (Case No. 24-cv-02627); ECF 57 (Case No. 24-cv-02709). Notably, any one of these issues could diminish the value of the properties and harm Lender.

17. The Receiver's Order authorized and directed the Receiver to collect all rents and directed that "Rents and Leases shall be turned over to Receiver and the Defendant shall be enjoined and restrained from collecting the Rents and Leases of the Properties or interfering with Receiver's ability to collect said Rents and Leases." ECF 65, at ¶ 6(j) (Case No. 24-cv-02627); ECF 58, at ¶ 6(j) (Case No. 24-cv-02709).

III. The Fraudulent Lease Amendments

18. Prior to the loan defaults and prior to the HUD sale to Windstream (now Lender), the Lease Agreements between the Manor Debtors on one hand, and the property-owning Trusts, on the other hand, required substantial monthly rent payments as follows:

Lease	**Monthly Rent**	**Annual Rent**
Whitehall Manor from Whitehall Trust	$139,000	$1,668,000
Saucon Manor from Saucon Trust	$142,118	$1,705,421
COMBINED TOTAL	**$281,118**	**$3,373,421**

ECF No. 41, at ¶ 21 (Case No. 25-15241); Whitehall Lease Agreement, attached hereto as Exhibit A; Saucon Lease Agreement, attached hereto as Exhibit B.

19. However, effective as of September 21, 2023 – after the mortgages had defaulted, after HUD had taken over the loans, and after HUD had auctioned the loans – Abraham Atiyeh (the Manager of the Trusts) unilaterally, on behalf of the Trusts and the Manor Debtors, drafted, prepared and executed two purported lease amendments (the "Fourth Amendment" for the Whitehall property and the "Sixth Amendment" for the Saucon property) (together, the "2023 Lease Amendments"). *See* Fourth Amendment to Whitehall Lease attached hereto as Exhibit C; Sixth Amendment to Saucon Lease, attached hereto as Exhibit D.

20. The 2023 Lease Amendments, for which the Trusts received no consideration, effectively waived all past-due rent payment obligations for the Manor Debtors from March 2021 through September 2023 – which the Manor Debtors to that point had not paid – and for the year 2024. *See* Fourth Amendment to Whitehall Lease; Sixth Amendment to Saucon Lease. They also capped the maximum rent for the year 2025 at an amount less than the amounts paid by the Manor Debtors for taxes and capital improvements, which counted as a credit against the rent amount. *See* Fourth Amendment to Whitehall Lease; Sixth Amendment to Saucon Lease. The 2023 Lease Amendments were designed to strip rental income from the property-owning Trusts (whose cash flow was pledged to the mortgage lender) and to keep all cash in the operating Manor Debtors. ECF No. 71, at ¶ 14 (Case No. 25-15241).

IV. December 19, 2025 Order Voiding The 2023 Lease Amendments And Imposing Sanctions

21. In July 2025, as part of the Foreclosure Actions, Lender filed a motion to void and set aside the 2023 Lease Amendments, which essentially waived all rent obligations for the Manor Debtors. ECF 41, at ¶ 24 (Case No. 25-15241). The Receiver later filed a Motion for Sanctions based on the Trusts' failure to comply with prior Court-ordered document production. *Id.*

22. On December 19, 2025 – just one week before the bankruptcy filings – District Judge Henry entered an Order in the Foreclosure Actions granting the Lender's motion to invalidate the 2023 Lease Amendments and Receiver's request for discovery sanctions. Specifically, the Order:

> 1. GRANTED the Receiver's Motion for Sanctions;
>
> 2. Ordered Respondents to pay $21,281.00 to the Receiver by December 29, 2025;

> 3. Ordered Respondents to produce all documents required by the Court's September 2, 2025 Order by December 29, 2025;
>
> 4. Warned that failure to comply would result in striking Defendants' Answer and Affirmative Defenses and entering Judgment of Foreclosure;
>
> 5. GRANTED Lehigh's Motion to Void and Set Aside Lease Amendments;
>
> 6. DECLARED the Sixth Amendment and Fourth Amendment to be NULL, VOID, and OF NO LEGAL EFFECT;
>
> 7. Ordered the Manors to turn over to the Receiver any rental payments received from Good Shepherd Rehabilitation Hospital since October 31, 2025;
>
> 8. Ordered the Manors to turn over to the Receiver ALL receipts from occupants to be paid beginning January 2026.

See ECF 164 (Case No. 24-cv-02627); ECF 138 (Case No. 24-cv-02709), (A copy of the December 19, 2025 Order is attached hereto as Exhibit E).

23. The Trusts' and the Manor Debtors' respective bankruptcy petitions were filed on December 26, 2025.[3]

V. The Current Status of the Manor Debtors' Leases

24. The Whitehall Manor property is governed by an Operating Lease Agreement originally dated August 14, 2008, amended by the First through Third Amendments. *See* Ex. A, Whitehall Lease Agreement. With the Fourth Amendment voided by the December 19 Order, the Third Amendment is the governing Amendment, dated and effective as of August 31, 2018. The Whitehall Lease Agreement is a triple net lease, meaning the lease requires Whitehall Manor to pay – separate from and in addition to the stated amount of monthly rent – all taxes, insurance, maintenance, and other operating expenses of the property. *See id*. at § 4.05.

[3] On March 19, 2026, this Court granted Lender's Motion to Dismiss the Trust Debtors' bankruptcy cases because the Trusts are not business trusts and thus are not eligible to be Chapter 11 debtors. ECF 264 (Case No. 25-15241).

25. Section 2 of the Third Amendment to the Whitehall Lease Agreement provides that: "Tenant has exercised the privilege to extend the Term for 5 years, such that the original termination date of August 31, 2018 is now agreed to be August 31, 2023." Ex. A, Whitehall Lease Agreement.

26. The Whitehall Lease Agreement does not contain an automatic renewal provision. Rather, Section 2.02 of the Original Lease provides that "the Lessee shall have the option to extend the Lease Term for three (3) successive periods of five (5) years each upon the terms and conditions contained herein, upon written notice to the Owner given not later than one hundred eighty (180) days prior to the expiration of the initial Lease Term or extended Lease Term, as the case may be." *Id.*

27. The now-void Fourth Amendment to the Whitehall Lease states: "Landlord and Tenant have agreed that Tenant has exercised its option to extend the Term of the Lease for a period of Five (5) Years as allowed by the Lease." If valid, this may have extended the Lease until August 31, 2028. However, pursuant to the December 19 Order, this Amendment was declared null and void and of no legal effect, meaning the Whitehall Lease expired on August 31, 2023.

28. Accordingly, there is no current lease in effect for the Whitehall property. The Whitehall Lease expired on its own terms on August 31, 2023.

29. The Saucon Manor property is governed by a Lease Agreement originally dated January 1, 2006, subsequently amended by the First through Fifth Amendments. *See* Ex. B, Saucon Manor Lease Agreement. With the Sixth Amendment voided by the December 19 Order, the terms established by the Fifth Amendment, dated and effective as of July 1, 2018, govern. The Saucon Lease Agreement, like the Whitehall Lease Agreement, is a triple net lease. *See id.* at § 5. Thus, Saucon Manor is required to pay all

taxes, insurance, maintenance, and other operating expenses of the property in addition to the stated monthly rent amount. *See id.*

30. The Fifth Amendment to the Saucon Lease Agreement provides: "The parties acknowledge that the term of the existing lease extended to July, 2018; and the parties hereto extend the Term of the Lease through August 31, 2023, (which hereby becomes the 'Termination Date')." Saucon Lease Agreement. It further provides: "The Term shall automatically extend on the Termination Date for three (3) periods of three (3) years, each, (and the termination shall be modified automatically thereby) unless (i) a Default by Lessee occurs, (in which event the rights and remedies of Owner shall be immediately applicable, and no further extension shall automatically occur)[.]" *Id.*

31. Accordingly, the Fifth Amendment is automatically renewed for a three-year period unless there is an "Event of Default" as defined in the Saucon Lease Agreement. The Lease defines "Events of Default" to include where "Tenant shall fail to pay any installment of Base Rent or any other payment required herein when due, and such failure shall continue for a period of 5 days from the date such payment was due." Saucon Lease Agreement.

32. Here, there was an obvious "Event of Default" – Saucon Manor's failure to pay rent since 2021. Lender and Receiver are not aware of any actions taken by Saucon Manor or Saucon Trust to excuse or waive this default by Saucon Manor, other than the Sixth Amendment to the Saucon Lease.

33. The Sixth Amendment was declared null and void, and of no legal effect, by the December 19 Order.

34. Based on Saucon Manor's failure to pay rent starting in 2021 – which is an "Event of Default" under the Lease Agreement – the Saucon Lease Agreement did not

automatically renew for a period of three years upon the expiration of the Lease on August 31, 2023.

35. The Manor Debtors may contend that the now-voided Sixth Amendment to the Saucon Lease Agreement effectively waived rent obligations during the period from 2021 through 2024, and that therefore no "Event of Default" existed at the time the automatic renewal would have triggered on August 31, 2023. This argument fails. The December 19 Order declared the Sixth Amendment "NULL, VOID, and OF NO LEGAL EFFECT." Ex. E, December 19, 2025 Order, ¶ 8. A judicial declaration that an instrument is "null" and "void" operates retroactively — it is a determination that the instrument was void *ab initio*, as if it never existed. Accordingly, the Sixth Amendment never validly waived any rent obligations, meaning the rent was always due. Saucon Manor's failure to pay rent beginning in 2021 was always an "Event of Default" under the Lease Agreement, which means the automatic renewal provision was never triggered, and the Saucon Lease expired on its own terms on August 31, 2023.

36. Accordingly, Whitehall Manor and Saucon Manor have been operating their personal care homes on the respective Trusts' properties without valid Leases since August 31, 2023, when the Leases expired.

37. Because the Manor Debtors' Leases have expired by the express terms of the Leases, the Manor Debtors cannot assume the Leases under 11 U.S.C. § 365(d)(2).

38. Nonetheless, even if the Court concludes the Leases have not expired (which they have) and may be assumed, the Manor Debtors, under 11 U.S.C. § 365(b)(1)(A), must cure all existing defaults under their respective Leases, including post-petition rent and any accrued and unpaid pre-petition rent.

39. Saucon Manor owes $8,460,843.01, and Whitehall Manor owes $8,271,961.00 in pre-petition lease obligations, including unpaid rent. *See* Whitehall Manor Proof of Claim, ECF 44 (Case No. 25-15245), attached hereto as Exhibit F; Saucon Manor Proof of Claim, ECF 26 (Case No. 25-15244), attached hereto as Exhibit G.

VI. The Manor Debtors' Post-Petition Rent Obligations

40. On February 26, 2026, this Court ruled that 11 U.S.C. § 365(d)(3) does not apply because "a senior living facility does not meet the definition of 'nonresidential real property' specified in §365(d)(3)." ECF 246, at 4 (Case No. 25-15241). Accordingly, the Manor Debtors are not obligated to pay post-petition rent currently.

41. Nonetheless, under 11 U.S.C. §§ 503(b) & 507(a)(2), the post-petition rent is an administrative expense of the bankruptcy estate. Under 11 U.S.C. § 1129(a)(9)(A), administrative expenses – such as the post-petition rent – have to be paid in full as part of a plan of reorganization in order for it to be confirmed.

42. Additionally, if the Manor Debtors assume their Leases, they will have to pay the unpaid post-petition rent as part of their cure of these amounts pursuant to 11 U.S.C. § 365(b)(1).

43. Thus, the Manor Debtors must pay all of the accrued and unpaid pre- and post-petition rent in order to assume the Leases or confirm a plan of reorganization.

VII. Lender and Receiver are Entitled to Rent from the Manor Debtors

44. Lenders have a security interest in all rents owed by or to the Manor Debtors. ECF 41, at ¶ 27 (Case No. 25-15241); Mortgages, Security Agreements, and Lessee Security Agreements attached hereto as Exhibits H through M.

45. Lender's collateral package is more extensive than a typical mortgage. Lender holds by assignment:

- **Mortgages**: Against real property, improvements, equipment, personal property, and "rents, profits and other attributes."

- **Security Agreements (Trusts)**: Security Agreement, with filed UCC-1s against all personal property, accounts receivable, cash, and rents of Debtor Whitehall Trust and of Debtor Saucon Trust.

- **Lessee Security Agreements (Manor Debtors)**: Lender also holds signed Lessee Security Agreements with filed UCC-1's providing Lender with perfected, first-priority security interests in all personal property, accounts receivable, and rents of both of the Manor Debtors.

See ECF 41, at ¶ 27 (Case No. 25-15241).

VIII. The Manor Debtors' Financial Problems in the Bankruptcy Cases

46. The Manor Debtors are experiencing serious financial issues in their respective bankruptcy cases. *See* Debtors' 13-week projection ending 6-20-26, attached hereto as Exhibits N and O.

47. Based on the Manor Debtors' 13-week projection ending in the week of June 20, 2026, the Manor Debtors will each lose hundreds of thousands of dollars on a purely cash basis over the course of the 13-week period from March 28, 2026 to June 20, 2026. *See id*.

48. Moreover, the Manor Debtors are administratively insolvent and will not be able to pay the expenses of operating in their bankruptcy cases. For example, if you take Whitehall Manor's cash balance for the week of March 28, 2026, and subtract its post-petition accounts receivable as of February 28, 2026, its accrued professional fees during the bankruptcy, and the accrued and unpaid post-petition rent, the resulting amount is negative. *See* Ex. N, Whitehall Manor's 13-week projection ending 6-20-26.

Whitehall Manor: Week of March 28, 2026	
End of Week Cash Balance	$508,114.92
Post-Petition Accounts Receivable as of February 28, 2026	-$72,890.00
Accrued legal/professional fees	-$250,000.00
Accrued and unpaid rent	-$417,000.00
Insolvency	**-$231,775.08**

49. Doing this same calculation for the rest of the weeks in the 13-week projection shows that Whitehall Manor will remain administratively insolvent – and in fact become significantly more administratively insolvent – through the entire 13-week budget period. *See id.*

50. Similarly for Saucon Manor, if you take its cash balance for the week of March 28, 2026, and subtract its post-petition accounts receivable as of February 28, 2026, its accrued professional fees during the bankruptcy, and the accrued and unpaid rent, the resulting amount is negative. *See* Ex. O, Saucon Valley Manor's 13-week projection ending 6-20-26.

Saucon Manor: Week of March 28, 2026	
End of Week Cash Balance	$734,507.21
Post-Petition Accounts Receivable as of February 28, 2026	-$180,302.00
Accrued legal/professional fees	-$250,000.00
Accrued and unpaid rent	-$426,355.26
Insolvency	**-$122,150.05**

Again, doing this same calculation for the rest of the weeks in the 13-week projection shows that Saucon Manor will remain administratively insolvent – and in fact become

significantly more administratively insolvent – through the entire 13-week budget period. *See id.*

RELIEF REQUESTED

51. Lender and Receiver respectfully request that this Court enter an order requiring the Manor Debtors to promptly assume or reject their Leases with the Trusts, and notify the Lender and Receiver of that decision. Lender and Receiver ask that any such order provide that Lender and Receiver must *receive* notice of the assumption or rejection.

52. If the Manor Debtors choose to assume their Leases, then this Court will need to find that the cure amount necessary to cure all defaults in the Manor Debtors' Leases is the full arrearage.

53. For Saucon Manor, the amount of pre-petition obligations owed is 8,460,843.01, and for Whitehall Manor, $8,271,961.00. *See* Whitehall Manor Proof of Claim, ECF 44 (Case No. 25-15245); Saucon Manor Proof of Claim, ECF 26 (Case No. 25-15244). The Manor Debtors must also cure the post-petition arrearage.

54. In the alternative, Lender and Receiver request relief from the automatic stay in order to take possession of the properties and evict the Manor Debtors, put in place a new, qualified operator to maintain and operate the personal care homes currently being operated by the Manor Debtors because the Manor Debtors' Leases have expired and they have no right to assume said Leases. The Lender and Receiver also request relief from the automatic stay for the same purposes to the extent the Debtors reject or otherwise are unable to assume the Leases if the Court grants them time to do so.

ARGUMENT

I. This Court Should Compel the Manor Debtors to Assume or Reject their Leases Immediately

55. Section 365(d)(2) of the Bankruptcy Code governs the time limits for a debtor to assume or reject an executory contract or unexpired lease of residential real property. It provides that:

> In a case under chapter 9, 11, 12, or 13 of this title, the trustee may assume or reject an executory contract or unexpired lease of residential real property or of personal property of the debtor at any time before the confirmation of a plan but the court, on the request of any party to such contract or lease, may order the trustee to determine within a specified period of time whether to assume or reject such contract or lease.

11 U.S.C. § 365(d)(2).

56. "In deciding whether to accelerate the debtor's decision, the court must balance the interests of the contracting party against the interests of the debtor and its estate." *In re Physician Health Corp.*, 262 B.R. 290, 292 (D. Del. 2001).

57. A court must consider several factors in deciding "what constitutes a reasonable time within which a debtor should assume or reject a contract" including: (1) "[t]he nature of the interests at stake," (2) "the balance of the hurt to the litigants," (3) "the good to be achieved," (4) "the safeguards afforded those litigants," and (5) "whether the action to be taken is so in derogation of Congress' scheme that the court may be said to be arbitrary." *Matter of Dunes Casino Hotel*, 63 B.R. 939, 949 (D.N.J. 1986) (citation omitted); *accord In re G-I Holdings, Inc.*, 308 B.R. 196, 213 (D.N.J. 2004).

58. Additionally, "court[s] should interpret reasonable time consistent with the broad purpose of Chapter 11, which is to permit successful rehabilitation of debtors." *Dunes Casino Hotel*, 63 B.R. at 949 (quotations omitted).

59. Another factor courts consider in deciding whether to compel debtors to assume or reject a contract is whether "[t]he Debtors are performing under the contract." *Physician Health,* 262 B.R. at 295; *see also In re Wheeling-Pittsburgh Steel Corp*., 54 B.R. 385, 388 (W.D. Pa. 1985) ("When the Debtor-in-Possession continues to perform its post-petition obligations, and the obligee under the executory contract or unexpired lease is suffering no harm or prejudice … there is no need to require the Debtor to assume or reject prior to the confirmation of a plan of reorganization.").

60. Other relevant considerations include: (1) "the damage that the non-debtor will suffer beyond the compensation available under the Bankruptcy Code"; (2) "the importance of the contract to the debtor's business and reorganization"; (3) "whether the debtor has had sufficient time to appraise its financial situation"; and (4) "the potential value of its assets in formulating a plan, and whether exclusivity has terminated." *In re Teligent, Inc.*, 268 B.R. 723, 738 (Bankr. S.D.N.Y. 2001).

61. The critical distinguishing fact in this case, as compared to cases where courts have declined to compel assumption or rejection, is that the Manor Debtors are not performing their post-petition obligations. In *In re Physician Health Corporation*, 262 B.R. 290 (D. Del. 2001), the court declined to compel assumption or rejection because the debtor was "performing under the contract" and the non-debtor party was "receiving precisely what it bargained for." *Id.* at 294-95 (citation omitted). Here, the opposite is true: the Manor Debtors have not paid rent for approximately five years, have not paid real estate taxes and are hemorrhaging cash even without paying these obligations. The Manor Debtors are not performing, and Lender and Receiver are suffering ongoing harm. The rationale for deferring the assumption or rejection decision is therefore inapplicable.

62. The Receiver has a direct interest in the relief sought in this Motion because the Receiver was appointed "with the usual powers and directions for the benefit of the Plaintiff of all the rents and profits now due and unpaid or to become due during the pendency of this mortgage foreclosure action, effective immediately" for all property owned by Whitehall Trust and Saucon Trust "with respect to income of any kind; and with respect to any and all other property and property interests pledged or assigned to Plaintiff under the Loan Documents." ECF 65, at ¶ 1 (Case No. 24-cv-02627); ECF 58, at ¶ 1 (Case No. 24-cv-02709). The Receiver Order grants Receiver the power to, among other things: (1) "enter and take immediate possession of the Property, and to demand, collect and receive the rents … derived from the tenants at the Property"; (2) "take all actions necessary to preserve, maintain, operate, and manage the Property"; (3) "commence, prosecute, continue or defend actions at law or in equity … that the Receiver deems necessary to protect or preserve the property, to recover possession of the Property, to collect the rents, or to evict or eject any tenants or occupants in accordance with applicable state laws"; (4) "obtain and evict occupants"; and (5) "bring or defend any suits in connection with the Leases or Rents". ECF 65, at ¶ 6 (Case No. 24-cv-02627); ECF 58, at ¶ 6 (Case No. 24-cv-02709).

63. The Lender also has a direct interest in the relief sought in this Motion. As set forth above, the Lender has a security interest in the rents due from the Manor Debtors. *See* ECF 41, at ¶ 27 (Case No. 25-15241); Mortgages; Security Agreements. The Lender's interest in the rents provides collateral separate from and in addition to the value of the properties on which the Lender holds mortgages. *See In re Union Meeting Partners*, 178 B.R. 664, 674-75 (Bankr. E.D. Pa. 1995) ("It stands to reason, then, that an undersecured creditor's secured claim increases as 'proceeds, product, offspring, rents,

[and] profits' accrue post-petition.") (citing 11 USCA § 552; alteration in original); *see also In re Lichtin/Wade, LLC,* 486 B.R. 665 (Bankr. E.D.N.C. 2013) ("Therefore, as held by the majority of courts, adding the amount of the adequate protecting payments to the secured portion of the claim and correspondingly reducing the unsecured portion of the claim is the only appropriate mechanism to comply with § 506(b)."); *Beal Bank, S.S.B. v. Waters Edge L.P.,* 248 B.R. 668, 686 (D. Mass. 2000) ("In cases involving undersecured creditors, I am persuaded that the better approach is that collateral consists of the sum of the creditor's separate security interests in the building *and* the accumulated post-petition rents." (emphasis in original) (citing *Union Meeting Partners*, 178 B.R. 664)).

64. Lender and Receiver submit that a review and weighing of the above factors strongly favors requiring the Manor Debtors to immediately decide whether to assume or reject their respective Leases.

A. The nature of the interests at stake

65. The nature of the interests at stake suggests that a prompt assumption or rejection of the Manor Debtors' respective Leases is necessary to protect Lender's and Receiver's interests.

66. The Manor Debtors operate personal care homes on the Trusts' properties. They contend that they have an interest in maintaining their businesses through these bankruptcy cases.

67. Lender has an interest, through its liens and Security Agreements, in receiving the rents that the Manor Debtors owe to the Trusts. *See* ECF 41, at ¶ 27 (Case No. 25-15241); Mortgages; Security Agreements. The Manor Debtors have not paid rent to the Trusts since approximately February or March 2021. Lender, through its Mortgages and Security Agreements, has a lien on the rents due from the Manor Debtors to the

Trusts, and it has an interest in this bankruptcy to be paid those rents. *See* ECF 41, at ¶ 27 (Case No. 25-15241); Mortgages; Security Agreements.

68. Likewise, the Receiver, pursuant to the Receiver Order, has direct standing to assert the interests of the Trusts in seeking the payment of the rents due from the Manor Debtors. *See* ECF 65, at ¶ 6 (Case No. 24-cv-02627) (granting the Receiver the authority to "commence, prosecute, continue or defend actions at law or in equity (in its own name or in the names of Whitehall [Trust] or Saucon [Trust]) that the Receiver deems necessary to protect or preserve the property, to recover possession of the Property, to collect the rents, or to evict or eject any tenants or occupants in accordance with applicable state laws"); ECF 58, at ¶ 6 (Case No. 24-cv-02709) (same).

69. Moreover, despite their apparent interest in maintaining their businesses, the Manor Debtors' deteriorating financial situation also poses a risk to their ability to maintain their businesses and to do so in a way that does not put the residents of their personal care homes at risk.

70. Vendors and service providers who contract to provide services to the Manor Debtors' residents cannot be expected to continue working indefinitely without payment from the Manor Debtors. There is a risk that if the Manor Debtors do not pay their vendors and providers, the vendors will stop providing critical services to the residents—i.e., food, medical supplies, medical services, maintenance, staffing, etc.

71. The consequences for the residents if the above services are stopped would be severe. Allowing the Manor Debtors to operate personal care homes in their current state of financial disarray is reckless and jeopardizes the health and safety of the residents the Manor Debtors are supposed to be protecting.

72. Lender and Receiver, on the other hand, are ready, willing, and able to effectuate the continued operation of the personal care homes and do so in a way that protects the health and safety of the residents of those facilities.

73. Lender and Receiver are prepared to bring in a qualified, new operator who will maintain the businesses and continue running the personal care homes in a profitable manner and in such a way as to prevent any disruption in care to the current residents. In doing so, Lender and Receiver will ensure that there is a full continuation of services to the residents with no disruption to care and no gap in operations. Bringing in a new operator would also quell any potential public health concerns raised by the Manor Debtors' continuing to operate the facilities in their current financial state.

74. Lender's and Receiver's proposed transition to a responsible, financially stable operator will better protect the residents than would maintaining the status quo with the Manor Debtors operating the facilities while deeply insolvent and continuously failing to meet their most basic obligations

75. Allowing Lender and Receiver to bring in a new operator would effectuate not only the Manor Debtors' interest in maintaining the personal care homes, but it would also effectuate the Trusts', Lender's, and Receiver's interests by allowing the facilities to be run profitably. Once the personal care homes are generating revenue, the Trusts will be able to enforce any rent-payment obligations under a new lease with the new operator.

76. Finally, Receiver has a strong interest in collecting rents from the Manor Debtors. That is precisely what Judge Henry appointed Receiver to do. As set forth in Judge Henry's opinion appointing Receiver and as summarized above, there exists a strong basis for Receiver's appointment, and Receiver's interests in this bankruptcy must be enforced.

77. This factor weighs strongly in favor of the Court compelling the Manor Debtors to assume or reject their Leases promptly.

B. The balance of hurt to the litigants

78. The harms the Lender and Receiver face by delaying the Manor Debtors' decision to assume or reject their Leases are far in excess of any risk the Manor Debtors face from having to make this decision sooner rather than later.

79. The Manor Debtors have not paid rent at all for approximately five years and allowed a substantial real estate tax balance to accrue unpaid. Based on their own reports, and at a time when the Manor Debtors are *not* paying rent, the Manor Debtors are hemorrhaging cash. They are rapidly going in the direction of never being able to pay rent. This directly harms Lender and Receiver, each of whom is entitled to and benefits from rent payments from the Manor Debtors.

80. Further, the Manor Debtors' current financial situation suggests that the Manor Debtors cannot and will not be able to pay any of the post-petition rent, or the outstanding pre-petition rent, which is owed.

81. To be able to assume their Leases, the Manor Debtors must pay all of these amounts. Based on their years-long failure to pay rent, and given their current dire financial situation, it is unlikely that the Manor Debtors will be able to assume their Leases. Thus, the Manor Debtors will not be harmed by this Court's setting a firm deadline for their decision to assume or reject their Leases.

82. To the extent the Manor Debtors face any harm, it will be, by comparison, far less than the harm to the Lender and Receiver, who are continually being harmed by the Manor Debtors' failure to pay rent, as well as their current financial situation.

83. Because requiring the Manor Debtors to assume or reject their Leases sooner, rather than later, poses little to no harm to the Manor Debtors, this factor weighs in favor of the Court compelling the Manor Debtors to assume or reject their Leases promptly.

C. The good to be achieved

84. Given the Manor Debtors' deteriorating financial position, there is significant good in placing a limit on how long Manor Debtors can continue operating these personal care homes.

85. As set forth above, the Manor Debtors' financial position creates a risk that their vendors and service providers will stop providing services to the residents if they are not paid by the Manor Debtors. This poses a serious health and safety risk to the residents of the Manor Debtors' facilities.

86. By compelling the Manor Debtors to assume or reject their Leases promptly, and by granting Lender and Receiver relief from the automatic stay, it affords Lender and the Receiver the opportunity to bring in a new operator that can safely and profitably operate the personal care homes.

87. Bringing in a responsible, financially stable operator will result in significant good, and will better protect the residents of the personal care homes than the current arrangement. Accordingly, this factor weighs in favor of the Court compelling the Manor Debtors to assume or reject their Leases promptly.

D. The safeguards afforded to those litigants

88. There are no safeguards available to Lender and Receiver, other than the relief requested herein, protecting their security interests from the irreparable harm and

substantial risk to Lender's and Receiver's interests resulting from the Manor Debtors' bankruptcy cases and deteriorating financial position.

89. Lender and Receiver need a prompt decision concerning the future of the Leases, and without such a decision have no other way to avoid the harms described herein.

90. Thus, the Court should compel the Manor Debtors to assume or reject their Leases promptly.

E. Whether the action to be taken is so in derogation of Congress' scheme that the court may be said to be arbitrary

91. Setting a deadline for the Manor Debtors to assume or reject their Leases is expressly contemplated and permitted under Section 365(d)(2). Thus, this action is not "so in derogation of Congress' scheme" that it can said to be arbitrary.

F. The Debtors' inability to satisfy post-petition obligations

92. For all of the reasons explained above, there is little chance that the Manor Debtors will be able to satisfy any of their post-petition obligations. For approximately five years, the Manor Debtors have not paid rent at all and allowed a substantial real estate tax balance to accrue unpaid.

93. As demonstrated by the Manor Debtors' own reports, they are losing cash, are insolvent, and are rapidly approaching a position where they will not be able to pay current rent, let alone the post-petition accrued balance, to say nothing of the millions of dollars of unpaid pre-petition rent. It is unlikely, then, that the Manor Debtors will be in a position to pay their post-petition obligations of $8,460,843.01 for Saucon Manor and $8,271,961.00 for Whitehall Manor. Accordingly, this factor weighs in favor of granting Lender and Receiver's requested relief.

G. The importance of the contract to the Debtors' business and reorganization

94. The Leases are important to the Manor Debtors' businesses because without the Leases, the Manor Debtors cannot continue to operate their personal care homes on the Trusts' properties.

95. To assume their Leases as part of their reorganization plan, the Manor Debtors will have to pay the full arrearages owed. Yet, as set forth above, the Manor Debtors are insolvent, and thus are not in a financial position to pay their obligations as necessary to assume their Leases.

96. Without a lease for the Trusts' properties upon which the Manor Debtors can operate their personal care homes – and because the Trusts are no longer debtors in bankruptcy – the Manor Debtors do not have a viable plan for reorganization because they will no longer have a legal claim on the property on which they operate their businesses.

97. Thus, although the Leases are important to the Manor Debtors' businesses, this factor weighs in favor of compelling the Manor Debtors to assume or reject their Leases immediately.

H. Whether the debtor has had sufficient time to appraise its financial situation

98. By the time of the hearing on this Motion, the Manor Debtors will have had more than ample time to evaluate their financial situation and reach a decision concerning assumption or rejection of the Leases.

99. These bankruptcy cases were not filed yesterday; they have been pending for almost three months already, and almost four by the time of the hearing on this Motion.

100. Four months is the standard exclusive period for a debtor to propose a plan under 11 U.S.C. § 1121(b) ("[O]nly the debtor may file a plan until after 120 days after the date of the order for relief under this chapter.").

101. Lender and Receiver submit that the Manor Debtors have had, and at all events will have had by the time of the hearing, sufficient time to evaluate whether to assume or reject the Leases.

102. In particular, Lender and Receiver submit that this Court should promptly require the Manor Debtors' assumption or rejection of the Leases pursuant to Section 365(d)(2).

103. Lender acknowledges that it has been a relatively short period of time since the Trusts' bankruptcy cases were dismissed by this Court on March 19, 2026. *See* ECF 264 (Case No. 25-15241). That makes this factor, at worst, neutral in the Court's analysis of whether to grant Lender and Receiver's Motion.

I. The damage the non-debtor will suffer beyond compensation available under the Bankruptcy Code

104. If this Court does not grant the relief requested herein, Lender and Receiver face the risk of substantial harm, far beyond the compensation available under the Bankruptcy Code.

105. Specifically, if the Manor Debtors cannot pay all accrued and unpaid lease obligations in order to assume their respective Leases - which seems increasingly likely – they will not be able to confirm a Chapter 11 plan. If the Manor Debtors cannot confirm a plan, their bankruptcy cases will either be converted to Chapter 7 or will be dismissed.

106. If these Chapter 11 bankruptcy cases are converted to Chapter 7 or are dismissed, Lender will suffer damage because Lender will only get the value of the

property. But Lender will get nothing from its security interest in the Manor Debtors' accrued and unpaid rent, for which Lender has a lien. *See* ECF 41, at ¶ 27 (Case No. 25-15241); Mortgages; *see also Union Meeting Partners*, 178 B.R. at 674-75. These harms are not compensable under the Bankruptcy Code.

107. An order from this Court directing the Manor Debtors to assume or reject their Leases, however, would eliminate the prospect of any of these harms.

J. Weighing all these factors together should tip in favor of setting an immediate deadline for assumption or rejection

108. Lender and Receiver submit that weighing the factors that courts have identified as relevant under Section 365(d)(2) decisively favors setting a short deadline. The potential harms Lender and Receiver face is substantial and overwhelms any risk the Manor Debtors would take on in being compelled to make a prompt decision on assuming or rejecting their respective Leases. The factors that ordinarily might favor giving a debtor a longer time, such as a need for time for the debtors to analyze their financial situation, exclusivity, or the purposes of Chapter 11, are not substantial in these bankruptcy cases given that this is not the first day or month of these cases.

II. The Court Should Determine that the Cure Amount for Pre-Petition Defaults Under the Manor Debtors' Leases is $8,460,843.01 for Saucon Manor and $8,271,961.00 for Whitehall Manor

109. Lender and Receiver request that this Court: (a) find that the amount necessary to cure the Manor Debtors' pre-petition defaults under their Leases is $8,460,843.01 for Saucon Manor and $8,271,961.00 for Whitehall Manor; and (b) direct the Manor Debtors to pay Lender and Receiver that amount promptly as a condition of assumption of their Leases. *See* Whitehall Manor Proof of Claim, ECF 44 (Case No. 25-15245); Saucon Manor Proof of Claim, ECF 26 (Case No. 25-15244)

110. Section 365(b)(1) of the Bankruptcy Code provides:

> If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee--
>
> (A) cures, or provides adequate assurance that the trustee will promptly cure, such default ...;
>
> (B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and
>
> (C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b)(1).

111. As set forth above and in the proofs of claim submitted by Receiver, the amount of $8,460,843.01 for Saucon Manor and $8,271,961.00 for Whitehall Manor remains due for the Manor Debtors' pre-petition lease obligations. *See* Whitehall Manor Proof of Claim, ECF 44 (Case No. 25-15245); Saucon Manor Proof of Claim, ECF 26 (Case No. 25-15244).

112. In addition, post-petition rents are accruing at the rate of $139,000 per month for Whitehall Manor and $142,118 for Saucon Manor. Unpaid post-petition rent must also be paid to cure defaults in order to assume the Leases.

113. Accordingly, this Court should find that the Manor Debtors' pre-petition payment default under their respective Leases was $8,460,843.01 for Saucon Manor and $8,271,961.00 for Whitehall Manor, and direct prompt payment of all pre- and post-petition arrearages as a condition of the Manor Debtors' assuming their Leases.

III. Alternatively, the Court Should Grant Lender and Receiver Relief from the Automatic Stay

114. In the alternative, Lender and Receiver respectfully request that the Court grant them relief from the automatic stay to allow them to take possession of the properties and evict the Manor Debtors and bring in a new, qualified operator to maintain and continue operating the personal care homes.

115. The Manor Debtors' Leases, by their terms, expired approximately two years before the bankruptcy on August 31, 2023. Specifically, the operative Third Amendment to the Whitehall Lease Agreement states that "the original termination date of August 31, 2018 is now agreed to be August 31, 2023." Ex. A, Whitehall Lease Agreement. Although the Fourth Amendment to the Whitehall Lease sought to extend the term of the Lease, the December 19 Order declared that Amendment null and void and of no legal effect, meaning the Whitehall Lease expired by its terms on August 31, 2023.

116. The operative Fifth Amendment to the Saucon Lease Agreement provides that "the parties hereto extend the Term of the Lease through August 31, 2023." Saucon Lease Agreement. Although the Saucon Lease Agreement contains automatic renewal language, an automatic renewal will not occur where the lessee – Saucon Manor – failed to pay rent for five years. Here, Saucon Manor stopped paying rent in 2021. As a result of this non-payment of rent, the automatic renewal following the August 31, 2023 expiration date did not occur. Therefore, the Saucon Lease expired by its terms on August 31, 2023.

117. Accordingly, the Manor Debtors have been operating their personal care homes without a lease since the expiration of their respective Leases on August 31, 2023, more than two years before the Manor Debtors filed for bankruptcy.

118. Because the Manor Debtors' Leases have expired, the Manor Debtors cannot assume them pursuant to Section 365. *See In re Burch*, 401 B.R. 153, 157 (E.D. Pa. 2008) ("Where a lease is expired at the time of bankruptcy filing, there is nothing for the debtor to assume, even if it can be established that adequate assurance of performance exists."); *In re Turner*, 326 B.R. 563, 578 (W.D. Pa. 2005) ("Since the lease expired, Turner holds no interest capable of assumption pursuant to 11 U.S.C. § 365(d).").

119. Specifically, the Bankruptcy Court for the Western District of Pennsylvania reasoned as follows in *Turner*:

> Prior to the filing of this bankruptcy, the lease between Turner and Crawford naturally ended according to its express terms. . . . Accordingly, at the time of filing this [bankruptcy] action, although Turner remained in possession, she held no recognizable legal interest in the lease. Pursuant to Pennsylvania law, although Turner may have retained an equitable interest in the property as a tenant at sufferance or "squatter" in an expired lease, this mere possessory interest is not equivalent to an interest in an unexpired lease. Since the lease expired, Turner holds no interest capable of assumption pursuant to 11 U.S.C. § 365(b).

In re Turner, 326 B.R. at 578.

120. Here, because the Manor Debtors cannot assume their expired Leases, cause exists to grant Lender and Receiver relief from the automatic stay. Section 362(d) of the Bankruptcy Code provides that:

> On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating … such stay … for cause, including the lack of adequate protection of an interest in property of such party in interest.

11 U.S.C. § 362(d)(1).

121. Expiration of a lease by its express terms is "cause" for granting relief from the automatic stay under Section 362(d)(1). *See Burch*, 401 B.R. at 157 ("If Movants are

correct that Debtor's interest in the Lease has been properly terminated, then 'cause' exists under § 362(d)(1) to grant relief from the stay to allow Movants to exercise their state law remedies against Debtor."); *see also In re Johnson*, No. 15-00104-NPO, 2015 WL 1508460, at * 6 (Bankr. D. Miss. Mar. 27, 2015) ("[C]ourt have held that a debtor's inability to assume a lease constitutes 'cause' for relief from the automatic stay under § 362(d)(1)."") (collecting cases). In *Burch*, the Bankruptcy Court for the Eastern District of Pennsylvania concluded that "termination of Debtor's Lease by reason of the expiration of its term and the provision of proper written notice was effective and precludes her from having any leasehold interest to be assumed under a Chapter 13 plan. As such, there is cause for relief under § 362(d)(1)." *Burch*, 401 B.R. at 160.

122. Granting relief from the automatic stay will not cause irreparable harm to the Manor Debtors. The Manor Debtors no longer have valid, enforceable Leases for the Trusts' properties, meaning they cannot assume these Leases as part of their Chapter 11 plan of reorganization. *See Burch*, 401 B.R. at 157; *Turner*, 326 B.R. at 578. Courts routinely grant relief from the automatic stay to parties when the debtor's lease expired by its express terms before the bankruptcy. *See Burch*, 401 B.R. at 160; *Johnson*, 2015 WL 1508460, at * 6. Further, because their Leases are expired, there is no realistic prospect for the Manor Debtors' reorganization under Chapter 11.

123. The Manor Debtors' possible reorganization is made even more unlikely as a result of this Court's dismissal of the Trusts from the bankruptcy cases. *See* ECF 264 (Case No. 25-15241). The properties on which the Manor Debtors operate their personal care homes are owned by the Trusts. Because the Trusts are no longer part of the bankruptcy, their properties are not a part of the bankruptcy estates. Without ownership

or a valid lease of the properties upon which the Manor Debtors operate their personal care homes, the Manor Debtors' Chapter 11 bankruptcy cases have no viable foundation.

124. Conversely, maintaining the status quo – in which the Manor Debtors continue to operate their personal care homes on properties that they do not own, and under Leases that have expired, while accumulating additional unpaid obligations (in addition to their unpaid rent obligations) – is an ongoing source of harm to Lender, Receiver, the residents of the Manor Debtors' personal care homes, and to the public interest.

125. Indeed, if the Court were to allow this current status quo to persist by denying Lender and Receiver relief from the automatic stay, then Lender and Receiver will suffer irreparable harm. The Manor Debtors will continue operating their personal care homes without a valid lease, without sufficient capital to pay rent or their vendors who are providing services to the residents at the facilities, and increasing the risk to Lender and Receiver that the Manor Debtors will diminish the value of the property during the course of the bankruptcy.

126. Lender and Receiver are clearly entitled to relief from the automatic stay because the expiration of the Manor Debtors' Leases constitutes "cause" under Section 362(d)(1). Manor Debtors have no legal claim to the property on which they operate their personal care homes and thus have no viable chance of a successful reorganization under Chapter 11. And Lender and Receiver will continue suffering harm if relief from the automatic stay is not granted.

127. For the same reasons, to the extent the Court sets a deadline for the Manor Debtors to assume or reject their Leases, and the Manor Debtors elect to reject their

Leases, the Lender and Receiver request relief from the automatic stay to retake possession of the properties upon such rejection.

WHEREFORE, the Lender and Receiver respectfully request that this Court enter an order: (1) compelling the Manor Debtors to assume or reject their Leases; (2) determining that the amount required to cure the Manor Debtor's pre-petition default on the Leases is $8,460,843.01 for Saucon Manor and $8,271,961.00, and requiring that the Manor Debtors pay all amounts necessary to cure existing pre- and post-petition defaults as a condition of assuming the Leases; and (3) granting Lender and Receiver relief from the automatic stay.

Respectfully Submitted,

HANGLEY ARONCHICK SEGAL PUDLIN & SCHILLER

Dated: March 31, 2026

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re:	:	Chapter 11
WHITEHALL MANOR, Inc., *Debtor*.	:	Case No. 25-15245 (PMM) (Jointly Administered)

ORDER: (1) COMPELLING MANOR DEBTORS TO ASSUME OR REJECT THEIR LEASES, (2) AUTHORIZING DEBTORS TO ASSUME OR REJECT LEASES WITHOUT FURTHER MOTION OR HEARING AND (3) GRANTING JOINT MOTION FOR RELIEF FROM THE AUTOMATIC STAY

AND NOW, this _____ day of _____, 2026, upon consideration of the Joint Motion of Secured Creditor Lehigh Valley 1, LLC ("Lender") and Receiver Duane Morris LLP through Erin Duffy, Esquire ("Receiver") for entry of an Order compelling the Manor Debtors to assume or reject their leases pursuant to 11 U.S.C. § 365(d)(2) and for relief from the automatic stay ("Motion"), and any responses thereto and hearing and argument thereon; and this Court having found that (i) this Court has jurisdiction to consider the Motion and the relief requested therein under 28 U.S.C. §§ 157 and 1334, (ii) this Court may enter an order consistent with Article III of the United States Constitution, (iii) this is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (iv) venue of this proceeding and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409, (v) notice of the Motion and opportunity for a hearing were adequate and appropriate under the circumstances and no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor,

It is hereby **FOUND** and **ORDERED** that the Motion is granted as set forth herein:

1. On or before 5:00 p.m. on _____, the Manor Debtors[1] shall decide whether to assume or reject the Leases, immediately file with this Court a Notice of Assumption or Notice of Rejection, as appropriate, reflecting that decision, and serve a copy of such Notice on Lender and Receiver.

2. The amount required to cure any pre-petition default under the Leases is $8,460,843.01 for Saucon Manor and $8,271,961.00 for Whitehall Manor.

3. The amount required to cure any post-petition default under the Leases as of _____ is _____.

4. If the Manor Debtors choose to assume the Leases, assumption of the Leases is hereby approved subject to payment of all pre- and post-petition arrearages. Assumption of the Leases shall take effect after and only upon payment in full of the pre- and post-petition arrearages due to the Lender or Receiver.

5. If the pre- and post-petition arrearages are not paid in full within ten days of the Manor Debtors' filing of a Notice of Assumption of the Leases, the Leases shall be deemed rejected effective immediately.

6. If the Manor Debtors choose to assume the Leases, to the extent the Lender or Receiver become aware, subsequent to assumption of the Leases, of other amounts due under the Leases with respect to any period of time prior to the date of assumption, the Manor Debtors shall promptly pay those amounts upon request of the Lender or Receiver.

7. If the Manor Debtors choose to reject their Leases, such rejection shall take effect immediately.

[1] All capitalized terms used but not defined herein shall bear the meaning set forth in the Motion.

8. Upon rejection or deemed rejection of the Leases as set forth above, the automatic stay pursuant to section 362 of the Bankruptcy Code, 11 U.S.C. § 362, is hereby modified and vacated effective immediately to allow the Lender and Receiver to pursue any and all remedies or other actions with respect to the Manor Debtors and the Leases, including, without limitation, to take possession of the properties, evict the Manor Debtors, and engage another operator or operators to manage the personal care homes located at the properties, including, without limitation, filing any actions in any appropriate court and obtaining and executing on any judgments appropriate to effectuate the foregoing.

9. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

10. This Court waives any automatic stay of this Order, including, without limitation, pursuant to Fed. R. Bankr. P. 4001(a)(3), and this Order shall take immediate effect.

BY THE COURT:

Dated: _____

_____
Patricia M. Mayer
Judge, United States Bankruptcy Court

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re:	:	Chapter 11
WHITEHALL MANOR, Inc., *Debtor*.	:	Case No. 25-15245 (PMM) (Jointly Administered)

ORDER GRANTING JOINT MOTION FOR RELIEF FROM THE AUTOMATIC STAY

AND NOW, this _____ day of _____, 2026, upon consideration of the Joint Motion of Secured Creditor Lehigh Valley 1, LLC ("Lender") and Receiver Duane Morris LLP through Erin Duffy, Esquire ("Receiver") for entry of an Order compelling the Manor Debtors to assume or reject their leases pursuant to 11 U.S.C. § 365(d)(2) and for relief from the automatic stay ("Motion"), and any responses thereto and hearing and argument thereon; and this Court having found that (i) this Court has jurisdiction to consider the Motion and the relief requested therein under 28 U.S.C. §§ 157 and 1334, (ii) this Court may enter an order consistent with Article III of the United States Constitution, (iii) this is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (iv) venue of this proceeding and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409, (v) notice of the Motion and opportunity for a hearing were adequate and appropriate under the circumstances and no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor,

It is hereby **FOUND** and **ORDERED** that the Motion is granted as set forth herein:

1. The Court finds that the terms of the Leases expired before the Petition Date, December 26, 2025, and the Manor Debtors have no remaining legal or equitable

interest in the Properties. Accordingly, cause exists to modify any stay to the extent applicable.

2. The automatic stay pursuant to section 362 of the Bankruptcy Code, 11 U.S.C. § 362, is hereby modified and vacated effective immediately to allow the Lender and Receiver to pursue any and all remedies or other actions with respect to the Manor Debtors and the Leases, including, without limitation, to take possession of the properties, evict the Manor Debtors, and engage another operator or operators to manage the personal care homes located at the properties, including, without limitation, filing any actions in any appropriate court and obtaining and executing on any judgments appropriate to effectuate the foregoing.

3. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

4. This Court waives any automatic stay of this Order pursuant to Fed. R. Bankr. P. 4001(a)(3), and this Order shall take immediate effect.

BY THE COURT:

Dated: _____

_____
Patricia M. Mayer
Judge, United States Bankruptcy Court

EXHIBIT A

LEASE AGREEMENT
DATED AND EFFECTIVE AS OF August 14, 2008

By and Between
WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007,
a Pennsylvania Trust, as Owner and Lessor

and

WHITEHALL MANOR, INC.,
a Pennsylvania corporation, as Lessee

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LEASE AGREEMENT

This LEASE AGREEMENT, (the "Lease Agreement"), is made and dated as of August 14, 2008, by and between WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST u/t/a dated August 1, 2007 (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Whitehall Fiduciary LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

WHITEHALL MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner desires to lease to the Lessee the Leased Premises (hereinafter defined) on the terms and conditions set forth herein; and

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

ARTICLE I

DEFINITIONS

The Owner and the Lessee hereby mutually covenant and agree as follows:

1.01 Definitions.

(a) The following terms shall have the meanings specified below:

"Capital Additions" means property of any kind acquired, constructed or rehabilitated by the Owner or Lessee which is used or useful in connection with the Leased Premises and which is properly chargeable to the plant or property account under generally accepted accounting principles including, without limitation, land, easements, rights-of-way, leaseholds, other interests in real property, personal property, equipment, replacements of property retired or rendered obsolete, and permanent additions and betterments.

"Department of Public Health" means the Pennsylvania Department of Public Welfare.

"Event of Default" means any of the events described in Section 7.01 of this Lease Agreement.

"FHA" means the Federal Housing Administration.

"Fiscal Year" means the twelve month period hereby designated by the Owner and the Lessee for financial reporting purposes beginning on the first day of January in any calendar year and ending on the thirty-first day of December of such calendar year.

"Gross Revenues" means all revenues, receipts, income and other moneys at any time received by or on behalf of the Lessee from the operation of the Leased Premises, including, without limitation, revenues derived from the operation of the Leased Premises and all rights to receive the same whether in the form of accounts receivable, contract rights, chattel paper, instruments or other rights, and the proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Lessee, but excluding the proceeds of any loans to the Lessee and partnership contributions and insurance proceeds and eminent domain awards.

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

"HUD Requirements" means Section 232 of the National Housing Act of 1934, as amended; any and all regulations now or hereafter adopted pursuant to such Section 232; and any and all HUD rules, requirements and/or handbooks now or hereafter applicable to the Leased Premises.

"Indemnified Parties" means the Lender, the Owner and any person who "controls" the Owner within the meaning of Section 15 of the Securities Act of 1933, as amended; any member, officer, director, official, employee, agent, general partner, limited partner and attorney of the Owner or the Lender; and their respective executors, administrators, heirs, successors and assigns (excluding the Lessee).

"Leased Premises" means all the land located at, and known and identified as Unit 1 of Whitehall Manor Condominium, as Declared by Declaration of Condominium dated August 13, 2008 and recorded in the Office of the Recorder of Deeds in and for Lehigh County, Pennsylvania, said premises being situate in the Township of Whitehall, Lehigh County, Pennsylvania, and more particularly described in Exhibit A attached to this Lease Agreement, together with any additions thereto and substitutions therefor and any buildings, improvements, betterments, fixtures, equipment, furnishings, and other property, real or personal, now existing or at any time acquired, constructed or located thereon, including any Capital Additions.

"Lease Term" means the duration of the term created in this Lease Agreement as specified in Section 2.02.

"Lender" means M&T Realty Capital Corporation, and any future holder of the Mortgage.

"Lessee Regulatory Agreement" means the Regulatory Agreement-Nursing Homes entered into by and between the Lessee and HUD with respect to the Leased Premises.

"Lessee Security Agreement" means that certain Lessee Security Agreement between Lessee and Lender with respect to the Leased Premises securing the Mortgage Loan, and any amendments or supplements thereto.

"Mortgage" means that certain Mortgage from the Owner to the Lender with respect to the Leased Premises securing the Mortgage Loan, and any amendments and supplements thereto.

"Mortgage Loan" means the FHA-insured mortgage loan in the original maximum principal amount of up to $15,788,700.00 made by Lender to the Owner, secured, in part, by the Leased Premises, as the same may be amended, increased or decreased.

"Mortgage Loan Documents" means the Lessee Regulatory Agreement, the Owner Regulatory Agreement, the Mortgage, the Security Agreement, the Mortgage Note evidencing the Mortgage Loan executed by the Owner in favor of the Lender, the Lessee Security Agreement entered into by and between the Lessee and Lender with respect to the Leased Premises, and any and all other documents required by HUD and/or the Lender in connection with the Mortgage Loan.

"Operating Expenses" means all expenses required in operating and maintaining the Leased Premises, including, in each case, without limitation, (i) expenses of operation of the Leased Premises, including utilities, maintenance, repair, alteration, insurance and inspection expenses, (ii) expenses of professional, managerial, supervisory, administrative, engineering, architectural, legal, auditing and consulting services, (iii) sums payable to any Person, which sums, under generally accepted accounting principles, constitute expenses of operation and maintenance, and (iv) all taxes, assessments and other governmental charges, including, without limitation, property, franchise and excise taxes, but excluding taxes levied on income and/or profits of the Owner and/or Lessee. Operating Expenses shall exclude Rent. Operating Expenses shall also include deductibles relating to casualty losses of a part of the Property and shall also include all regular and special assessments due to the condominium association of which the Leased Premises forms a part.

"Owner Regulatory Agreement" means the Regulatory Agreement entered into by and between the Owner and HUD with respect to the Leased Premises.

"Person" means any natural person, corporation, partnership, limited liability company, trust, agency or other entity.

"Rent" means the payments of rent in respect of the Leased Premises required pursuant to Section 4.02.A of this Lease Agreement.

"Security Agreement" means that certain Security Agreement between Owner and Lender with respect to the Leased Premises securing the Mortgage Loan, and any amendments and supplements thereto.

(b) Words importing persons shall include firms, associations and corporations, and words importing the singular number shall include the plural number and vice versa.

ARTICLE II

LEASE OF LEASED PREMISES; TERM OF LEASE

2.01 Lease of Leased Premises. The Owner hereby leases to the Lessee, and the Lessee hereby leases from the Owner, the Leased Premises on the terms and conditions set forth in this Lease Agreement.

2.02 Term of Lease. The Lease Term for the Leased Premises shall commence on the date hereof and shall expire on August 31, 2018, or such earlier date as may be hereinafter provided. In addition, the Lessee shall have the option to extend the Lease Term for three (3) successive periods of five (5) years each upon the terms and conditions contained herein, upon written notice to the Owner given not later than one hundred eighty (180) days prior to the expiration of the initial Lease Term or extended Lease Term, as the case may be.

2.03 Subordination. This Lease Agreement is and shall be subject and subordinate to the Mortgage and other Mortgage Loan Documents; to all renewals, modifications, consolidations, replacements and extensions thereof; to all substitutions therefor; and to all future mortgages upon the Leased Premises and/or other security interests in or to the Leased Premises and any other items which are herein leased to Lessee or which, pursuant to the terms hereof, become a part of the Leased Premises or are otherwise deemed to become the property of Owner or to remain upon the Leased Premises at the end of the Term; and to each advance made or hereafter to be made under any of the foregoing. This Section 2.03 shall be self-operative and no further instrument of subordination shall be required. The Lessee agrees to execute and deliver promptly any and all certificates, agreements and other instruments that the Owner or Lender may reasonably request in order to confirm such subordination. If the Lender shall succeed to the interest of the Owner, then this Lease Agreement shall terminate, or, at the option of the Lender, this Lease Agreement shall nevertheless continue in full force and effect, in which case the Lessee shall and does hereby agree to attorn to the Lender and to recognize the Lender as its landlord under the terms of this Lease Agreement. Any agreements entered into by the Lessee for provision of services to the Leased Premises or the granting of easements, rights of way or other allowances of use or placement of CATV, utilities or other items are, and shall always be, subordinate to (i) the rights of Owner, and (b) the Mortgage and other Mortgage Loan Documents and all other mortgages and security interests now or hereafter encumbering the Leased Premises and/or the property of which it forms a part.

If this Lease Agreement or the Rent due hereunder is assigned to the Lender as collateral security for the Mortgage Loan, the Lender shall not be deemed to have assumed any of the Owner's obligations under this Lease Agreement solely as a result of such assignment. The Lender to whom this Lease Agreement has been so assigned shall be deemed to have assumed such obligations only if (i) by the terms of the instrument of assignment the Lender specifically elects to assume such obligations, or (ii) Lender has (a) foreclosed its mortgage, (b) accepted a deed in lieu thereof, or (c) taken possession of the Leased Premises by entry or otherwise. Even if the Lender so assumes the obligations of the Owner under this Lease Agreement, the Lender will be liable for breaches under this Lease Agreement only to the extent such breaches occur

during the period of ownership by the Lender after foreclosure (or after any conveyance by a deed in lieu of foreclosure) and then only to the extent of Lender's interest in the Leased Premises. The Lessee hereby consents to the assignment of this Lease Agreement as provided in the Mortgage.

2.04 Quiet Enjoyment. The Owner covenants and agrees with the Lessee that so long as the Lessee is in compliance with its obligations under this Lease Agreement, including the payment of the Rent and the other payments required under this Lease Agreement and the observance and performance of all the terms, covenants, and conditions on the Lessee's part to be observed and performed, and subject to the provisions of Section 2.03 of this Lease Agreement, the Lessee may peaceably and quietly have, hold and enjoy the Leased Premises for the Lease Term, subject to easements, agreements, restrictions, and covenants of record. The foregoing is subject to the rights reserved to Owner and/or the Declarant and/or others in the Declaration Condominium for the Property of which the Leased Premises is a part.

2.05 Ownership of Capital Improvements. Any and all buildings and improvements now existing and/or hereafter erected on the Leased Premises; any betterments made to the Leased Premises; any and all personal property, equipment, furniture, fixtures, computers, accessories and supplies of all kinds now or hereafter located on and/or used in connection with the Leased Premises; and all additions, substitutions, and replacements thereto during the Lease Term (hereinafter collectively called "Personal Property") shall be owned by the Owner, Lessee hereby conveying any and all such Personal Property to Owner.

Lessee agrees not to remove any Personal Property from the Leased Premises except to replace such Personal Property with other similar items of equal or greater quality and value, which items shall immediately become and remain the property of the Owner.

2.06 No Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Lease Agreement or for any claim based thereon or otherwise in respect thereof, shall be had against any partner (general or limited), member, manager, officer, director, shareholder or employee, trustee, as such, past, present or future, of the Owner or of any successor entity, either directly or through the Owner, at law or in equity, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise; it being expressly understood that no such personal liability whatever shall attach to, or is or shall be incurred by, any such Person, under or by reason of the obligations, covenants or agreements contained in this Lease Agreement or implied herefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such Person under or by reason of the obligations, covenants or agreements contained in this Lease Agreement, or implied herefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Lease Agreement.

ARTICLE III

HUD REQUIREMENTS

3.01 Precedence of Article III. For so long as, and only for so long as, HUD is the holder or insurer of any indebtedness secured by the Leased Premises, the provisions of this Article III shall apply to this Lease Agreement, notwithstanding anything herein to the contrary. This Article III shall not be amended without the prior written consent of HUD and the Lender.

3.02 Assignment and Subletting. This Lease Agreement shall not be assigned, in whole or in part (including any transfer of title or right to possession and control of the Leased Premises, or of any right to collect fees or rents), without the prior approval of HUD. Owner and Lessee acknowledge that any proposed assignee will be required to execute a Lessee Regulatory Agreement with HUD as a prerequisite to any such approval. Any consent by Owner to any sublease by the Lessee of the Leased Premises or any portion thereof may be given only upon compliance with the Mortgage Loan Documents and applicable HUD Requirements.

3.03 Compliance With HUD Requirements and Terms of Mortgage Loan Documents. The Lessee agrees to comply with all HUD Requirements that are applicable to the Leased Premises. The Lessee agrees that it will not take any action which would violate any applicable provision of any of the Mortgage Loan Documents.

In the event of any conflict between the terms and provisions of this Lease Agreement and any applicable HUD Requirements or the Mortgage Loan Documents, the HUD Requirements and Mortgage Loan Documents shall control in all respects. Owner and Lessee agree that no provision of this Lease Agreement shall modify any obligation of Owner or Lessee under the Mortgage Loan Documents. Owner and Lessee acknowledge that HUD's acceptance of this Lease Agreement in connection with the closing of the Mortgage Loan shall in no way constitute HUD's consent to arrangements which are inconsistent with HUD Requirements. This Lease Agreement is subordinate and subject to the Mortgage Loan Documents and to all HUD Requirements.

3.04 Acknowledgment. Owner and Lessee each acknowledges and agrees that the Rent and other amounts payable by Lessee under this Lease Agreement (including Rent, additional rent and all other sums payable under this Lease Agreement) are sufficient to properly maintain the Leased Premises, and to enable the Owner to meet its debt service obligations and related expenses in connection with the Mortgage Loan and the Leased Premises. Owner and Lessee each acknowledges and agrees that the terms and provisions of this Lease Agreement are comparable to the terms and provisions of leases of comparable facilities in the market.

3.05 License; Bed Authority. Owner and Lessee agree not to undertake or acquiesce to any modification to the assisted living facility license with respect to the Leased Premises or to any "bed authority" related thereto without the prior written approval of HUD.

3.06 Financial Statements. Lessee agrees to furnish HUD and Lender copies of its annual financial statements with respect to the Leased Premises within sixty (60) days after the close of Lessee's fiscal year or such longer period as may be permitted by HUD.

3.07 Medicaid and Medicare. Lessee shall be responsible for obtaining and maintaining all necessary licensure, and provider agreements for Medicaid and Medicare residents in the event the Leased Premises has a dual certification. Lessee agrees to furnish HUD and Lender with copies of all such provider agreements.

3.08 State Licensure Requirements. Lessee shall ensure that the Leased Premises meets all state licensure requirements and standards at all times.

3.09 MAP Guide Requirements. Owner and Lessee acknowledge and agree that this Lease Agreement complies with applicable requirements of Section 3.9.G of the Multifamily Accelerated Processing Guide dated May 17, 2000, as the same may have been amended, promulgated by the Office of the Assistant Secretary for Housing – FHA Commissioner.

3.10 Execution of Lessee Regulatory Agreement by Lessee. At the time of the closing of the Mortgage Loan, the Lessee agrees to execute the Lessee Regulatory Agreement. The Lessee agrees to comply with its obligations under the Lessee Regulatory Agreement, and agrees that a default by the Lessee under the Lessee Regulatory Agreement shall be deemed to be a default under this Lease Agreement.

3.11 Management Contract Requirements. The Lessee agrees not to enter into any management contract involving the Leased Premises unless such management contract shall contain provisions that, in the event of default under the Owner Regulatory Agreement or the Lessee Regulatory Agreement, the management agreement shall be subject to termination upon not more than thirty (30) days notice without penalty upon written request of HUD. Upon such HUD termination request, the Lessee shall immediately arrange to terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to HUD for continuing proper management of the Leased Premises.

3.12. Inspections. The Lessee agrees that upon reasonable request, the Lender and/or HUD and their designees and representatives may exercise all rights of examination and inspection that are afforded to the Owner under Section 5.08 of this Lease Agreement.

3.13 Insurance. The Lessee agrees to procure and maintain, or cause to be procured and maintained, the insurance coverages required pursuant to the Mortgage Loan Documents and/or applicable HUD Requirements, including HUD Notices 04-01 and 04-15. Insurance proceeds shall be applied in accordance with the terms of the Mortgage Loan Documents and applicable HUD Requirements. The decision to repair, reconstruct, restore or replace the Leased Premises shall be made by the Owner, subject to the terms of the Mortgage Loan Documents and applicable HUD Requirements.

3.14 Certain Payments. The Lessee agrees to pay, as Additional Rent, when due all premiums for (i) FHA mortgage insurance, (ii) liability insurance and full coverage hazard insurance on the Leased Premises, and (iii) all other insurance coverages required under the Mortgage Loan Documents and/or applicable HUD Requirements, and to treat such payments as Operating Expenses. Unless the Lender and Owner agree otherwise, the Lessee shall be

responsible for funding all escrows for taxes, reserves for replacements, mortgage insurance premiums, and/or other insurance premiums as may be required by the Lender and/or FHA.

3.15 Eminent Domain. The proceeds of any condemnation award or other compensation paid by reason of a conveyance in lieu of the exercise of such power, with respect to the Leased Premises or any portion thereof shall be applied in accordance with the terms of the Mortgage Loan Documents and applicable HUD Requirements.

3.16 Ownership of Capital Improvements. Lessee agrees to execute any and all documents as may be required by Lender or HUD to confirm the provisions of Section 2.05 and/or further effect the transfer of title to the Owner as provided in Section 2.05.

ARTICLE IV

RENTALS; APPLICATION OF GROSS REVENUES

4.01 General Obligation. This Lease Agreement is a general obligation of the Lessee.

4.02 Rental Payments.

A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of One Million Two Hundred Thousand and No/100 Dollars ($1,200,000.00) per year. Payments of Rent shall be due in advance in equal monthly installments of One Hundred Thousand and No/100 Dollars ($100,000.00) on the first day of each month. If the Lessee fails to make any monthly payment of Rent within fifteen (15) days after the due date thereof, the Owner may, at its option, impose a late charge upon the Lessee in an amount not to exceed five percent (5.0%) of the Rent so delinquent.

B. The Lessee agrees to pay to (or on behalf of) the Owner all payments to the reserve for replacements which are required to be made pursuant to the terms of the Owner Regulatory Agreement.

4.03 Security Interest In Gross Revenues. As security for the Rent and all other payments due to the Owner under the terms of this Lease Agreement, the Lessee grants to and creates in the Owner a security interest in the Gross Revenues, but the existence of such security interest shall not prevent the expenditure, deposit or commingling of Gross Revenues by the Lessee so long as all payments required under this Lease Agreement are made when due, nor prevent the write-off of any uncollectable accounts or bad debts. In the event of default by the Lessee under the terms and conditions of this Lease Agreement, beyond any applicable notice and cure periods, the Owner, without limitation of any other rights or remedies available to it and with any required consent of the Department of Public Health, shall have the right to appoint a receiver to collect the Gross Revenues and manage payments from such funds as permitted from time to time by the Department of Public Health, if applicable.

4.04 Obligations Unconditional. The obligations of the Lessee to make payments of Rent and all other payments required under this Lease Agreement shall be absolute and unconditional, without defense or set-off by reason of any default or other reason whatsoever, including by the Owner under this Lease Agreement or under any other agreement between the Lessee and the Owner or the Lender, and, except as may be expressly provided herein, such payments shall not be decreased, abated, postponed, or delayed for any reason whatsoever, including, without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Premises, the taking by condemnation of any part of the Leased Premises, commercial frustration of purpose, failure of the Owner to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Lease Agreement, or failure of any resident or occupant of the Lessee to pay the fees, rentals or other charges owed to the Lessee, and irrespective of whether or not any such resident or occupant of the Lessee receives either partial or total reimbursement as a credit against such payment, it being the intention of the parties that the payments required of the Lessee under this Lease Agreement will be paid in full when due without any delay or diminution whatsoever.

4.05 Net Lease. This Lease Agreement is intended to be an entirely "net" lease, intending hereby to impose the burden of payment of all costs and expenses related to the use and occupancy of the Leased Premises upon the Lessee. The Lessee agrees to pay when due all real estate and personal property taxes and special assessments assessed or imposed upon the Leased Premises or which may be charged to the Owner in connection with the Leased Premises and treat such payments as Operating Expenses. The Lessee agrees also to pay when due all payments required by Section 3.14 of this Lease Agreement (during periods in which Article III is operative), and premiums for liability insurance and full coverage hazard insurance on the Leased Premises, and to treat such payments as Operating Expenses. The Lessee agrees also to pay when due all other Operating Expenses. Notwithstanding the foregoing, the Lessee shall not be liable for any federal, state or local income taxes which may be assessed against the Owner.

ARTICLE V

COVENANTS AND REPRESENTATIONS OF THE LESSEE

5.01 Maintenance and Operation of Leased Premises. The Lessee covenants that during the Lease Term of this Lease Agreement, it shall:

A. pay or cause to be paid all costs of operating the Leased Premises including, without limitation, all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied during the Lease Term; all water, water meter, and sewer rents, rates, and charges; and any and all other governmental levies, fees, rents, assessments, or taxes and charges;

B. at its own cost or expense keep and maintain, or cause to be kept and maintained, in good repair and condition (excepting reasonable wear and tear), the Leased

Premises and all additions and improvements thereto, excluding any rebuilding or restoration following damage to or destruction or condemnation of all or part of the Leased Premises;

C. make all repairs, renewals, replacements and improvements to the Leased Premises in order to maintain adequate service and quality resident care;

D. not commit or suffer any waste of any of the Leased Premises;

E. maintain in good standing its license to operate the Leased Premises as an assisted living facility and any other licenses or permits required to operate the Leased Premises as a licensed facility; and promptly comply, unless contested in good faith, with any and all requests and recommendations of the Department of Public Health and its representatives with respect to the operation of the Leased Premises, in providing care to residents;

F. comply with all applicable requirements of Titles XVIII and XIX of the Social Security Act, and the rules and regulations thereunder, as the same may now or hereafter be in effect, in order to maintain its status in good standing as a provider of health care services under such Titles;

G. upon receipt, promptly furnish the Owner with copies of any inspection reports made by the Department of Public Health or the United States Department of Health and Human Services, and promptly undertake to correct any deficiencies noted in such inspection reports regarding its operation of the Leased Premises as an assisted living facility; and

H. promptly inform the Owner of any decisions on behalf of the Department of Public Health as to a change in status of any certificate or license affecting the Lessee's operation of the Leased Premises as an assisted living facility.

5.02 Maintenance of Entity Existence. The Lessee agrees that during the Lease Term (unless this Lease Agreement is assigned in accordance with its terms, in which event this Section shall apply to such assignee), it will maintain its entity existence, will continue to be a corporation organized under the laws of the Commonwealth of Pennsylvania, will promptly pay all taxes assessed against it or any of its assets by any federal, state or local governmental authority, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it.

5.03 Management. The Lessee agrees at all times during the Lease Term of this Lease Agreement to employ or cause to be employed a qualified management firm and/or qualified administrator to supervise the operation of the Leased Premises, who shall be experienced in the management and operation of facilities of the nature and size of the Leased Premises, and who shall be subject to the approval of the Owner (and HUD, in accordance with Section 3.11, during periods in which Article III is operative).

5.04 Payment of Lawful Taxes and Charges; Discharge of Liens.

A. The Lessee agrees to pay all taxes and assessments or other municipal or governmental charges of any kind whatsoever that may at any time be lawfully imposed, levied or assessed upon or in respect of the Lessee's income, operations, assets or property, including the Leased Premises, or any part thereof, when the same shall become due, including any machinery, equipment or related property installed or brought by the Lessee therein or thereon, and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Premises; provided, that with respect to special assessments or other governmental charges that lawfully may be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the term of this Lease Agreement. Notwithstanding the foregoing, the Lessee shall not be liable for any federal, state or local income taxes which may be assessed against the Owner.

B. The Lessee may, at its own expense and in good faith, contest any such taxes, assessments, charges, claims or demands and, in the event of any such contest, may, with the approval of the Owner (and HUD, in accordance with Section 3.12.A, during periods in which Article III is operative), permit the taxes, assessments, charges, claims and demands so contested to remain unpaid during the period of such contest and may appeal therefrom.

5.05 Compliance With Law.

A. The Lessee covenants, represents and warrants that at all times during the term of this Lease Agreement:

(1) all actions heretofore and hereafter taken by the Lessee with respect to the Leased Premises, including all repairs, additions, alterations or improvements thereto, have been and will at all times be in compliance in all material respects with all applicable requirements of federal, state and local laws, ordinances, rules, regulations and orders, and with all applicable requirements of any agency, board, or commission created under the laws of the state where the Leased Premises are located, or any other duly constituted public authority, and any requirement of an insurance company so long as such company is providing insurance in respect to the Lessee or the Leased Premises; and

(2) it shall not take any action which would cause the Leased Premises to be in violation of such laws, ordinances, rules, regulations or orders.

B. Notwithstanding any provision of this Lease Agreement, the Lessee shall have the right to contest in good faith any law, ordinance, rule, regulation or order, provided that such action is promptly and diligently pursued, and the Lessee agrees to keep the Owner informed as to the status of such contest and provided further that such action does not, in the Owner's judgment materially adversely affect the Lessee's ability to operate the Leased Premises and pay the Rent.

5.06 Additions and Alterations. Except where an emergency situation exists:

A. The Lessee shall not, without the prior written approval of the Owner, which will not be unreasonably withheld or delayed, make any alterations, changes, replacements, improvements and additions of a structural nature to the Leased Premises;

B. The Lessee agrees not to permit any alienation, removal, demolition, substitution, improvement, alteration or deterioration of the Leased Premises or any other act which might impair or reduce the usefulness or value thereof or the Owner's interest therein; and

C. The Lessee agrees to comply with all applicable requirements of law with respect to such alterations, changes, replacements, improvements and additions.

(And Lessee shall also comply with Section 3.12.B during periods in which Article III is operative.)

5.07 Financial and Other Restrictions. So long as this Lease Agreement remains in effect, (and, as to the records required hereunder, for a period of one year thereafter), the Lessee agrees to:

A. Keep proper books of record and account in which full, true and correct entries will be made of all its business transactions in accordance with generally accepted accounting principles;

B. Make payment of all indebtedness incurred in the ordinary course of the Lessee's business within the times provided under the terms of such indebtedness and make payments of all taxes, governmental charges and/or payments in lieu of taxes promptly (unless the Lessee is contesting the validity thereof in good faith);

C. Provide to the Owner annual financial statements with respect to the Leased Premises, prepared by a certified public accountant or firm of certified public accountants acceptable to the Owner (and which meet the requirements of Section 3.06 during periods in which Article III is operative); and

D. With reasonable promptness provide to the Owner any other data and information which may be reasonably requested from time to time.

5.08 Inspections. The Lessee agrees that upon reasonable request, the Owner and its designees and representatives may at all reasonable times, upon reasonable notice, subject to the rights of patients, residents and tenants, if any, examine and inspect the Leased Premises. The Lessee will, on the request of the Owner, promptly make available for inspection by the Owner and its designees and representatives copies of all of the Lessee's correspondence, books, records and other documentation relating to the Leased Premises, but excepting communications between the Lessee and its attorneys. The Lessee agrees to maintain accounting records for the Leased Premises in accordance with its customary practice, separate from any general accounting records which the Lessee may maintain in connection with the Lessee's general business activities. The

Lessee agrees that the Owner and its designees and representatives shall, at any reasonable time, have access to and the right to examine all accounting records of the Lessee which relate directly or indirectly to the Leased Premises. (See also Section 3.13 during periods in which Article III is operative.)

5.09 Assignment and Subletting. Except as set forth in this Section 5.09, the Lessee may not assign this Lease Agreement or sublease the Leased Premises or any portion thereof without the prior written consent of the Owner (and HUD, in accordance with Section 3.02, during periods in which Article III is operative). The Lessee shall be permitted to enter into leases and other possession and use agreements in the nature of assisted living rental, lease and/or services agreements with individual persons in the ordinary course of its operations.

5.10 Indemnification Concerning the Leased Premises.

A. The Lessee covenants and agrees, at its expense, to pay and to indemnify and save the Indemnified Parties harmless of, from and against, any and all claims, damages, demands, expenses, liabilities, and losses of every kind, character, and nature asserted by or on behalf of any person arising out of, resulting from, or in any way connected with, the condition, use, possession, conduct, management, operation, or leasing of the Leased Premises or any part thereof, except for any claim, damage, demand, expense, liability or loss arising out of the negligence or willful misconduct of the party seeking indemnity.

B. If any action is brought against any Indemnified Party based upon any of the above and in respect to which indemnity may be sought against the Lessee, the Indemnified Party involved may request in writing that the Lessee assume the defense thereof, including the employment of counsel selected by the Lessee satisfactory to such Indemnified Party (as reasonably determined), the payment of all costs and expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel at the sole cost and expense of such Indemnified Party in any such action, to participate in the defense thereof. The Lessee shall not be liable for any settlement of any such action effected without its consent, which consent shall not be unreasonably withheld nor delayed, but if settled with the consent of the Lessee or if there be a final judgment for the plaintiff in any such action, the Lessee agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

C. The Lessee shall have the right to obtain insurance, if available, against the risks which it has undertaken in paragraph A of this Section, and to treat the cost of such insurance as a part of Operating Expenses.

5.11 Representations of the Lessee. The Lessee represents and warrants as follows:

A. Due Organization. The Lessee is a corporation, duly organized, validly existing and in good standing under the laws of Pennsylvania, and is duly authorized and qualified to operate this type of facility in the Commonwealth of Pennsylvania. The Lessee has powers adequate for the execution, delivery and performance of its obligations under this Lease

Agreement and for carrying on the business now conducted by it and contemplated in connection with the Leased Premises. The execution and delivery of, and the performance by the Lessee of its obligations under this Lease Agreement have been duly authorized by all appropriate action by the Lessee, and this Lease Agreement constitutes the valid and binding obligations of the Lessee, enforceable in accordance with its terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied.

B. Legal Proceedings. There is no action, suit, proceeding (including, without limitation, any condemnation proceeding or proceeding in the nature of bankruptcy or for reorganization or arrangement), or investigation at law or in equity before or by any court or public board or body, pending or, to the knowledge of the Lessee after due investigation, threatened, against the Lessee or the Leased Premises, nor, to the best knowledge of the Lessee, any basis therefor, wherein an unfavorable decision, ruling or finding would, in any material respect, adversely affect the business, assets or condition (financial or otherwise) of the Lessee or the Leased Premises or the transactions contemplated by this Lease Agreement, or which in any way would adversely affect the validity of this Lease Agreement.

C. Compliance With Law; Consents. The Lessee is not in violation of any term or provision of its organizational documents or in violation of any term or provision of any mortgage, lease, agreement or other instrument which is material to its business or assets, or of any judgment, decree, governmental order, statute, rule or regulation by which it is bound or to which it or any of its assets is subject. The execution, delivery and performance of and compliance with this Lease Agreement will not violate or constitute a default under the organizational documents of the Lessee or of any term or provision of any mortgage, lease, agreement or other instrument, or of any judgment, decree, governmental order, statute, rule or regulation by which the Lessee is bound or to which any of its assets is subject. No approval by, authorization of, or filing with any federal, state, or local or other governmental commission, board, or agency or other governmental authority is necessary in connection with the execution and delivery of this Lease Agreement by the Lessee.

D. The Facility.

(1) The Lessee agrees to operate the Leased Premises as an assisted living facility.

(2) In the occupancy, maintenance, improvement and operation of the Leased Premises, the Lessee shall at all times comply in all respects with all applicable building, zoning and land use, environmental protection, sanitary, safety and other laws, rules and regulations, and shall not permit a nuisance thereon.

E. The foregoing representations and assurances are made for the benefit of the Owner, the Lender and HUD and not for the benefit of any other third party.

ARTICLE VI

INSURANCE AND CONDEMNATION

6.01 Insurance Coverage and Terms.

A. The Lessee agrees to procure and maintain, or cause to be procured and maintained, commercial general liability insurance and property insurance coverages with respect to the Leased Premises (and, during such periods as applicable, the insurance required under Section 3.14 of this Lease Agreement), naming the Owner and the Lender as additional insureds.

B. In the event that the Lessee fails to maintain any insurance as provided in this Section 6.01, the Owner may, at its option and upon such notice to the Lessee as is reasonable under the circumstances, procure and maintain such insurance. The Lessee agrees and covenants to pay any amounts so advanced therefor by the Owner, together with interest thereon at the prime rate of interest published in the Wall Street Journal plus five percent (5.0%), from the date thereof.

6.02 Insurance Proceeds. In the event of damage or destruction to the Leased Premises, the decision to repair, reconstruct, restore or replace the Leased Premises shall be made by the Owner (and in accordance with Section 3.14, during periods in which Article III is operative).

6.03 Eminent Domain. Subject to Section 3.16 (during periods in which Article III is operative), the proceeds of any condemnation award or other compensation paid by reason of a conveyance in lieu of the exercise of such power, with respect to the Leased Premises or any portion thereof shall be the property of Owner. The Lessee shall, however, be entitled to recover any amounts payable to it for moving expenses, loss of personal property, and the like so long as they do not affect Owner's award.

ARTICLE VII

DEFAULT AND REMEDIES

7.01 Events of Default. Each of the following shall be an "Event of Default" under this Lease Agreement:

A. If payment of any amount due under Section 4.02 of this Lease Agreement is not made when it becomes due and payable and if such payment remains unpaid for a period of fifteen (15) days; or

B. If the Lessee shall:

1. admit in writing its inability to pay its debts as they become due, or

2. file a petition to be adjudicated a voluntary bankrupt in bankruptcy or a petition to otherwise take advantage of any federal or state bankruptcy or insolvency law, or

3. make an assignment for the benefit of its creditors or seek a composition with its creditors, or

4. consent to the appointment of a receiver of itself or of the whole or any substantial part of the Leased Premises, or

C. If (i) the Lessee shall, upon an involuntary petition under any section or chapter of the federal bankruptcy laws filed against it, be adjudicated a bankrupt; or (ii) a court of competent jurisdiction shall enter an order or decree appointing a trustee or receiver (interim or permanent) or appointing the Lessee a debtor-in-possession, with or without the consent of the Lessee, of the whole or any substantial part of the Leased Premises, or of the Gross Revenues, or approving a petition filed against the Lessee seeking reorganization or an arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any legal subdivision thereof; and such adjudication, order or decree is not dismissed or vacated within a period of sixty (60) days from the date thereof; or

D. If the Lessee defaults in the due and punctual performance or observance of any other representation, agreement or covenant in this Lease Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied has been given by the Owner.

7.02 Remedies. Upon or after the occurrence of any Event of Default, the Lessee, upon demand of the Owner, shall forthwith surrender to the Owner the actual possession of the Leased Premises and the Owner may enter and take possession of the Leased Premises and may exclude the Lessee, its agent and employees wholly therefrom. Upon or after the occurrence of any Event of Default the Owner may, upon notice, do any or all of the following at the Lessee's risk:

A. Re-enter and take possession of the Leased Premises or any portion thereof without terminating this Lease Agreement, and lease the Owner's interest in such Leased Premises for the account of the Lessee to any other party, holding the Lessee liable for the difference between (i) the net proceeds to Owner from such re-leasing and (ii) the rent and other amounts payable by the Lessee and due under this Lease Agreement, including the expenses of Owner and Lender, including reasonable attorneys' fees, incurred in connection with such default.

B. Terminate the Lease Term, exclude the Lessee from possession of the Leased Premises and lease the Owner's interest in the Leased Premises for the account of the

Lessee, to any other party, holding the Lessee liable for all rents and other amounts due under this Lease Agreement and not paid by such other party.

C. Take whatever action at law or in equity may appear necessary or desirable to collect the payment then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease Agreement.

7.03 Cumulative Rights; No Implied Waiver. No remedy conferred upon or reserved to the Owner by this Lease Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No waiver by the Owner of any obligations, agreements or covenants under this Lease Agreement shall be deemed a waiver of any subsequent breach, and no delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

MISCELLANEOUS

8.01 Surrender of Possession. Except as otherwise expressly provided in this Lease Agreement, at the expiration or earlier termination of the Lease Term, the Lessee agrees to surrender possession of the Leased Premises peacefully and promptly to the Owner in as good a condition as at the commencement of the Lease Term, loss by fire or other casualty covered by insurance, condemnation, or ordinary wear, tear, and obsolescence excepted.

8.02 Successors and Assigns. This Lease Agreement shall inure to the benefit of and shall be binding upon the Owner, the Lessee and their respective successors and assigns.

8.03 Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Lease Agreement.

8.04 Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

8.05 Notices. All notices or other communications provided for in this Lease Agreement shall be in writing and shall be delivered personally to, or sent by certified or registered mail or recognized overnight delivery service to the respective offices of the Owner and the Lessee as set forth on the first page of this Lease Agreement, or such other address as may have been previously specified in a notice given in accordance with this Section 8.05.

The Owner or Lessee may from time to time designate other representatives or addresses with respect to receipt of notices or other communications.

8.06 Headings. The Article and Section headings in this Lease Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease Agreement.

8.07 Non-Waiver. It is understood and agreed that nothing contained in this Lease Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Lease Agreement.

8.08 Amendments. This Lease Agreement shall not be amended without the prior written consent of the Owner and Lessee and no such amendment shall be effective unless the same shall be in writing and executed by both parties hereto.

8.09 No Recording. Neither party shall record this Lease Agreement. At the request of Lessee or Owner, the parties shall execute and record a memorandum of lease.

8.10 Estoppel Certificates. The Lessee agrees that upon request by Owner, it will execute and deliver to the Owner, and/or to such third party as is designated by the Owner, a statement in writing certifying (a) that (except as may be otherwise specified by the Lessee) (i) this Lease Agreement is in full force and effect and unmodified and has not been assigned by Lessee, (ii) the Lessee is not in default under this Lease Agreement, and (iii) to the best of Lessee's knowledge, the Owner is not in default under this Lease Agreement, and (b) as to such other factual matters as the Owner may reasonably request about this Lease Agreement.

8.11 Governing Law. The internal laws of the State of Pennsylvania shall govern as to the interpretation, validity and effect of this Lease Agreement, without regard to such state's choice of law principles.

8.12 Entirety of Agreement. This Lease Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersedes all prior leases, agreements, correspondence, arrangements and understandings relating to the subject matter hereof.

IN WITNESS WHEREOF, the Owner and the Lessee have signed this Lease Agreement as of the date first above written.

OWNER:

WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a/ dated August 1, 2007

By: _____
Abraham R. Atiyeh, Manager

LESSEE:

WHITEHALL MANOR, INC.

By: _____
Abraham R. Atiyeh, President

EXHIBIT A

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-1

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

FIRST AMENDMENT
Dated and Effective As Of January 1, 2010
To The
LEASE AGREEMENT
Dated and Effective As Of August ____, 2008
By and Between
WHITEHALL TRUST,
a Pennsylvania Trust, as Owner and Lessor
and
WHITEHALL MANOR, INC.,
a Pennsylvania corporation, as Lessee

FIRST AMENDMENT TO LEASE AGREEMENT

This FIRST AMENDMENT TO LEASE AGREEMENT, (the "First Amendment") , is made and dated as of January 1, 2010, by and between **WHITEHALL TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Whitehall Fiduciary LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

WHITEHALL MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee desire to amend the Lease dated August ___, 2008 between Owner and Lessee (the "Lease") for those certain premises known as Unit 1 of Whitehall Manor Condominium, (the "Leased Premises") on the terms and conditions set forth herein; and

WHEREAS, the terms of this Addendum shall be effective as of the date shown above, subject to the obtaining approval as required by the terms of the Mortgage encumbering the Leased Premises.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02(A) of the Lease is amended and restated as follows:

> "A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of One Million Nine Hundred Fifty Thousand ($1,950,000.00) per year. Payments of Rent shall be due (a) in advance in equal monthly installments of One Hundred Thousand Dollars ($100,000.00) on the first day of each month, each due without setoff and without prior notice or demand, and (b) the remainder of $750,000.00 to be paid on or before December 31 of the then current calendar year, in one or more partial installments, as Lessee shall elect, provided however that the full Base Rental of $1,950,000.00 is paid in full by December 31 of each year.
>
> "A.1 Additionally, all other items set forth as Rent or Additional Rent under the Lease and all obligations of the Lessee are herein considered to be Rent and those additional items are due as set forth in the Lease. If the Lessee fails to make any monthly payment of Rent within fifteen (15) days after the due date thereof, the Owner may, at its option, impose a late charge upon the Lessee in an amount not to exceed

ten percent (10%) of the Rent so delinquent for each calendar month of delinquency.

2. No other portions of the Lease are amended or modified.

3. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

4. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Lease as if fully set forth herein at length.

5. The amendment set forth herein is subject to approval by the Secretary of Housing and Urban Development pursuant to the terms of the Mortgage encumbering the Leased Premises, and this amendment shall be void and of no force or effect if the said approval is not granted, and in such event, the Lease shall remain in full force and effect as if this First Amendment to Lease Agreement was never executed.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this First Amendment to Lease Agreement effective as of January 1, 2010.

WHITEHALL TRUST
By: **Whitehall Fiduciary LLC**

By: _____
Abraham Atiyeh, Manager

WHITEHALL MANOR, INC.

By: _____
(Vice) President

SECOND AMENDMENT
Dated and Effective As Of January 1, 2012,
To The
LEASE AGREEMENT
Dated on or about August, 2008
By and Between
WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007, as Owner and Lessor

and

WHITEHALL MANOR, INC.,
a Pennsylvania corporation, as Lessee

SECOND AMENDMENT TO LEASE AGREEMENT

This SECOND AMENDMENT TO LEASE AGREEMENT, (the "Second Amendment"), is made and dated as of January 1, 2012 by and between **WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST u/t/a dated August 1, 2007,** a trust organized and existing under the laws of the Commonwealth of Pennsylvania (the "Owner") having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

WHITEHALL MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee desire to amend the Lease dated on or about August, 2008 between Owner and Lessee (the "Original Lease") and the First Amendment to Lease Agreement dated as of January 1, 2010, together with this Second Amendment to Lease Agreement being herein called the "Lease", for those certain premises known as Unit 1 of Whitehall Manor Condominium, (the "Leased Premises") on the terms and conditions set forth herein; and

WHEREAS, Owner is refinancing the Mortgage Loan relating to the Premises, and the conditions for such loan require amendment of the Original Lease as amended by the First Amendment and Lessee is agreeable to such modifications; and

WHEREAS, Owner and Lessee agree that the terms of this Addendum shall be effective as of the date shown above.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 2.02 of the Lease is amended and restated as follows:

> 2.02 Term of Lease. The Lease Term for the Leased Premises commenced on August 19, 2008 and shall expire on August 31, 2018, or such earlier date as may be hereinafter provided. In addition, the Lessee shall have the option to extend the Lease Term for three (3) successive periods of five (5) years each upon the terms and conditions contained herein, upon written notice to the Owner given not later than one hundred eighty (180) days prior to the expiration of the initial Lease Term or extended Lease Term, as the case may be.

2. Section 4.02(A) of the Lease is amended and restated as follows:

"A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of One Million Six Hundred Sixty Eight Thousand ($1,668,000.00) per year. Payments of Rent shall be due (a) in advance in equal monthly installments of Eighty Thousand Dollars ($80,000.00) on the first day of each month, each due without setoff and without prior notice or demand, and (b) the remainder of Seven Hundred Eight Thousand ($708,000.00) Dollars to be paid on or before December 31 of the then current calendar year, in one or more partial installments, as Lessee shall elect, provided however that the full Base Rental of $1,668,000.00 is paid in full by December 31 of each year.

"A.1 Additionally, all other items set forth as Rent or Additional Rent under the Lease and all obligations of the Lessee are herein considered to be Rent and those additional items are due as set forth in the Lease. If the Lessee fails to make any monthly payment of Rent within fifteen (15) days after the due date thereof, the Owner may, at its option, impose a late charge upon the Lessee in an amount not to exceed ten percent (10%) of the Rent so delinquent for each calendar month of delinquency."

3. Owner and Lessee agree that the terms of the HUD Addendum to Operating Lease, which is attached hereto as Exhibit "A" and incorporated herein by reference, are a part of this Lease and that Owner and Lessee shall be bound thereby.

4. Other than as set forth in Sections 1 and 2 of this Second Amendment to Lease Agreement, there are no other changes to the Original Lease or the First Amendment to Lease.

5. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

6. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Original Lease as if fully set forth herein at length and ratified and affirmed herein at length.

[Signature page follows]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Second Amendment to Lease Agreement effective as of January 1, 2012.

WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007

By: _____
Abraham Atiyeh, Manager

WHITEHALL MANOR, INC., a
Pennsylvania corporation

By: _____
Nimita Kapoor Atiyeh, President

EXHIBIT A

HUD ADDENDUM TO OPERATING LEASE

This Addendum is attached to and made a part of that certain Operating Lease Agreement dated on or about August, 2008, as amended by the First Amendment to Lease dated as of January 1, 2010, and the Second Amendment to Lease dated as of January 1, 2012, all entered into by Owner/Lessor and Lessee (the " Operating Lease"), and amends and/or supplements the Operating Lease. In the event of a conflict between the terms of this Addendum and the Operating Lease, the terms of this Addendum shall govern and control. Capitalized terms used herein but not defined shall have the meanings set forth in the Operating Lease.

DEFINITIONS

The following terms shall have the meanings specified below:

"FF&E" means furnishings, fixtures and equipment of all kinds used in connection with the Leased Premises, including additions, substitutions and replacements thereto.

"FHA" means the Federal Housing Administration.

"Health Care Requirements" shall mean, relating to the Leased Premises, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions or agreements, in each case, pertaining to or concerned with the establishment, construction, ownership, operation, use or occupancy of the Leased Premises or any part thereof as a health care facility, and all material permits, licenses and authorizations and regulations relating thereto, including all material rules, orders, regulations and decrees of and agreements with health care authorities pertaining to the Leased Premises.

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

"HUD Program Requirements" means all applicable statutes and regulations, including all amendments to such statutes and regulations, as they become effective, and all applicable requirements in HUD handbooks, notices and mortgagee letters that apply to the Leased Premises, including all updates and changes to such handbooks, notices and mortgagee letters that apply to the Leased Premise, except that changes subject to notice and comment rulemaking shall become effective upon completion of the rulemaking process.

"Leased Premises" means all the land located at, and known and identified as Unit 1 of Whitehall Manor Condominium, said premises being situated in the Township of Whitehall, Lehigh County, Pennsylvania, and more particularly described in Exhibit "B" attached to this Second Amendment to Lease Agreement dated as of January 1, 2012, together with any additions thereto and substitutions therefore, and any buildings, improvements, betterments, all FF&E and other property, real or personal, now existing or at any time acquired, constructed or located thereon, and all easements and other rights appurtenant thereto.

"Lender" means M&T Realty Capital Corporation, and any future holder of the Mortgage.

"Lessee" means Whitehall Manor, Inc.

"Lessee Regulatory Agreement" means the Regulatory Agreement-Nursing Homes entered into by and between the Lessee and FHA with respect to the Leased Premises and any riders, amendments and supplements thereto.

"Lessee Security Agreement" means that certain Lessee Security Agreement between Lessee and Lender with respect to the Leased Premises and any amendments or supplements thereto.

"Material Term" is a term in a loan or security agreement that:

1) extends the maturity date of the loan;
2) adds guarantors to the loan;
3) releases guarantors from the loan;
4) adds borrowers to the loan;
5) adds an interest reserve to the loan;
6) amends the interest rate payable on the outstanding principal balance of the loan;
7) increases or decreases the principal amount of the loan;
8) adds collateral as additional security for the loan; and/or
9) amends or expands the type of obligations secured by the loan.

"Mortgage" means that certain mortgage or deed of trust from the Owner/Lessor in favor of the Lender with respect to the Leased Premises securing the Mortgage Loan, and any amendments and supplements thereto.

"Mortgage Loan" means the FHA-insured mortgage loan in the original maximum principal amount of up to $15,788,700.00 made by Lender to the Owner/Lessor, secured, in whole or in part, by the Leased Premises, as the same may be amended, increased or decreased.

"Mortgage Loan Documents" means the Owner/Lessor Regulatory Agreement, the Mortgage, the Promissory Note evidencing the Mortgage Loan executed by the Owner/Lessor in favor of the Lender, the Security Agreement, the Lessee Regulatory Agreement, the Lessee Security Agreement, and any and all other documents required by HUD and/or the Lender in connection with the Mortgage Loan.

"Owner/Lessor" means Whitehall Fiduciary LLC, Trustee of the Whitehall Trust.

"Owner/Lessor Regulatory Agreement" means the Regulatory Agreement entered into by and between the Owner/Lessor and HUD with respect to the Leased Premises and any riders, amendments and supplements thereto.

"Security Agreement" means that certain Security Agreement between Owner/Lessor and Lender with respect to the Leased Premises and any amendments and supplements thereto.

HUD REQUIREMENTS

1. Precedence of Addendum. For so long as HUD is the holder or insurer of any indebtedness secured by the Leased Premises, the provisions of this Addendum shall apply to this Lease. In the event of any conflict between any provision of this Addendum and any other provision of this Lease, the provision of this Addendum shall be controlling. This Addendum shall not be amended without the prior written consent of HUD and the Lender.

2. Compliance With HUD Program Requirements and Terms of Mortgage Loan Documents.

(a) The Lessee agrees to comply with all applicable HUD Program Requirements and the Mortgage Loan Documents. The Lessee further agrees that this lease will be part of the collateral pledged by Owner/Lessor to Lender & HUD. The Lessee agrees that it will not take

any action which would violate any applicable HUD Program Requirements or any of the Mortgage Loan Documents.

(b) In the event of any conflict between the terms and provisions of this Lease Agreement and any applicable HUD Program Requirements or the Mortgage Loan Documents, the HUD Program Requirements and Mortgage Loan Documents shall control in all respects. Owner/Lessor and Lessee agree that no provision of this Lease shall modify any obligation of Owner/Lessor or Lessee under the Mortgage Loan Documents. Owner/Lessor and Lessee acknowledge that HUD's acceptance of this Lease in connection with the closing of the Mortgage Loan shall in no way constitute HUD's consent to arrangements which are inconsistent with HUD Program Requirements. This Lease is subject to all HUD Program Requirements.

3. Subordination.

(a) This Lease is and shall be subject and subordinate to the Mortgage and other Mortgage Loan Documents; to all renewals, modifications, consolidations, replacements and extensions thereof; to all substitutions thereof; and to all future mortgages upon the Leased Premises and/or other security interests in or to the Leased Premises and any other items which are herein leased to Lessee or which, pursuant to the terms hereof, become a part of the Leased Premises or are otherwise deemed to become the property of Owner/Lessor or to remain upon the Leased Premises at the end of the term; and to each advance made or hereafter to be made under any of the foregoing. This Section shall be self-operative and no further instrument of subordination shall be required. Without limiting the foregoing, the Lessee agrees to execute and deliver promptly any and all certificates, agreements and other instruments that the Owner/Lessor, Lender or HUD may reasonably request in order to confirm such subordination. Unless the Lender shall have agreed otherwise, if the Lender or another person or entity shall succeed to the interest of the Owner/Lessor by reason of foreclosure or other proceedings brought by Lender in lieu of or pursuant to a foreclosure, or by any other manner (Lender or such other person or entity being called a "Successor"), then this Lease shall terminate, or, at the option of the Successor, this Lease shall nevertheless continue in full force and effect, in which case the Lessee shall and does hereby agree to attorn to the Successor and to recognize the Successor as its landlord under the terms of this Lease.

(b) Agreements for provision of services to the Leased Premises or the granting of easements, rights of way or other allowances of use or placement of CATV, utilities or other items are, and shall always be, subordinate to (i) the right of Owner/Lessor, and (ii) the Mortgage and other Mortgage Loan Documents and all other mortgages and security interests now or hereafter encumbering the Leased Premises and/or the property of which it forms a part. Lessee must obtain HUD written approval prior to entering into any telecommunications services agreement and/or granting of any easements.

4. FF&E. Lessee agrees that (a) except leases of FF&E entered into in the ordinary course of business with third-party lessees and property of tenants and residents of the Leased Premises, all FF&E located on the Leased Premises at the date of the Lease is and shall be the property of the Owner/Lessor , and (b) any FF&E acquired by Owner/Lessor or Lessee during the term of this Lease remaining on the Leased Premises at the termination of the Lease shall be and/or become the property of the Owner/Lessor. Lessee agrees, during the term of the Lease,

not to remove any FF&E from the Leased Premises, except to replace such FF&E with other similar items of equal or greater quality and value.

5. Payments. Owner/Lessor and Lessee each acknowledges and agrees that the rent and other amounts payable by Lessee under this Lease (including rent, additional rent and all other sums payable under this Lease) are sufficient to properly maintain the Leased Premises, and to enable the Owner/Lessor to meet its debt service obligations and related expenses in connection with the Mortgage Loan and the Leased Premises.

(a) Without limiting the generality of the foregoing, the Lessee agrees to pay, as additional rent, when due all premiums for (i) FHA mortgage insurance, (ii) liability insurance and full coverage property insurance on the Leased Premises, and (iii) all other insurance coverage required under the Mortgage Loan Documents and/or applicable HUD Program Requirements.

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

6. Lessee Regulatory Agreement and Lessee Security Agreement. At the time of the closing of the Mortgage Loan, the Lessee agrees to execute the Lessee Regulatory Agreement and the Lessee Security Agreement, and other applicable documents evidencing the Lender's security interest in the collateral of the Lessee. The Lessee agrees to comply with its obligations under the Lessee Regulatory Agreement and the Lessee Security Agreement, and agrees that a default by the Lessee under the Lessee Regulatory Agreement or Lessee Security Agreement shall be deemed to be a default under this Lease.

7. Management Contract Requirements. The Lessee agrees not to enter into any management contract involving the Leased Premises unless such management contract complies with applicable HUD Program Requirements and contains provisions that, in the event of default under the Owner/Lessor Regulatory Agreement or the Lessee Regulatory Agreement, the management agreement shall be subject to termination upon not more than thirty (30) days notice without penalty upon written request of HUD. Upon such HUD termination request, the Lessee shall immediately arrange to terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to HUD for continuing proper management of the Leased Premises.

8. Licenses; Bed Authority. Lessee shall ensure that the Leased Premises meets all state licensure requirements and standards at all times. Owner/Lessor and Lessee agree not to undertake or acquiesce to any modification to any license with respect to the Leased Premises or to any "bed authority" related thereto without the prior written approval of HUD.

9. Governmental Receivables. Lessee shall be responsible for obtaining and maintaining all necessary provider agreements with Medicaid, Medicare and other governmental third party payors. Lessee agrees to furnish HUD and Lender with copies of all such provider agreements and any and all amendments thereto promptly after execution thereof.

10. Financial Statements and Reporting Requirements. Lessee agrees to furnish HUD and Lender copies of its annual financial statements with respect to the Leased Premises, prepared in compliance with the requirements of the Lessee Regulatory Agreement, within ninety (90) days after the close of Lessee's fiscal year or such longer period as may be permitted by HUD. Lessee agrees to submit to HUD and Lender copies of all other financial reports as specified in the Lessee Regulatory Agreement.

11. Inspections. The Lessee agrees that upon reasonable request, the Lender, HUD and their respective designees and representatives may at all reasonable times, upon reasonable notice, subject to the rights of patients, residents and tenants, examine and inspect the Leased Premises. The Lessee will, on the request of the Lender and/or HUD, promptly make available for inspection by the Lender and/or HUD, and their designees and representatives, copies of all of the Lessee's correspondence, books, records and other documentation relating to the Leased Premises, excepting communications between the Lessee and its attorneys. The Lessee agrees to maintain accounting records for the Leased Premises in accordance with its customary practice and the Lessee Regulatory Agreement, separate from any general accounting records which the Lessee may maintain in connection with the Lessee's other activities. The Lessee agrees that the Lender and/or HUD, and their designees and representatives, shall at any reasonable time, have access to and the right to examine all accounting records of the Lessee which relate directly or indirectly to the Leased Premises. The obligations of Lessee under this Section shall be limited to the extent necessary in order for Lessee to comply with applicable laws regarding the confidentiality of resident/patient medical records and information.

12. Insurance; Casualty; Condemnation. The Lessee agrees to procure and maintain, or cause to be procured and maintained, the insurance coverage required pursuant to the Mortgage Loan Documents and/or applicable HUD Requirements, including HUD Notices H 04-01 and H 04-15. Insurance proceeds and the proceeds of any condemnation award or other compensation paid by reason of a conveyance in lieu of the exercise of such power, with respect to the Leased Premises or any portion thereof shall be applied in accordance with the terms of the Mortgage Loan Documents and applicable HUD Program Requirements. The decision to repair, reconstruct, restore or replace the Leased Premises following a casualty or condemnation shall be subject to the terms of the Mortgage Loan Documents and applicable HUD Requirements.

13. Assignment of Operating Lease and Subletting of the Leased Premises. This Lease shall not be assigned or subleased by Lessee, in whole or in part (including any transfer of title or right to possession and control of the Leased Premises, or of any right to collect fees or rents), without the prior written approval of HUD. The prior written approval of HUD shall be required for (a) any change in or transfer of the management, operation, or control of the project or (b) any change in the ownership of the lessee that requires HUD approval under the Department's previous participation approval requirements. Owner/Lessor and Lessee acknowledge that any proposed assignee will be required to execute a Lessee Regulatory Agreement and a Lessee Security Agreement, each in form and substance satisfactory to HUD, as a prerequisite to any such approval. Any assignment or subletting of the Leased Premises made without such prior approval shall be null and void. This restriction on subletting does not apply to Lessee's leasing of individual units or beds to patient / residents.

14. Accounts Receivable (AR) Financing. The Lessee shall not pledge its accounts receivable or receipts to an accounts receivable lender for any loan without the prior written approval of the Lender and HUD. In the event that the Lender and HUD grant such approval; (i) the holder(s) of such lien shall enter into an Intercreditor and a Rider to Intercreditor Agreement with the AR Lender and Lender on such terms and conditions as may be required by HUD; and (ii) Lessee shall agree to comply with the requirements imposed by the Lender and HUD in connection therewith. Until such approved loan is paid in full, the written approval of HUD is required for any proposed modifications, extensions, renewals or amendments to a Material Term of the AR loan or the security agreement, prior to the effective date of such amendments.

15. Termination of Lease. The Lease shall not be terminated prior to its expiration date without the prior written approval of HUD. If HUD becomes Mortgagee, Mortgagee in Possession, or Successor, HUD can terminate the Lease (A) for any violation of the Lease that is not cured within any applicable notice and cure period given in the Lease, (B) for any violation of the Lessee Regulatory Agreement or other HUD Program Requirements or Health Care Requirements that is not cured within thirty (30) days after receipt by Lessee of written notice of such violation or (C) if HUD, as a result of the occurrence of either of the events described in the foregoing items (A) or (B), is required to advance funds for the operation of the facility located on the Leased Premises.

16. Master Lease. Projects proposed for FHA financing under the Section 232 program that are affiliated by common ownership among Mortgagors and/or Lessee/Operator entities must receive written approval from HUD, and may be required to use a Master Lease between the Mortgagor/Landlord and the Master Tenant/Subtenant/Operator. The Master Lease and the HUD Master Lease Subordination Agreement or Master Lease Subordination Non Disturbance Agreement shall be approved by HUD and the Mortgagee. The Master Lease shall only contain Mortgagors and Operators of FHA-insured projects.

17. Notwithstanding any other terms contained in the Lease, in the event of an assignment of the Lease to HUD or FHA, neither HUD nor FHA shall have any indemnification obligations under the Lease. In addition, any payment obligations of HUD or FHA pursuant to the Lease shall be limited to actual amounts received by HUD or FHA, and otherwise not prohibited by applicable law or regulation, including without limitation, the Anti Deficiency Act, 31 U.S.C. § 1341 et seq.

[signature page follows...]

SIGNATURE PAGE
FOR
HUD ADDENDUM TO OPERATING LEASE

In witness whereof, the undersigned has executed and delivered this Addendum as of the date first above set forth.

OWNER/LESSOR:

WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007

By: _____
Name: Abraham Atiyeh
Title: Manager

LESSEE:

WHITEHALL MANOR, INC.,
a Pennsylvania corporation

By: _____
Name: Nimita Kapoor Atiyeh
Title: President

EXHIBIT B

LEGAL DESCRIPTION

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-1

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

THIRD AMENDMENT TO LEASE AND MEMORANDUM OF LEASE EXTENSION

This Third Amendment to Lease and Memorandum of Lease Extension is effective as of August 31, 2018 by and between **WHITEHALL TRUST**, herein called Landlord;

AND

WHITEHALL MANOR, INC., herein called Tenant.

Witnesseth:

Whereas, Landlord and Tenant are parties to the Lease dated August, 2008, which was amended by First Amendment to Lease, made and dated as of January 1, 2012, and Second Amendment to Lease, made and dated as of January 1, 2012, (collectively and as amended herein called the "Lease"), by which Landlord has leased to Tenant the real property and improvements thereon situate on Unit 1 of Whitehall Manor Condominium; and

Whereas, Landlord and Tenant have agreed that Tenant has exercised its option to extend the Term of the Lease for a period of Five (5) Years as allowed by the Lease; and

Whereas, the parties desire that this Third Amendment to Lease and Memorandum of Lease Extension be executed to memorialize the election by Tenant of its exercise of the first of the three (3) extension options granted to Tenant under the Lease.

NOW, THEREFORE, the parties hereto, intending to be legally bound, and for other good and valuable consideration, do hereby agree as follows:

1. The above recitals are incorporated herein, and form a part hereof.

2. Tenant has exercised the privilege to extend the Term for 5 years, such that the original termination date of August 31, 2018 is now agreed to be August 31, 2023.

3. All other terms and conditions of the Lease (as amended through and including the Second Amendment), are ratified and affirmed.

4. Tenant expressly ratifies and affirms the rights granted to Landlord to confess judgment against Tenant as if the same were fully set forth herein at length. Tenant has knowingly and voluntarily granted the warrants of attorney and waivers of rights and authorization for confession of judgment.

5. Tenant certifies that it has no claims against Landlord, and that Tenant has no knowledge of any default by Landlord under the Lease or other claim which it does, or could, have against Landlord.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Third Amendment to Lease and Memorandum of Lease Extension, intending to be legally bound effective as of August 31, 2018.

WHITEHALL TRUST ("Landlord")
By: Whitehall Fiduciary LLC,
Its Trustee

By: _____
Abraham Atiyeh,
Manager of Trustee

WHITEHALL MANOR, INC. ("Tenant")

By: _____
Nimita Kapoor Atiyeh, President

EXHIBIT B

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 1st day of January, 2006 between ABRAHAM R. ATTYEH ("**Landlord**"), and the Tenant named below.

Tenant:	SAUCON VALLEY MANOR, INC., a Pennsylvania corporation
Tenant's Address for Notices:	1177 N. 6th Street, Whitehall, PA 10852
Landlord's Address for Notices and Payments:	1177 N. 6th Street, Whitehall, PA 10852
Premises:	Property located at 1050 Main Street, Township of Lower Saucon, County of Northampton, Commonwealth of Pennsylvania, more specifically described on Exhibit A.
Term:	The term of the Lease begins on January 1, 2006 and ends on July 31, 2012.
Base Rent:	$5,748,000 for the Term, payable in monthly installments of $95,800 each in accordance with Section 4 hereof.
Additional Rent:	All other amounts due under this Lease by Tenant to Landlord, which amounts shall be computed as incurred during the Term of the Lease.
Exhibits:	A. Description of Premises

1. **Granting Clause.** In consideration of the obligation of Tenant to pay rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Landlord leases to Tenant, and Tenant takes from Landlord, the Premises, to have and to hold for the Term, subject to the terms, covenants and conditions of this Lease.

2. **Acceptance of Premises.** Tenant shall accept the Premises in its "As Is" condition as of the first day of the Term, subject to all applicable laws, ordinances, regulations, covenants and restrictions. Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. In no event shall Landlord have any obligation for any defects in the Premises or any limitation on its use. The taking of

possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken.

3. **Use; Zoning.** The Premises shall be used only for the purpose of a residential assisted living facility. Landlord does not warrant or represent that Tenant shall be able to obtain a permit under any zoning or other ordinance or regulation for such use as Tenant intends to make of the Premises, and nothing in this Lease shall obligate Landlord to assist Tenant in obtaining such permit. Landlord and Tenant further agree that in case the Tenant is unsuccessful in obtaining a permit under any zoning ordinance or regulation, that this Lease will not terminate without Landlord's consent and, should such consent be withheld by Landlord, Tenant agrees to use the Premises only in a manner permitted under such zoning ordinance or regulation. Tenant will use the Premises in a careful, safe and proper manner and will not commit waste, or subject the Premises to use that would damage the Premises. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise, or vibrations to emanate from the Premises, or take any other action that would constitute a nuisance. Tenant, at its sole expense, shall use and occupy the Premises in compliance with all laws, including, without limitation, the Americans With Disabilities Act, if applicable, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises (collectively, "**Legal Requirements**"). Tenant shall, at its expense, make any alterations or modifications, within or without the Premises, that are required by Legal Requirements related to Tenant's use or occupation of the Premises. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, violate its conditions or increase the insurance risk. If any increase in the cost of any insurance on the Premises is caused by Tenant's use or occupation of the Premises, or because Tenant vacates the Premises, then Tenant shall pay the amount of such increase to Landlord.

4. **Base Rent.** Tenant promises to pay to Landlord in advance, without demand, deduction or set-off, monthly installments of Base Rent in the amount of $137,500 each, commencing on the date hereof and continuing thereafter on or before the first day of each calendar month of the Term. Payments of Base Rent for any fractional calendar month shall be prorated. All payments required to be made by Tenant to Landlord hereunder shall be sent to Landlord's address for notices and payments, as set forth above, or at such other place as Landlord may from time to time designate to Tenant in writing. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any rent due hereunder except as may be expressly provided in this Lease. If Tenant is delinquent in any monthly installment of Base Rent or Additional Rent for more than 5 days, Tenant shall pay to Landlord on demand a late charge equal to ten percent (10%) of such delinquent sum, plus interest on any delinquent sum not paid within thirty (30) days after the due date therefor at the rate of 1½% per month (the "**Default Rate**"), which interest shall accrue from the due date to the date of payment. The provision for such late charge and interest shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as a penalty. Tenant shall pay to Landlord on demand a charge of $30.00 (or such higher sum as may be charged to Landlord by its bank) for any returned checks.

5. **Net Lease.** This is a net lease, and, except as the contrary is otherwise expressly herein provided, all costs of taxes, insurance, improvements, maintenance, repairs, alterations, additions, and replacements relating to the Premises shall be at the sole cost and expense of Tenant, and Landlord shall not be obligated to make any improvements, maintenance, repairs, alterations, additions, or replacements to the Premises.

6. **Utilities and Services.** Tenant shall supply and pay for all water, gas, electricity, heat, light, power, telephone, sewer, sprinkler services, refuse and trash collection, and other utilities and services used on the Premises, all maintenance charges for utilities, and any storm sewer charges or other similar charges for utilities imposed by any governmental entity or utility provider, together with any taxes, penalties, surcharges or the like pertaining to Tenant's use of the Premises. Landlord may cause, at Tenant's expense, any utilities to be charged directly to Tenant by the provider; and otherwise Tenant shall pay such charges to Landlord as Additional Rent. No interruption or failure of utilities shall be deemed to be the responsibility of Landlord, or shall result in the termination of this Lease or the abatement of rent.

7. **Insurance.**

(a) Tenant, at its expense, shall maintain during the Term: all risk property insurance covering the full replacement cost of all building(s) and other improvements on the Premises (excluding coverage of Tenant's personal property), and such other insurance as Landlord may reasonably deem appropriate or as any mortgagee of Landlord may require, including, without limitation, rent loss coverage and business personal property coverage including, without limitation, any Tenant-Made Alterations; and

(b) Tenant, at its expense, shall maintain during the Term, commercial general liability insurance, including blanket contractual liability insurance, covering Tenant's use of the Premises, with such coverages and limits of liability as Landlord may reasonably require, but not less than combined single limits of $2,000,000 per occurrence and in the aggregate for bodily injury or property damage (together with such umbrella coverage as Landlord may reasonably require); however, such limits shall not limit Tenant's liability hereunder. Landlord may from time to time require reasonable increases in any such limits. Tenant agrees to name Landlord as the insured party and loss payee in the policy for all risk property insurance. The commercial liability policies shall name Landlord as an additional insured and loss payee, and shall insure on an occurrence or a claims-made basis. The insurance policies shall be issued by insurance companies which are reasonably acceptable to Landlord, not be cancelable unless not less than 30 days' prior written notice shall have been given to Landlord, contain a hostile fire endorsement and a contractual liability endorsement and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Such policies or certificates thereof shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance.

The all risk property insurance obtained by Tenant shall include a waiver of subrogation by the insurers of all rights based upon an assignment from its insured, against Landlord, its officers, directors, employees, managers, agents, invitees and contractors, in

connection with any loss or damage thereby insured against. Neither Landlord nor its officers, directors, employees, managers, agents, invitees or contractors shall be liable to Tenant for loss or damage caused by any risk coverable by all risk property insurance, and Tenant waives any claims against Landlord, and its officers, directors, employees, managers, agents, invitees and contractors for such loss or damage. The failure of Landlord to insure its property shall not void this waiver. Landlord and its agents, employees and contractors shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises from any cause whatsoever, including without limitation, damage caused in whole or in part, directly or indirectly, by the negligence of Landlord or its agents, employees or contractors.

8. **Landlord's Repairs.** Except as provided in Section 12 of this Lease, Landlord shall have no obligation to inspect or maintain the Premises, or to make repairs or replacements to the Premises of any kind or nature, including those to the roof, foundation, or exterior walls of any building on the Premises (the "**Building**").

9. **Tenant's Maintenance and Repairs.** Tenant agrees to maintain the Premises, at Tenant's expense, in a good, clean, sanitary and safe condition, including, without limitation, maintenance of the lawn, shrubbery, sidewalks, driveways and other exterior areas of the Premises, snow and ice removal, yearly heater maintenance contract, sewage cost and maintenance, and trash removal. Tenant, at its expense, shall make all necessary repairs and replacements to all portions of the Premises and all areas, improvements and systems exclusively serving the Premises, including, without limitation: the roof, foundation, and exterior walls of the Building; plumbing, water and sewer lines serving the Premises; heating, ventilation and air conditioning systems; fire sprinklers, fire protection systems, security systems and all other systems existing on the Premises for the safety of the Premises and the occupants thereof; and all entries, doors, ceilings, windows, and interior walls. Such repairs and replacements include capital expenditures and repairs whose benefit may extend beyond the Term. Tenant agrees to enter into and maintain, at Tenant's expense, maintenance service contracts for heating, ventilation and air conditioning systems and other mechanical and building systems serving the Premises. The scope of services and contractors under such maintenance contracts shall be reasonably approved by Landlord. If Tenant fails to perform any repair or replacement for which it is responsible, Landlord may, but shall have no obligation to, perform such work and be reimbursed by Tenant within 10 days after demand therefor.

10. **Tenant-Made Alterations, Removal of Fixtures and/or Personal Property.** Any alterations, additions, or improvements made by or on behalf of Tenant to the Premises ("Tenant-Made Alterations") shall be subject to Landlord's prior written consent. Tenant shall cause, at its expense, all Tenant-Made Alterations to comply with insurance requirements and with Legal Requirements and shall construct at its expense any alteration or modification required by Legal Requirements as a result of any Tenant-Made Alterations. All Tenant-Made Alterations shall be constructed in a good and workmanlike manner by contractors reasonably acceptable to Landlord and only good grades of materials shall be used. All plans and specifications for any Tenant-Made Alterations shall be submitted to Landlord for its approval.

Landlord may monitor construction of the Tenant-Made Alterations. Tenant shall reimburse Landlord for its costs in reviewing plans and specifications and in monitoring construction. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations. Tenant shall provide Landlord with the identities and mailing addresses of all persons performing work or supplying materials, prior to beginning such construction, and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all work free and clear of liens and shall provide certificates of insurance for worker's compensation and other coverage in amounts and from an insurance company satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Tenant-Made Alterations, Tenant shall deliver to Landlord sworn statements setting forth the names of all contractors and subcontractors who did work on the Tenant-Made Alterations and final lien waivers from all such contractors and subcontractors. Upon surrender of the Premises, all Tenant-Made Alterations and any leasehold improvements constructed by Landlord or Tenant shall remain on the Premises as Landlord's property, except to the extent Landlord requires removal at Tenant's expense of any such items or Landlord and Tenant have otherwise agreed in writing in connection with Landlord's consent to any Tenant-Made Alterations. Tenant shall repair any damage caused by such removal. Tenant agrees not to remove any fixtures or significant personal property from the Premises during the Term.

11. **Signs.** Tenant shall not make any changes to the exterior of the Premises, install any exterior lights, decorations, balloons, flags, pennants, banners, or painting, or erect or install any signs, windows or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises, without Landlord's prior written consent. Upon surrender or vacation of the Premises, Tenant shall have removed all signs and repair, paint, and/or replace the building facia surface to which its signs are attached. Tenant shall obtain all applicable governmental permits and approvals for sign and exterior treatments. All signs, decorations, advertising media, blinds, draperies and other window treatment or bars or other security installations visible from outside the Premises shall be subject to Landlord's approval and conform in all respects to Landlord's requirements. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or for sale.

12. **Restoration.** If at any time during the Term the Premises are damaged by a fire or other casualty, Landlord shall notify Tenant within 30 days after receipt of at least 75% of the insurance proceeds relating to the casualty as to whether or not Landlord has elected to restore the Premises or to terminate the Lease. If this Lease is terminated under this Section, all rent shall be apportioned as of the date of the casualty. If Landlord elects not to terminate this Lease, then, subject to receipt of sufficient insurance proceeds, Landlord shall promptly restore the Premises excluding any improvements installed by Tenant or by Landlord and paid by Tenant, subject to delays arising from the collection of insurance proceeds or from Force Majeure events. Tenant at Tenant's expense shall promptly perform, subject to delays arising from the collection of insurance proceeds, or from Force Majeure events, all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in

accordance with this Lease. Base Rent shall be abated for the period of repair and restoration in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises. Such abatement shall be the sole remedy of Tenant, and Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

13. **Condemnation.** If any part of the Premises should be taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would prevent or materially interfere with Tenant's use of the Premises or in Landlord's judgment would materially interfere with or impair its ownership of the Premises, then upon written notice by Landlord this Lease shall terminate and Base Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, the Base Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. In the event of any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's Trade Fixtures, if a separate award for such items is made to Tenant.

14. **Assignment and Subletting.** Without Landlord's prior written consent, Tenant shall not assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises and any attempt to do any of the foregoing shall be void and of no effect. For purposes of this Section, a transfer of more than 25% of the ownership interests controlling Tenant or a change in the management of the Premises by Tenant shall be deemed an assignment of this Lease. Tenant shall reimburse Landlord for all of Landlord's reasonable out-of-pocket expenses in connection with any assignment or sublease. Upon Landlord's receipt of Tenant's written notice of a desire to assign or sublet the Premises, or any part thereof, Landlord may, by giving written notice to Tenant within 30 days after receipt of Tenant's notice, terminate this Lease with respect to the space described in Tenant's notice, as of the date specified in Tenant's notice for the commencement of the proposed assignment or sublease.

Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully responsible and liable for the payment of the rent and for compliance with all of Tenant's other obligations under this Lease (regardless of whether Landlord's approval has been obtained for any such assignments or sublettings). In the event that the rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto) exceeds the rental payable under this Lease, then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder all such excess rental and other excess consideration within 10 days following receipt thereof by Tenant.

If this Lease be assigned or if the Premises be subleased (whether in whole or in part) or in the event of the mortgage, pledge, or hypothecation of Tenant's leasehold interest or grant of any concession or license within the Premises or if the Premises be occupied in whole or in part by anyone other than Tenant, then upon a default by Tenant hereunder Landlord may collect rent from the assignee, sublessee, mortgagee, pledgee, party to whom the leasehold interest was hypothecated, concessionee or licensee or other occupant and, except to the extent set forth in the preceding paragraph, apply the amount collected to the next rent payable hereunder; and all such rentals collected by Tenant shall be held in trust for Landlord and immediately forwarded to Landlord. No such transaction or collection of rent or application thereof by Landlord, however, shall be deemed a waiver of these provisions or a release of Tenant from the further performance by Tenant of its covenants, duties, or obligations hereunder.

15. **Release and Indemnity.**

(a) Release. Tenant agrees that Landlord and its agents, employees, officers, directors, shareholders and partners shall not be liable to Tenant and Tenant hereby releases said parties from any liability, for any personal injury, loss of income or damage to or loss of persons or property, or loss of use of any property, in or about the Premises from any cause whatsoever, even if such damage, loss or injury results from the negligence or willful misconduct of Landlord, its officers, employees or agents. The release contained in this Section 15 shall apply, by way of example and not limitation, to damage, loss or injury resulting directly or indirectly from any existing or future condition, matter or thing in the Premises, the Building or any part thereof, or from equipment or appurtenances becoming out of repair, or from accident, or from the flooding of basements or other subsurface areas or from refrigerators, sprinkling devices, air conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors, or noise, or the bursting or leaking of pipes or plumbing fixtures, and shall apply equally whether any such damage, loss or injury results from the act or omission of Tenant or any other persons, and whether such damage be caused by or result from any thing or circumstance, whether of a like or wholly different nature.

(b) Indemnity. Tenant shall defend, indemnify, save and hold harmless ("Indemnify") Landlord and its agents, employees, officers, directors, shareholders, and partners from and against all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including reasonable attorneys' fees, court costs, administrative costs, and costs of appeals which may be imposed upon or incurred by or asserted against Landlord or its Agents and arising out of or in connection with loss of life, personal injury or damage to property in or about the Premises or arising out of the occupancy or use of the Premises by Tenant or its Agents or occasioned wholly or in part by any act or omission of Tenant or its Agents, whether prior to, during or after the Term. The obligation of Tenant to Indemnify contained in this Section 15 shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant, its agents or contractors under workers' or workman's compensation acts, disability benefit acts or other employee benefits acts, or under any other insurance coverage Tenant may obtain. Tenant's obligations pursuant to this subsection are intended to survive the expiration or termination of this Lease. As used in the Section 12, "Agents" of a party means such party's employees, agents, representatives,

contractors, licensees, invitees, and, with regard to Tenant's Agents, shall include all residents and occupants of the Premises.

16. **Inspection and Access**. Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make repairs, to the extent Landlord elects to do so, and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours for the purpose of showing the Premises to prospective lenders, tenants or purchasers. Landlord may grant easements, make public dedications, and create restrictions on or about the Premises, provided that no such easement, dedication, or restriction materially interferes with Tenant's use or occupancy of the Premises. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions.

17. **Quiet Enjoyment**. If Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

18. **Surrender**. Upon termination of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 12 and 13 excepted. Any Tenant-Made Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term shall survive the termination of the Term, including without limitation, indemnity obligations and obligations concerning the condition and repair of the Premises.

19. **Holding Over**. If Tenant retains possession of the Premises after the termination of the Term of this Lease, unless otherwise agreed in writing, such possession shall be subject to immediate termination by Landlord at any time, and all of the other terms and provisions of this Lease shall be applicable during such holdover period, except that Tenant shall pay Landlord from time to time, upon demand, as Base Rent for the holdover period, an amount equal to double the Base Rent in effect on the termination date, computed on a monthly basis for each month or part thereof during such holding over. All other payments shall continue under the terms of this Lease. In addition, Tenant shall be liable for all damages incurred by Landlord as a result of such holding over. No holding over by Tenant, with or without consent of Landlord, shall operate to extend this Lease, except as otherwise expressly provided, and this Section 19 shall not be construed as consent for Tenant to retain possession of the Premises. For purposes of this Section 19, "possession of the Premises" shall continue until, among other things, Tenant has delivered all keys to the Premises to Landlord, Landlord has complete and total dominion and control over the Premises, and Tenant has completely fulfilled all obligations required of it upon termination of the Lease as set forth in this Lease, including, without limitation, those concerning the condition and repair of the Premises.

20. **Events of Default.** Each of the following events shall be an event of default ("Event of Default") by Tenant under this Lease:

(a) Tenant shall fail to pay any installment of Base Rent or any other payment required herein when due, and such failure shall continue for a period of 5 days from the date such payment was due.

(b) Tenant or any guarantor or surety of Tenant's obligations hereunder shall (i) make a general assignment for the benefit of creditors; (ii) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "proceeding for relief"); (iii) become the subject of any proceeding for relief which is not dismissed within 60 days of its filing or entry; or (iv) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(c) Any insurance required to be maintained by Tenant pursuant to this Lease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each case, as permitted in this Lease.

(d) Tenant shall not occupy or shall vacate the Premises or shall remove its personal property and/or fixtures from the Premises, whether or not Tenant is in monetary or other default under this Lease.

(e) Tenant shall attempt or there shall occur any assignment, subleasing or other transfer of Tenant's interest in or with respect to this Lease except as otherwise permitted in this Lease.

(f) Tenant shall fail to discharge any lien placed upon the Premises in violation of this Lease within 30 days after any such lien or encumbrance is filed against the Premises.

(g) Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20.

21. **Landlord's Remedies.**

(a) Cumulative Remedies. In the event Tenant commits an event of default or otherwise breaches the terms of this Lease, Landlord shall have the following rights and remedies which shall be distinct, separate and cumulative and shall not operate to exclude or deprive Landlord of any other right or remedy allowed it by law or equity:

(i) To declare due and payable and sue for recovery, all unpaid Base Rent for the unexpired Term of the Lease (and also all Additional Rent as the amounts of same

can be determined or reasonably estimated) as if by the terms of this Lease the same were payable in advance, together with all reasonable legal fees and other expenses incurred by Landlord in connection with the enforcement of any Landlord's rights or remedies hereunder; and/or

(ii) To distrain, collect or bring action for such Base Rent and Additional Rent as being rent in arrears, or may enter judgment therefore in an action as herein elsewhere provided for in case of rent in arrears, or may file a Proof of Claim in any bankruptcy or insolvency proceeding for such Base Rent and Additional Rent, or institute any other proceedings, whether similar or dissimilar to the foregoing, to enforce payment thereof; and/or

(iii) If Landlord has not elected to accelerate rent under clause (i) above, to terminate this Lease by giving written notice thereof to Tenant and, upon the giving of such notice, this Lease shall expire and terminate with the same force and effect as though the date of such notice was the date hereinabove fixed for the expiration of the Lease, and all rights of Tenant hereunder shall expire and terminate, but Tenant shall remain liable as hereinafter provided; and/or

(b) Repossession of Premises. If any event of default shall have occurred and be continuing, Landlord may, whether or not the Lease has been terminated as herein provided, re-enter and repossess the Premises or any part thereof by force, summary proceedings, ejectment or otherwise and Landlord shall have the right to remove all persons and property therefrom. Landlord shall be under no liability for or by reason of any such entry, repossession or removal and no such re-entry or taking of possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate the Lease unless a written notice of such intention be given to Tenant or unless the termination of this Lease be by a court of competent jurisdiction. At any time or from time to time after the repossession of the Premises or any part thereof whether or not the Lease shall have been terminated, Landlord may (but shall be under no obligation to) relet all or any part of the Premises for the account of Tenant for such term or terms (which may be greater or less in the period which would otherwise have constituted the balance of the term) and on such conditions and for such uses as Landlord, in its absolute discretion, may determine and Landlord may collect and receive any rents payable by reason of such reletting. Landlord shall not be required to exercise any care or diligence with respect to such reletting or to the mitigation of damages. For the purpose of such reletting, Landlord may decorate or make repairs, changes, alterations or additions in or to the Premises or any part thereof to the extent deemed by Landlord desirable or convenient, and the cost of such decoration, repairs, changes, alterations or additions and any reasonable brokerage and legal fees expended by Landlord shall be charged to and payable by Tenant as Additional Rent hereunder. No expiration or termination of this Lease, by operation of law or otherwise, and no repossession of the Premises or any part thereof pursuant to this section, or otherwise, and no reletting of the Premises or any part thereof pursuant to this section shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

(c) Payment of Damages.

(i) In the event of any expiration or termination of this Lease or repossession of the Premises or any part thereof by reason of Tenant's default, and if Landlord has not elected to accelerate rent, Tenant shall pay to Landlord the Base Rent, Additional Rent and all other sums required to be paid by Tenant to and including the date of such expiration, termination, repossession and, thereafter, Tenant shall, until the end of what would have been the expiration of the term in the absence of such expiration, termination, repossession and whether or not the Premises or any part thereof shall have been relet, be liable to Landlord for, and shall pay to Landlord, as liquidated and agreed current damages, the Base Rent, Additional Rent and other sums which would be payable under this Lease by Tenant in the absence of such expiration, termination or repossession, less the net proceeds, if any, of any reletting effective for the account of Tenant, after deducting from such proceeds all of Landlord's reasonable expenses in connection with such reletting (including, without limitation, all related repossession costs, brokerage commissions, attorneys' fees, alterations costs and expenses for preparation of such reletting). Tenant shall pay such current damages on the days on which the rent would have been payable under this Lease in the absence of such expiration, termination, repossession and Landlord shall be entitled to recover the same from Tenant on each such day.

(ii) At any time after such expiration or termination of this Lease or repossession of the Premises or any part thereof by reason of the occurrence of Tenant's default, whether or not Landlord shall have collected any current damages, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord on demand, unless Tenant has paid the whole or accelerated rent, as and for liquidated and agreed final damages for Tenant's default and in lieu of all current damages beyond the date of such demand (it being agreed that it would be impracticable or extremely difficult to fix the actual damages), an amount equal to the excess, if any, of (A) Base Rent, Additional Rent and other sums which would be payable under this Lease for the remainder of the term from the date of such demand for what would have been the unexpired term of this Lease in the absence of such expiration, termination or repossession, discounted at the rate of six (6%) percent per annum, over (B) the then fair rental value of the Premises for the same period, discounted at a like rate. If any statute or rule of law shall limit the amount of such liquidated final damages to less than the amount above agreed upon, Landlord shall be entitled to the maximum amount allowable under such statute or rule of law.

(iii) Tenant further hereby expressly the authorizes and empowers Landlord, upon the occurrence of Tenant's default and so long as the same is continuing, to enter upon the Premises, distrain upon and remove therefrom all inventory, equipment, machinery, trade fixtures and personal property of whatsoever kind or nature, whether owned by Tenant or others, and to proceed, without judicial decree, writ of execution or assistance of constables, to conduct a private sale, by auction or sale bid, of such personal property, at which sale Landlord may bid without restriction. Tenant hereby waives the benefit of all laws, whether now in force or hereafter enacted, exempting any personal property on the Premises from sale or levy, whether execution thereon is had by order of any Court of through private sales herein authorized. Tenant waives the right to issue a Writ of Replevin under the Pennsylvania Rules of Civil Procedure, under the laws of the Commonwealth of Pennsylvania or under any law previously enacted and now in force or which hereinafter may be enacted for the recovery of any articles of any nature

whatsoever seized under a distress for rent, or levy upon an execution for rent, liquidated damages or otherwise.

(d) CONFESSION OF JUDGMENT. TENANT HEREBY EMPOWERS ANY PROTHONOTARY OR ATTORNEY FOR ANY COURT OF RECORD TO APPEAR FOR TENANT IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT FOR RENT HEREUNDER AND TO SIGN FOR TENANT AN AGREEMENT FOR ENTERING INTO ANY COMPETENT COURT AN ACTION OR ACTIONS FOR THE RECOVERY OF RENT, AND IN SAID SUITS OR IN SAID ACTION OR ACTIONS TO CONFESS JUDGMENT AGAINST TENANT FOR ALL OR ANY PART OF THE RENT INCLUDING, AT LANDLORD'S OPTION, THE RENT FOR THE ENTIRE UNEXPIRED BALANCE OF THE TERM OF THIS LEASE, AND ANY CHARGES, PAYMENTS, COSTS AND EXPENSES RESERVED AS RENT OR AGREED TO BE PAID BY THE TENANT, AND FOR INTEREST AND COSTS TOGETHER WITH AN ATTORNEY'S COMMISSION OF TEN (10%) PERCENT THEREOF. SAID AUTHORITIES SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AND AS OFTEN AS ANY OF THIS SAID RENT OR OTHER CHARGES RESERVED AS RENT OR LIQUIDATED DAMAGES SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE EXPIRATION OF THE ORIGINAL TERM OR DURING ANY EXTENSION OR RENEWAL OF THIS LEASE.

(e) ACTION FOR EJECTMENT. UPON TERMINATION OF THIS LEASE OR EXPIRATION OF THE TERM OR ANY EXTENSION THEREOF, IT SHALL BE LAWFUL FOR ANY ATTORNEY AS ATTORNEY FOR TENANT TO SIGN AN AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN ACTION IN EJECTMENT, WITHOUT ANY STAY OF EXECUTION OR APPEAL AGAINST TENANT AND ALL PERSONS CLAIMING UNDER TENANT FOR THE RECOVERY BY LANDLORD OF POSSESSION OF THE HEREIN PREMISES, WITHOUT LIABILITY ON THE PART OF THE SAID ATTORNEY, WHICH THIS LEASE SHALL BE A SUFFICIENT WARRANT, WHEREUPON, IF LANDLORD SO DESIRES A WRIT OF POSSESSION WITH CLAUSES FOR COST MAY ISSUE FORTHWITH WITHOUT ANY PRIOR WRIT OR PROCEEDINGS WHATSOEVER. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE PREMISES HEREBY DEMISED REMAIN IN OR BE RESTORED TO TENANT, THE LANDLORD SHALL HAVE THE RIGHT IN ANY SUBSEQUENT DEFAULT OR DEFAULTS TO BRING ONE OR MORE FURTHER ACTIONS IN THE MANNER AND FORM HEREIN BEFORE SET FORTH, TO RECOVER POSSESSION OF SAID PREMISES FOR SUCH SUBSEQUENT DEFAULT. NO SUCH TERMINATION OF THIS LEASE NOR TAKING, NOR RECOVERING POSSESSION OF THE PREMISES SHALL DEPRIVE LANDLORD OF ANY REMEDIES OR ACTION AGAINST TENANT FOR RENT OR DAMAGES DUE OR TO BECOME DUE FOR THE BREACH OF ANY CONDITION OR COVENANT HEREIN CONTAINED, NOR SHALL THE BRINGING OF ANY SUCH ACTION FOR RENT, OR BREACH OF COVENANT OR CONDITION NOR THE RESORT TO ANY OTHER REMEDY HEREIN PROVIDED FOR THE RECOVERY OF RENT OR

DAMAGES FOR SUCH BREACH BE CONSTRUED AS A WAIVER OF THE RIGHT TO INSIST UPON THE NATURE AND TO OBTAIN POSSESSION IN THE MANNER HEREIN PROVIDED.

(f) Landlord's Affidavit. In any action in ejectment or for rent in arrears, Landlord shall first cause to be filed in such action, an affidavit made by it or someone acting for it setting forth the facts necessary to authorize the entry of judgment, of which facts such affidavit shall be conclusive evidence, and if a true copy of this Lease be filed in such action, it shall not be necessary to file the original as a warrant of attorney, any rule of court, custom or practice to the contrary notwithstanding.

(g) Judgment Final. Any judgment, order or decree entered against Tenant by or any court or Magistrate by virtue of the powers of attorney contained in this Lease, or otherwise, shall be final, and Tenant will not take an appeal, certiorari, writ of error, exception or objection to same, or file a motion or rule to strike off or open or to stay execution of the same. Tenant releases Landlord and any and all attorneys who may appear for Tenant all errors in the said proceedings. Tenant expressly waives the benefits of law, now or hereafter in force, exempting any goods on the Premises, or elsewhere, from the distraint, levy or sale in any legal proceedings taken by the Landlord to enforce any rights under this Lease. Tenant further waives the right to any notice to remove as may be specified in the Pennsylvania Landlord and Tenant Act of April 6, 1951, as amended, or any similar or successor provision of law, and agrees that five (5) days notice shall be sufficient in any case where a longer period may be statutorily specified.

(h) WAIVER. IT IS MUTUALLY AGREED BY AND BETWEEN LANDLORD AND TENANT THAT THE RESPECTIVE PARTIES HERETO SHALL AND THEY HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF SAID PREMISES, ANY CLAIM OF INJURY OR DAMAGE, OR FOR THE ENFORCEMENT OF ANY REMEDY UNDER ANY STATUTE, EMERGENCY OR OTHERWISE. IT IS FURTHER MUTUALLY AGREED THAT IN THE EVENT THAT LANDLORD COMMENCES ANY SUMMARY PROCEEDING FOR NON-PAYMENT OF RENT, TENANT WILL NOT INTERPOSE ANY COUNTERCLAIM OF WHATEVER NATURE OR DESCRIPTION IN ANY SUCH PROCEEDING.

(i) Injunction. In the event of a breach or threatened breach by Tenant of any of the agreements, conditions, covenants or terms hereof, Landlord shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity whether or not other remedies, indemnity or reimbursements are herein provided.

(j) Interest and Costs. All amounts owed by Tenant to Landlord under this Lease, other than the Base Rent, shall be deemed Additional Rent and, unless otherwise provided, shall be paid within ten (10) days from the date Landlord renders a statement of account. All Base Rent and Additional Rent shall bear interest from the date due until the date

paid at the Default Rate. Tenant shall pay upon demand all of Landlord's costs, charges and expenses, including the reasonable fees of counsel, agents and others retained by Landlord, incurred in enforcing Tenant's obligations hereunder or incurred by Landlord in any litigation, negotiation or transaction which Tenant causes Landlord, without Landlord's fault, to become involved or concerned.

(k) Removal of Tenant's Property. All property removed from the Premises by Landlord pursuant to any provision of this Lease or of law may be handled, removed or stored by Landlord at the cost and expense of the Tenant, and the Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay Landlord for all expenses incurred by Landlord in such removal and storage charges against such property while the same shall be in Landlord's possession or under Landlord's control. All property not removed from the Premises or not retaken from storage by Tenant within thirty (30) days after the end of the term, however terminated, shall be conclusively deemed to be conveyed by Tenant to Landlord as by bill of sale without further payment or credit by Landlord to Tenant.

22. **Bankruptcy.** If at any time during the term of this Lease there shall be filed by or against Tenant or Guarantor in any court pursuant to any statute either of the United States or of any State (or Canada, as to Guarantor) a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's or Guarantor's property, or if a receiver or trustee takes possession of any of the assets of Tenant or Guarantor, or if the leasehold interest herein passes to a receiver, or if Tenant or Guarantor makes an assignment for the benefit of creditors or petitions for or enters into an arrangement (any of which are referred to herein as "a bankruptcy event"), then such bankruptcy event shall be an event of default under this Lease, and the following provisions shall apply:

Any receiver or trustee in bankruptcy or Tenant as debtor in possession ("debtor") shall either expressly assume or reject this Lease within sixty (60) days following the earlier of the entry of an "Order for Relief", or an order confirming a Plan of Reorganization.

In the event of an assumption of the Lease by a debtor, receiver, or trustee, such debtor, receiver, or trustee shall immediately after such assumption (1) cure any default or provide adequate assurances that defaults will be promptly cured; and (2) compensate Landlord for actual pecuniary loss or provide adequate assurances that compensation will be made for actual pecuniary loss; and (3) provide adequate assurance of future performance.

Where a default exists under the Lease, the party assuming the Lease may not require Landlord to provide services or supplies incidental to the Lease before its assumption by such trustee or debtor, unless Landlord is compensated under the terms of the Lease for such services and supplies provided before the assumption of such Lease.

Landlord specifically reserves any and all remedies available to Landlord in Section 22 hereof or at law or in equity in respect of a bankruptcy event by Tenant to the extent such remedies are permitted by law.

23. **Limitation of Liability**. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder. Landlord shall have no liability for consequential damages, nor for punitive or exemplary damages. All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "Landlord" in this Lease shall mean only the owner, for the time being of the Premises, and in the event of the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership. Any liability of Landlord under this Lease shall be limited solely to its interest in the Premises, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord; and in any proceeding or in the case of any judgment against Landlord, Tenant shall request that the judgment index be noted to reflect such limitation of liability.

24. **Subordination**. This Lease and Tenant's interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any first mortgage, now existing or hereafter created on or against the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant. Tenant agrees, at the election of the holder of any such mortgage, to attorn to any such holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination and such instruments of attornment as shall be requested by any such holder. Tenant hereby appoints Landlord attorney in fact for Tenant irrevocably (such power of attorney being coupled with an interest) to execute, acknowledge and deliver any such instrument and instruments for and in the name of the Tenant and to cause any such instrument to be recorded. Notwithstanding the foregoing, any such holder may at any time subordinate its mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates of execution, delivery or recording and in that event such holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such mortgage and had been assigned to such holder. The term "mortgage" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "holder" of a mortgage shall be deemed to include the beneficiary under a deed of trust.

25. **Mechanic's Liens**. Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of Landlord or Tenant in, the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises and that it will save and hold Landlord harmless from all loss, cost or expense based on or arising out of asserted claims or liens against

the leasehold estate or against the interest of Landlord in the Premises or under this Lease. Tenant shall give Landlord immediate written notice of the placing of any lien or encumbrance against the Premises and cause such lien or encumbrance to be discharged within 30 days of the filing or recording thereof; provided, however, Tenant may contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner satisfactory to Landlord within such 30 day period.

26. **Estoppel Certificates.** Tenant agrees, from time to time, within three (3) business days after request of Landlord, to execute and deliver to Landlord, or Landlord's designee, any estoppel certificate requested by Landlord, stating that this Lease is in full force and effect, the date to which rent has been paid, that Landlord is not in default hereunder (or specifying in detail the nature of Landlord's default), the termination date of this Lease and such other matters pertaining to this Lease as may be requested by Landlord. Tenant's obligation to furnish each estoppel certificate in a timely fashion is a material inducement for Landlord's execution of this Lease. No cure or grace period provided in this Lease shall apply to Tenant's obligations to timely deliver an estoppel certificate. Tenant hereby irrevocably appoints Landlord as its attorney in fact to execute on its behalf and in its name any such estoppel certificate if Tenant fails to execute and deliver the estoppel certificate within three (3) business days after Landlord's written request thereof.

27. **Environmental Requirements.** Except for Hazardous Material contained in products used by Tenant in de minimis quantities for ordinary cleaning and office purposes, Tenant shall not permit or cause any party to bring any Hazardous Material upon the Premises or transport, store, use, generate, manufacture or release any Hazardous Material in or about the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall operate its business in the Premises in strict compliance with all Environmental Requirements and shall remediate in a manner satisfactory to Landlord any Hazardous Materials released on or from the Premises by Tenant, its agents, employees, contractors, subtenants or invitees. Tenant shall complete and certify to disclosure statements as requested by Landlord from time to time relating to Tenant's transportation, storage, use, generation, manufacture or release of Hazardous Materials on the Premises. The term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term "Hazardous Materials" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquified natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by

Tenant, its agents, employees, contractors or invitees, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all losses (including, without limitation, diminution in value of the Premises and loss of rental income from the Premises), claims, demands, actions, suits, damages (including, without limitation, punitive damages), expenses (including, without limitation, remediation, removal, repair, corrective action, or cleanup expenses), and costs (including, without limitation, actual attorneys' fees, consultant fees or expert fees and including, without limitation, removal or management of any asbestos brought into the property or disturbed in breach of the requirements of this Section 27, regardless of whether such removal or management is required by law) which are brought or recoverable against, or suffered or incurred by Landlord as a result of any release of Hazardous Materials for which Tenant is obligated to remediate as provided above or any other breach of the requirements under this Section 27 by Tenant, its agents, employees, contractors, subtenants, assignees or invitees, regardless of whether Tenant had knowledge of such noncompliance. The obligations of Tenant under this Section 27 shall survive any termination of this Lease.

Landlord shall have access to, and a right (but not an obligation) to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this Section 27, or the environmental condition of the Premises. Access shall be granted to Landlord upon Landlord's prior notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant.

28. **Security Service.** Tenant acknowledges and agrees that Landlord is not providing any security services with respect to the Premises and that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises.

29. **Force Majeure.** Landlord shall not be held responsible for delays in the performance of its obligations hereunder when caused by strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, delay in issuance of permits, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of Landlord ("Force Majeure").

30. **Entire Agreement.** This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained herein, and any prior agreements,

promises, negotiations, or representations are superseded by this Lease. This Lease may not be amended except by an instrument in writing signed by both parties hereto.

31. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

32. **Brokers.** Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, other than the broker, if any, set forth on the first page of this Lease, and Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction.

33. **Miscellaneous.** (a) Any payments or charges due from Tenant to Landlord hereunder shall be considered rent for all purposes of this Lease.

(b) If and when included within the term "Tenant," as used in this instrument, there is more than one person, firm or corporation, each shall be jointly and severally liable for the obligations of Tenant.

(c) All notices required or permitted to be given under this Lease shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable national overnight courier service, postage prepaid, or by hand delivery addressed to the parties at their addresses as set forth at the beginning of this Lease. Either party may by notice given aforesaid change its address for all subsequent notices. Except where otherwise expressly provided to the contrary, notice shall be deemed given upon delivery or attempted delivery.

(d) Except as otherwise expressly provided in this Lease or as otherwise required by law, Landlord retains the absolute right to withhold any consent or approval.

(e) At Landlord's request from time to time Tenant shall furnish Landlord with true and complete copies of its most recent annual and quarterly financial statements prepared by Tenant or Tenant's accountants and any other financial information or summaries that Tenant typically provides to its lenders or shareholders.

(f) Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(g) The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto.

(h) The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(i) Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(j) It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(k) Construction and interpretation of this Lease shall be governed by the laws of the state in which the Premises is located, excluding any principles of conflicts of laws.

(l) Time is of the essence as to the performance of Tenant's obligations under this Lease.

(m) All riders and addenda now or hereafter attached hereto are hereby incorporated into this Lease and made a part hereof. In the event of any conflict between such riders or addenda and the terms of this Lease, such riders or addenda shall control.

(n) In the event either party hereto initiates litigation to enforce the terms and provisions of this Lease, the non-prevailing party in such action shall reimburse the prevailing party for its reasonable attorney's fees, filing fees, and court costs.

(o) Each person executing this Lease on behalf of Tenant certifies that he or she has the authority to do so.

(p) This Lease shall be binding upon and shall inure to the benefit of Landlord and Tenant, and their respective heirs, personal representatives, principals, successors and assigns, except that no rights shall inure to the benefit of any assignee of Tenant unless the

assignment of the Lease has previously been approved in writing by Landlord and the assignee or successor to Tenant has executed a consent and authorization for Confession of Judgment and to be otherwise bound hereby.

(q) Landlord and Tenant both acknowledge that this is a commercial transaction.

(r) If Landlord accepts the rent at any time after the rent is due, or Landlord fails to enforce any of its rights under this Lease or any of the penalties, forfeitures or conditions contained in this Lease, such forbearance shall not in any way be considered as a waiver of the right to enforce the same; and thereafter Landlord may enforce such rights, penalties or forfeitures against Tenant without any notice whatsoever; and any attempt to collect the rent by one proceeding shall not be considered as a waiver of the right of Landlord to collect the same by any other proceeding.

34. **Landlord's Lien/Security Interest.** Tenant hereby grants Landlord a security interest, and this Lease constitutes a security agreement, within the meaning of and pursuant to the Uniform Commercial Code of the state in which the Premises are situated as to all of Tenant's property situated in, or upon, or used in connection with the Premises (except merchandise sold in the ordinary course of business) as security for all of Tenant's obligations hereunder, including, without limitation, the obligation to pay rent. Such personalty thus encumbered includes specifically all trade and other fixtures for the purpose of this Section and inventory, equipment, contract rights, accounts receivable and the proceeds thereof. In order to perfect such security interest, Tenant shall execute such financing statements and file the same at Tenant's expense at the state and county Uniform Commercial Code filing offices as often as Landlord in its discretion shall require; and Tenant hereby irrevocably appoints Landlord its agent for the purpose of executing and filing such financing statements on Tenant's behalf as Landlord shall deem necessary.

35. **Limitation of Liability of Trustees, Shareholders, and Officers of Landlord.** Any obligation or liability whatsoever of Landlord which may arise at any time under this Lease, or any obligation or liability which may be incurred by Landlord pursuant to any other instrument, transaction, or undertaking contemplated hereby, shall not be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of the trustees, directors, shareholders, officers, employees or agents of Landlord, regardless of whether such obligation or liability is in the nature of contract, tort, or otherwise.

SECTION 21 OF THIS LEASE PROVIDES FOR THE CONFESSION OF JUDGMENT AGAINST TENANT FOR MONEY AND FOR EJECTMENT. IN CONNECTION THEREWITH, TENANT, KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND UPON ADVICE OF SEPARATE COUNSEL, UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES AND THE COMMONWEALTH OF PENNSYLVANIA. WITHOUT LIMITATION OF THE FOREGOING, TENANT HEREBY SPECIFICALLY WAIVES ALL RIGHTS TENANT HAS OR MAY HAVE TO NOTICE AND OPPORTUNITY FOR

A HEARING PRIOR TO EXECUTION UPON ANY JUDGMENT CONFESSED AGAINST TENANT BY LANDLORD HEREUNDER.

TENANT FURTHER ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS SAID PROVISIONS WITH TENANT'S INDEPENDENT LEGAL COUNSEL AND THAT THE MEANING AND EFFECT OF SUCH PROVISIONS HAVE BEEN FULLY EXPLAINED TO TENANT BY SUCH COUNSEL, AND AS EVIDENCE OF SUCH FACT AN AUTHORIZED OFFICER OF TENANT SIGNS HIS OR HER INITIALS IN THE SPACE PROVIDED BELOW.

_____
(Initials)

IN WITNESS WHEREOF, Landlord and Tenant, intending to be legally bound hereby, have executed this Lease as of the day and year first above written.

_____
ABRAHAM R. ATIYEH

SAUCON VALLEY MANOR, INC.

By: _____
Name:
Title:

(Corporate Seal)

EXHIBIT A

Description of Premises

ALL THAT CERTAIN tract or parcel of land situate in the Township of Lower Saucon, County of Northampton, Commonwealth of Pennsylvania, bounded and described as follows:

BEGINNING at a railroad spike (bench mark, elevation 480.00) in Wassergass Road (Legislative Route T-391) and running in an easterly direction M. 82° 43' 30" E. 255.53' to a spike; N 78° 50' 30" E. 354.75' to a spike; N 70° 49' 30" E. 45.54' to a spike; thence in a southerly direction along the property now or late of Jarcu Petran, S 9° 58' E. 580.24' to a pin; S. 77° 31' 30" W. 8.25' to a pin; S. 12° 28' 30" E. 533.26' to a point; thence in a westerly direction along property of the School District of the Township of Lower Saucon (now Saucon Valley School District) S. 81° 26' W. 552.23' to a pin; thence continuing S. 81° 28' W. 210.11' along property now or late of Louis Fortley to an iron pin; thence in a northerly direction bordering the property now or later of George Mar N. 5° 45' W. 464.72' to a pin; thence N. 4° 53' W. 631.24' bordering the property now or late of Ronald J. Sweeney to the point of **BEGINNING. CONTAINING** 16.25 acres, more or less.

BEING THE SAME PREMISES which Saucon Valley School District, successors in interest to Hellertown-Lower Saucon School Authority, by Indenture dated October 1, 1999, did grant and convey unto Abraham R. Atiyeh, said deed being recorded in the Office for the Recording of Deeds in and for Northampton County, at Easton, Pennsylvania, in Deed Book Volume 1999-1, at Page 153214, reference thereunto had, the same will therein more fully and at large appear.

UNDER AND SUBJECT to the right-of-way contained in the foregoing deed.

Certification

The undersigned, SAUCON VALLEY MANOR, INC., a Pennsylvania corporation (the "**Tenant**") in connection with the Lease Agreement dated January 1, 2006 (the "**Lease**") entered with ABRAHAM R. ATIYEH, an individual (the "**Landlord**") hereby certifies the following:

1. Tenant has been represented by legal counsel in connection with the Lease.

2. Tenant has received advice as to the meaning and consequences of the provisions in the Lease authorizing confession of judgment, execution and attachment, confession of judgment in ejectment, waiver of errors, waiver of the right to appeal, all other waivers provided for under the Lease and have executed the Lease following receipt of such advice of counsel.

3. Tenant, in furtherance of the above, hereby certifies that it has elected to execute the Lease with full understanding of the consequences of such election.

4. If Tenant is a Corporation, then signatory certifies that he/she has been authorized to execute the Lease.

5. Tenant acknowledges that the Lease constitutes a commercial transaction.

Tenant has caused this Certification to be executed this ____ day of January, 2006.

SAUCON VALLEY MANOR, INC.

By: _____

Name: Ramzi Atiyeh

Title: VP

(Corporate Seal)

Lease Amendment Agreement

MADE as of the 8th day of December, 2006 by and between ABRAHAM R. ATIYEH, an adult individual, herein called Landlord, having an office at 1177 Sixth Street, Whitehall, PA 18052;

AND

SAUCON VALLEY MANOR, INC., a Pennsylvania corporation, herein called Tenant, having an office at 1050 Main Street, Hellertown, Pennsylvania.

Witnesseth:

WHEREAS, Landlord and Tenant entered into a Lease for the property known as 1050 Main Street, Hellertown, Northampton County, Pennsylvania, (the "Lease"), which lease included the main building and parking lots and open space, consisting of Northampton County tax parcels Q7SW2A-1-3 and Q7SW2A-1-5, (the Property); and

WHEREAS, pursuant to the agreement and understandings between Landlord and Tenant, Landlord was permitted to redevelop the open space and allow use of some of the parking in common with Tenant; and

WHEREAS, Landlord has declared a condominium for the Property; and

WHEREAS, Landlord and Tenant desire to amend the Lease to reflect the revision of the leased area and the reduced obligations of Tenant concerning the Property, as follows.

NOW, THEREFORE, the parties hereto, intending to be legally bound, and for other good and valuable consideration, do hereby agree as follows:

1. The Lease is hereby amended to modify the Leased Premises to be Unit 1 of the Condos at Saucon Valley Manor, a Condominium.

2. The Leased Premises under the Lease shall also include all of the parking rights allowed on Unit 2 for Unit 1 owners, residents, guests, tenants and invitees.

3. The Leased Premises under the Lease shall also include all easements, encroachment and other rights of Unit 1 as exist or as are allowed

in the future under the Declaration of Condominium for the Condos at Saucon Valley Manor.

4. Landlord, and not Tenant, shall be responsible for the maintenance and lawn cutting and other actions concerning the area known as Unit 4 of the Condos at Saucon Valley Manor.

5. Landlord, and not Tenant, shall be responsible for the taxes due upon Unit 4 of the the Condos at Saucon Valley Manor; and the successor(s) to Landlord in ownership of Unit 3 shall be responsible for its taxes and related charges.

6. In the event of any failure of Landlord to exercise the voting rights of the Unit 1 Owner in a manner consistent with the Lease, the Tenant is authorized and empowered to vote for Landlord as the Unit 1 Owner to fulfill the obligations of Landlord, as amended by this Lease Amendment Agreement. This right is granted with an interest so long as Tenant is not in default under the Lease and no event which would be a default with the passage of time or giving of notice, or both, exists.

7. Landlord acknowledges that the business of Tenant involves the keeping or dealing with medical records and information, and that any entry by Landlord is made with the understanding that the same will not intentionally expose medical records.

8. The Lease, except as specifically modified herein, is ratified and affirmed, including the rights of Landlord to confession of judgment and other allowances of summary procedures or waivers of rights by Tenant.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Lease Addendum Agreement intending to be legally bound as of the date and year first above set forth.

SAUCON VALLEY MANOR, INC.

By: _____
Its (Vice) President

_____
Abraham R. Atiyeh
(Landlord)

ADDENDUM TO LEASE AGREEMENT

MADE October 1, 2007, by and between, Saucon Trust hereinafter, sometimes referred to as Landlord;

AND

Saucon Valley Manor Inc., hereinafter sometimes referred to as Tenant.

WITNESSETH:

WHEREAS Abraham R. Atiyeh as Landlord (the "Assignor") did enter into an Agreement of Lease with Tenant effective January 1, 2006 as more fully described in the above Assignment of Lease (the "Lease") which Lease was assigned to Landlord by the above Assignment of Lease; and

WHEREAS Landlord and Tenant have agreed to amend the description of the Premises and add and delete certain terms and conditions set forth in this Addendum to Lease Agreement with all terms of the Lease not inconsistent herewith to continue to remain in full force and effect.

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. The above Recitals do form a part of this Addendum to Lease Agreement.

2. Section 14 of Lease is deleted in its entirety.

3. The parties acknowledge that the rent set forth on page 1 of the lease (monthly installments of $95,800.) is correct and do correct and modify the amount set forth in Section 4 to read "monthly installments if Base Rent in the amount of $95,800."

4. The Premises is amended to read "Unit 1 of the Condos at Saucon Valley Manor, Lower Saucon Township, Northampton County, Pennsylvania" as more fully described on Exhibit A to this Addendum to Lease.

5. In addition to the Base Rent and other rent or charges set forth in the Lease, Tenant shall pay all common charges for the Premises pursuant the condominium documents of Condos at Saucon Valley ("The Condo Documents") and shall abide by all rules, regulations, terms, covenants and conditions of the Condominium Documents.

6. All other terms, covenants and conditions of the aforementioned Lease not inconsistent herewith are hereby ratified and confirmed by the parties hereto the same as

if set forth herein at length.

IN WITNESS WHEREOF the parties have hereunto affixed their hands and seals to this Addendum to Lease Agreement as of the day and year above first written, intending to be legally bound hereby.

Saucon Trust (Landlord)

Abraham R. Atiyeh, Trustee

Saucon Valley Manor, Inc. (Tenant)

By: _____

Title: _____

SECOND ADDENDUM TO LEASE AGREEMENT

MADE this 29th day of August 2008, by and between, The Saucon Trust, by and through ABRAHAM R. ATIYEH as Trustee of the Saucon Trust, hereinafter sometimes referred to as Landlord;

AND

Saucon Valley Manor Inc., hereinafter sometimes referred to as Tenant.

WITNESSETH:

WHEREAS Abraham R. Atiyeh, individually, as Landlord, did enter into an Agreement of Lease with Tenant effective January 1, 2006 (the "Lease"); and the Lease was assigned to Landlord effective October 1, 2007; and

WHEREAS, Landlord and Tenant entered in the Addendum to Lease Agreement dated October 1, 2007, (the "First Addendum"), which modified the Lease as therein set forth; and

WHEREAS, Landlord and Tenant did agree with National Penn Bank concerning the Assignment of Rents and Leases under date of October 1, 2007 (the "ALR"); and

WHEREAS Landlord and Tenant have agreed to further amend the Lease to change the Base Rental due by Tenant to Landlord effective September 1, 2008, and intend that all terms of the Lease and the First Addendum not inconsistent herewith to continue to remain in full force and effect.

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. The above Recitals do form a part of this Second Addendum to Lease Agreement.

2. Effective as of September 1, 2008, Base Rent, as defined and/or otherwise stated in Section 4 of the Lease, is amended to be the sum of One Hundred Thirty Two Thousand Five Hundred ($132,500.00) Dollars per month.

3. The aforesaid increased amount of Base Rent shall be payable monthly starting September 1, 2008 in addition to the continued payment of all amounts due as Additional Rent or otherwise due pursuant to the Lease.

3. Tenant certifies to Landlord and National Penn Bank that there is no Default of Landlord existing under the Lease and that it has no knowledge of any event which, with the passage of time or giving of notice would be a default of Landlord under the Lease.

4. All other terms, covenants and conditions of the aforementioned Lease (as amended by the First Addendum) not inconsistent herewith are hereby ratified and confirmed by the parties hereto the same as if set forth herein at length.

5. All terms, covenants and conditions of the aforementioned ALR are hereby ratified and confirmed by the parties hereto the same as if set forth herein at length.

IN WITNESS WHEREOF the parties have hereunto affixed their hands and seals to this Addendum to Lease Agreement as of the day and year above first written, intending to be legally bound hereby.

The Saucon Trust (Landlord)

By: _____
Abraham R. Atiyeh, Trustee of
The Saucon Trust

Saucon Valley Manor, Inc. (Tenant)

By: _____
Abraham Atiyeh, President

THIRD AMENDMENT
Dated and Effective As Of January 1, 2010
To The
LEASE AGREEMENT
Dated and Effective As Of January 1, 2006
By and Between
SAUCON TRUST,
a Pennsylvania Trust, as Owner and Lessor
and
SAUCON VALLEY MANOR, INC.,
a Pennsylvania corporation, as Lessee

THIRD AMENDMENT TO LEASE AGREEMENT

This THIRD AMENDMENT TO LEASE AGREEMENT, (the "First Amendment") , is made and dated as of January 1, 2010, by and between **SAUCON TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Abraham R. Atiyeh, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

A N D

SAUCON VALLEY MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee desire to amend the Lease dated January 1, 2006 between Owner and Lessee (the "Lease") for those certain premises known as Unit 1 of Saucon Valley Manor Condominium, (the "Leased Premises") on the terms and conditions set forth herein; and

WHEREAS, the terms of this Addendum shall be effective as of the date shown above, subject to the obtaining approval as required by the terms of the Mortgage encumbering the Leased Premises.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02(A) of the Lease is amended and restated as follows:

> "A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of Two Million Four Hundred Thousand ($2,400,000.00) per year. Payments of Rent shall be due in advance in equal monthly installments of One Hundred Thousand Dollars ($100,000.00) on the first day of each month. "A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of Two Million Four Hundred Thousand ($2,400,000.00) per year. Payments of Rent shall be due (a) in advance in equal monthly installments of One Hundred Thousand Dollars ($100,000.00) on the first day of each month, each due without setoff and without prior notice or demand, and (b) the remainder of $1,200,000.00 to be paid on or before December 31 of the then current calendar year, in one or more partial installments, as Lessee shall elect, provided however that the full Base Rental of $2,400,000.00 is paid in full by December 31 of each year.
>
> "A.1 Additionally, all other items set forth as Rent or Additional Rent under the Lease and all obligations of the Lessee are herein considered to be Rent and those additional items are due as set forth

in the Lease. If the Lessee fails to make any monthly payment of Rent within fifteen (15) days after the due date thereof, the Owner may, at its option, impose a late charge upon the Lessee in an amount not to exceed ten percent (10%) of the Rent so delinquent for each calendar month of delinquency.

2. The parties acknowledge that the new areas being added to the Building on Unit 1 form a part of the Premises, and that the Lessee shall take possession of the same when occupancy is allowed by applicable ordinance and inspection(s) and certification(s) as may be required. Lessee acknowledges that it is observing the construction and that it shall bear all risk from failure of the premises to comply with requirements for its intended use. Lessee hereby waives all obligations or warranties of Owner with respect to the construction being made for the benefit of Lessee on the Premises.

3. No other portions of the Lease are amended or modified.

4. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

5. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Lease as if fully set forth herein at length.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Third Amendment to Lease Agreement effective as of January 1, 2010.

SAUCON TRUST

By: _____
Abraham Atiyeh, Trustee

SAUCON VALLEY MANOR, INC.

By: _____
(Vice) President

FOURTH AMENDMENT
Dated and Effective As Of November 1, 2012
To The
LEASE AGREEMENT
Dated and Effective As Of January 1, 2006
By and Between
SAUCON TRUST,
a Pennsylvania Trust, as Owner and Lessor
and
SAUCON VALLEY MANOR, INC.,
a Pennsylvania corporation, as Lessee

FOURTH AMENDMENT TO LEASE AGREEMENT

This FOURTH AMENDMENT TO LEASE AGREEMENT, (the "First Amendment") , is made and dated as of November 1, 2012, by and between **SAUCON TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Saucon Management LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

SAUCON VALLEY MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee desire to amend the Lease dated January 1, 2006 between Owner and Lessee (the "Lease") for those certain premises known as Unit 1 of Saucon Valley Manor Condominium, (the "Leased Premises") on the terms and conditions set forth herein; and

WHEREAS, the Lease has been amended prior to the date hereof; and

WHEREAS, Owner is obtaining a mortgage loan from M&T Realty Capital Corporation, its successors and/or assigns which will be insured or endorsed by the Secretary of Housing and Urban Development ("HUD"), which is herein called the "HUD Mortgage"; and

WHEREAS, the HUD Mortgage requires certain additional lease terms and other amendments, and the parties desire to amend the Lease as herein set forth.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02(A) of the Lease is amended and restated as follows:

"A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the greater of:

(i) The sum of One Million Seven Hundred Five Thousand Four Hundred Twenty One ($1,705,421.00) Dollars, due in 12 annual installments; or

(ii) During each calendar year, in 12 equal installments, an Amount equal to One Hundred Five Percent (105%) of the sum of :

a. Annual Principal and Interest Payments due by Owner under the HUD Mortgage; and

b. Annual Mortgage Insurance Premium relating to the HUD Mortgage; and

c. Annual Deposit for Reserve for Replacement as required by the HUD Mortgage; and

d. Annual Property Insurance Premiums for coverages for the Leased Premises required to be maintained by Owner under the HUD Mortgage; and

e. Annual Property Taxes for the Leased Premises.

(iii) The obligations of Lessee to pay, as Rent or Additional Rent, any of the items set forth in subsection (ii), above, are satisfied by the payment of rental as set forth in subsection (ii), above.

(iv) Lessee acknowledges that the foregoing Rent will be variable due to the potential change in payments required for the items comprising rental due by subsection (ii), above.

2. Owner agrees that it, or the holder of any escrow relating to items within the scope of 1 A (ii), will cause the timely payment of insurance premiums and taxes.

3. Lessee or Owner may seek reimbursement or funding from the Replacement Reserve to fund costs, provided that any sums disbursed to them or for the use of the Premises are limited by the terms of the Replacement Reserve and the documents by which it was created or otherwise exists

4. The HUD Rider, attached hereto as Exhibit "A" is incorporated herein by reference and forms a part hereof. Lessee agrees that it shall abide by all terms of the HUD Rider.

5. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

6. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Lease as if fully set forth herein at length.

7. Lessee acknowledges and agrees that it shall execute and deliver a Subordination, Nondisturbance and Attornment Agreement in form and content satisfactory to HUD.

8. Lessee shall cause its subtenants, Lehigh Valley Health Network and Good Shepherd Rehabilitation Hospital to execute Subordination, Nondisturbance and Attornment Agreement in form and content satisfactory to HUD. The said subleases are subordinate to the terms of this Lease, and shall be subordinate to the HUD Mortgage and all subsequent mortgages now or hereafter upon the Premises.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Fourth Amendment to Lease Agreement effective as of November 1, 2012.

SAUCON TRUST
By: Saucon Management LLC, Trustee

By: _____
Abraham Atiych,
Manager of Trustee

SAUCON VALLEY MANOR, INC.

By: _____
(Vice) President

FIFTH AMENDMENT TO LEASE AGREEMENT

This FIFTH AMENDMENT TO LEASE AGREEMENT, (the "Fifth Amendment") is effective as of July 1, 2018, by and between **SAUCON TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Saucon Management LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

SAUCON VALLEY MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee are parties to a Lease, originally dated and effective as of January 1, 2006 (the "Lease"), for the lease by Lessee from Owner of those certain premises known as Unit 1 of Saucon Valley Manor Condominium, (the "Leased Premises"); and

WHEREAS, the Lease has been amended four (4) times prior to the effective date hereof; and

WHEREAS, Owner and Lessee desire to amend the Lease to extend the term thereof upon the terms and conditions set forth herein; and

WHEREAS, Owner and Tenant desire to extend the Term of the Lease.

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02(A) of the Lease ratified and Rent shall continue to be calculated as follows:

"A. The Lessee agrees to pay to the Owner during the Lease Term, starting on January 1, 2013, as Rent for the Leased Premises, the greater of:

(i) The sum of One Million Seven Hundred Five Thousand Four Hundred Twenty One ($1,705,421.00) Dollars, due in 12 annual installments; or

(ii) During each calendar year, in 12 equal installments, an Amount equal to One Hundred Five Percent (105%) of the sum of :

a. Annual Principal and Interest Payments due by Owner under the HUD Mortgage; and

b. Annual Mortgage Insurance Premium relating to the HUD Mortgage; and

c. Annual Deposit for Reserve for Replacement as required by the HUD Mortgage; and

d. Annual Property Insurance Premiums for coverages for the Leased Premises required to be maintained by Owner under the HUD Mortgage; and

e. Annual Property Taxes for the Leased Premises.

(iii) The obligations of Lessee to pay, as Rent or Additional Rent, any of the items set forth in subsection (ii), above, are satisfied by the payment of rental as set forth in subsection (ii), above.

(iv) Lessee acknowledges that the foregoing Rent will be variable due to the potential change in payments required for the items comprising rental due by subsection (ii), above.

(v) The foregoing does not include those obligations, fees or other expenses and reimbursements as are due by Tenant under the Lease.

2. Owner agrees that the holder of any escrow relating to items within the scope of 1 A (ii), will cause the timely payment of insurance premiums and taxes.

3. Lessee or Owner may seek reimbursement or funding from the Replacement Reserve to fund costs, provided that any sums disbursed to them or for the use of the Premises are limited by the terms of the Replacement Reserve and the documents by which it was created or otherwise exists

4. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

5. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Lease as if fully set forth herein at length.

6. Lessee acknowledges and agrees that this Lease, and all rights of Lessee and anyone claiming by, through or under Lessee, are, and shall be, subordinate to the HUD Mortgage and all subsequent mortgages now or hereafter upon the Premises.

7. The parties acknowledge that the term of the existing lease extended to July, 2018; and the parties hereto extend the Term of the Lease through August 31, 2023, (which hereby becomes the "Termination Date").

8. The Term shall automatically extend on the Termination Date for three (3) periods of three (3) years, each, (and the Termination Date shall be modified automatically thereby) unless (i) a Default by Lessee occurs, (in which event the rights and remedies of Owner shall be immediately applicable, and no further extension shall automatically occur) or (ii) Owner gives notice of nonrenewal to Lessee at least six (6) months prior to the end of the then-current Term, (in which event no further automatic extensions shall be available), or (iii) Lessee notifies Owner of the intent of Lessee not to renew by notice given at least 9 months prior to the end of the then-current Term.

9. Lessee certifies that there is no default of Owner under the Lease.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Fifth Amendment to Lease Agreement intending to be legally bound effective as of July 1, 2018.

SAUCON TRUST
By: Saucon Management LLC, Trustee

By: _____
Abraham Atiyeh,
Manager of Trustee

SAUCON VALLEY MANOR, INC.

By: _____
Nimita Kapoor Atiyeh, President

EXHIBIT C

FOURTH AMENDMENT TO LEASE AND MEMORANDUM OF LEASE EXTENSION

This Fourth Amendment to Lease and Memorandum of Lease Extension is effective as of September 21, 2023 by and between **WHITEHALL TRUST,** herein called Landlord;

AND

WHITEHALL MANOR, INC., herein called Tenant.

Witnesseth:

Whereas, Landlord and Tenant are parties to the Lease dated August, 2008, which was amended by First Amendment to Lease, made and dated as of January 1, 2012, and Second Amendment to Lease, made and dated as of January 1, 2012, and a Third Amendment made August 31, 2018, (collectively and as amended herein called the "Lease"), by which Landlord has leased to Tenant the real property and improvements thereon situate on Unit 1 of Whitehall Manor Condominium; and

Whereas, Tenant has made improvements to the Premises; and

Whereas, Landlord and Tenant have agreed that Tenant has exercised its option to extend the Term of the Lease for a period of Five (5) Years as allowed by the Lease, and that the terms of such lease extension were orally modified as of September 21, 2023 as more fully set forth herein; and

Whereas, the parties desire that this Fourth Amendment to Lease and Memorandum of Lease Extension be executed to memorialize the election by Tenant of its exercise of the second of the three (3) extension options granted to Tenant under the Lease, and to memorialize the modification of terms of the Lease as set forth herein.

NOW, THEREFORE, the parties hereto, intending to be legally bound, and for other good and valuable consideration, do hereby agree as follows:

1. The above recitals are incorporated herein, and form a part hereof.

2. Tenant has exercised the privilege to extend the Term for 5 years, such that the modified termination date of August 31, 2023, and to allow for the calculation on a calendar year basis, is now agreed to be December 31, 2028.

3. Tenant has made repairs and also arranged for other work to be performed to maintain the condition of the Premises.

4. Landlord and Tenant also have agreed to waive all past due rental and any obligations of Tenant or Landlord not performed by one or both through September 21, 2023, and hereby waive and release all unpaid sums and all performance not fully and timely provided.

a. Tenant waives any rights to refund or for calculation of overpayment previously made.
b. Tenant waives any right to payment for improvements made and any repairs or remodeling performed, other than any insurance coverage payments or proceeds as may be available.
c. This Fourth Amendment is a full waiver and release of all defaults, deficient performance and any other obligation of Landlord or of Tenant which has arisen or could have been asserted at any time through and including the date hereof.

5. Landlord and Tenant also have agreed that Tenant shall have two (2) additional extension periods of five (5) years, each, and that any renewal may be exercised by notice from Tenant to Landlord given not less than 90 days prior to the end of the then current termination date of the then current lease extension.

6. Landlord and Tenant have agreed to the following modifications of the Lease:

a. Base Rental
   i. For the period through December 31, 2024, no Base Rental shall be due.
   ii. For the remainder of the current renewal Term (i.e. calendar years 2025, 2026, 2027 and 2028) Base Rent shall be the greater of (i) One Hundred Twenty Thousand ($120,000.00) Dollars or (ii) Twenty-five (25%) percent of the net operating profit of Tenant from the operation of a personal care home at the Premises [reduced by all capital expenditures and by payment for any real property obligation which Tenant may elect to pay, and by uncollected accounts receivable or bad debt] for each calendar year of the Term, limited to the sum of Three Hundred Thousand ($300,000.00) per annum, to be paid on April 30 of the year following the calendar year for which the calculation shall be made; and
   iii. Base Rental for each calendar year of the Renewal Terms (i.e. Calendar years starting after December 31, 2028 shall be the greater of (i) Two Hundred Forty Thousand ($240,000.00)

Dollars or (ii) Twenty-five (25%) percent of the net operating profit of Tenant from the operation of a personal care home at the Premises [reduced by all capital expenditures and by payment for any real property obligation which Tenant may elect to pay and by uncollected accounts receivable or bad debt] during a calendar year, limited to the sum of Five Hundred Thousand ($500,000.00) per annum. Base Rental shall be due on April 30 of the year following the calendar year for which the calculation shall be made; and

b. Tenant shall pay all charges for electric, water and sewer services provided to the Premises prior to the same being made a lien upon the Premises; and
c. Tenant shall pay the premiums for one or more insurance policies to provide (i) property casualty insurance for the Premises and (ii) general liability insurance for the Premises; and
d. Repairs to the Premises as are required to maintain the Premises in the condition required for lawful operation of a personal care home.

7. The obligations of Landlord and/or Tenant under any Regulatory Agreement and all agreements, security interests and other rights, privileges, obligations or performance required under any Regulatory Agreement or other agreement made with the United States Department of Housing and Urban Development ("USHUD") or anyone required by, for or concerning USHUD or arising under any obligation with, concerning or associated with USHUD (collectively "HUD Obligations"), are hereby terminated and void as of September 20, 2023. Any past violations or continuing violation of the terms or conditions of any HUD Obligations are hereby waived and released.

8. All other terms and conditions of the Lease (as amended through and including the Third Amendment and the oral amendment memorialized herein), are ratified and affirmed.

9. This Agreement is effective as of September 21, 2023 notwithstanding a later date of execution.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Fourth Amendment to Lease and Memorandum of Lease Extension, intending to be legally bound effective as of September 21, 2023.

WHITEHALL TRUST ("Landlord")

By: Whitehall Fiduciary LLC, its Trustee

By: _____
Abraham Atiyeh, its Manager

WHITEHALL MANOR, INC.
("Tenant")

By: _____
Nimita Kapoor Atiyeh, President

EXHIBIT D

SIXTH AMENDMENT TO LEASE AGREEMENT

This SIXTH AMENDMENT TO LEASE AGREEMENT, (the "Sixth Amendment") is effective as of September 21, 2023, by and between **SAUCON TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Saucon Management LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

SAUCON VALLEY MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee are parties to a Lease, originally dated and effective as of January 1, 2006 (the "Lease"), for the lease by Lessee from Owner of those certain premises known as Unit 1 of Saucon Valley Manor Condominium, (the "Leased Premises"); and

WHEREAS, the Lease has been amended five (5) times prior to the effective date hereof; and

WHEREAS, Owner and Lessee desire to amend the Lease to extend the term thereof upon the terms and conditions set forth herein; and

WHEREAS, Owner and Tenant desire to extend the Term of the Lease and to grant extensions to Tenant as hereinafter set forth; and

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02 of the Lease (and all other parts of the Lease setting forth Base Rent, Additional Rent or other tenant payment obligations) are as follows:

    a. Base Rental
        i. For the period through December 31, 2024, no Base Rental shall be due.
        ii. For the remainder of the current renewal Term (i.e. calendar years 2025, 2026, 2027 and 2028) Base Rent shall be the greater of (i) One Hundred Twenty Thousand ($120,000.00) Dollars or (ii) Twenty-five (25%) percent of the net operating profit of Tenant from the operation of a personal care home at the Premises [reduced by all capital expenditures and by payment

for any real property obligation which Tenant may elect to pay, and by uncollected accounts receivable or bad debt] for each calendar year of the Term, limited to the sum of Three Hundred Thousand ($300,000.00) per annum, to be paid on April 30 of the year following the calendar year for which the calculation shall be made; and

iii. Base Rental for each calendar year of the Renewal Terms (i.e. Calendar years starting after December 31, 2028 shall be the greater of (i) Two Hundred Forty Thousand ($240,000.00) Dollars or (ii) Twenty-five (25%) percent of the net operating profit of Tenant from the operation of a personal care home at the Premises [reduced by all capital expenditures and by payment for any real property obligation which Tenant may elect to pay and by uncollected accounts receivable or bad debt] during a calendar year, limited to the sum of Five Hundred Thousand ($500,000.00) per annum. Base Rental shall be due on April 30 of the year following the calendar year for which the calculation shall be made; and

b. Tenant shall pay all charges for electric, water and sewer services provided to the Premises prior to the same being made a lien upon the Premises; and
c. Tenant shall pay the premiums for one or more insurance policies to provide (i) property casualty insurance for the Premises and (ii) general liability insurance for the Premises; and
d. Repairs to the Premises as are required to maintain the Premises in the condition required for lawful operation of a personal care home.

2. The Term is hereby extended to December 31, 2028 (which date shall hereafter be called the Termination Date, unless extended as per subsection (a), below).
   a. The Term shall automatically extend on the Termination Date for three (3) periods of five (5) years, each, (and the Termination Date shall be modified automatically thereby) unless Lessee notifies Owner of the intent of Lessee not to renew by notice given at least 90 days prior to the end of the then-current Term.

3. Landlord and Tenant also have agreed to waive all past due rental and any obligations of Tenant or Landlord not performed by one or both through September 21, 2023, and hereby waive and release all unpaid sums and all performance not fully and timely provided.
   a. Tenant waives any rights to refund or for calculation of overpayment previously made.

4. Landlord acknowledges that Tenant has made repairs and replacements and betterments for the Premises. Tenant hereby waives obligation of Landlord to reimburse or perform such repairs, replacements or betterments, other than such funds are are now or hereafter due from insurers or loss payment sources other than Landlord.

5. This Sixth Amendment is a full waiver and release of all defaults, deficient performance and any other obligation of Landlord or of Tenant which has arisen or could have been asserted at any time through and including the date hereof.

6. The obligations of Landlord and/or Tenant under any Regulatory Agreement and all agreements, security interests and other rights, privileges, obligations or performance required under any Regulatory Agreement or other agreement made with the United States Department of Housing and Urban Development ("USHUD") or anyone required by, for or concerning USHUD or arising under any obligation with, concerning or associated with USHUD (collectively "HUD Obligations"), are hereby terminated and void as of September 20, 2023. Any past violations or continuing violation of the terms or conditions of any HUD Obligations are hereby waived and released.

7. All other terms and conditions of the Lease (as amended through and including the Fifth Amendment and the oral amendment memorialized herein), are ratified and affirmed.

8. This Agreement is effective as of September 21, 2023 notwithstanding a later date of execution.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Sixth Amendment, intending to be legally bound effective as of September 21, 2023.

SAUCON TRUST ("Landlord")

By: Saucon Management LLC, its Trustee

By: _____
Abraham Atiyeh, its Manager

SAUCON VALLEY MANOR, INC. ("Tenant")

By: _____
Nimita Kapoor Atiyeh, President

EXHIBIT E

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

LEHIGH VALLEY 1 LLC, successor by assignment to WINDSTREAM CAPITAL LLC, successor by assignment to the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, successor by assignment to M&T REALTY CAPITAL CORPORATION	:	**CIVIL ACTION**
	:	**NO. 24-2627**
v.	:	
WHITEHALL FIDUCIARY LLC, as TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007	:	
LEHIGH VALLEY 1, LLC, successor by assignment to WINDSTREAM CAPITAL LLC, successor by assignment to the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, successor by assignment to M&T REALTY CAPITAL CORPORATION	:	**CIVIL ACTION**
	:	**NO. 24-2709**
v.	:	
SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007	:	

ORDER

AND NOW, this 19th day of December, 2025, upon consideration of Receiver's Motion for Sanctions (the "Motion for Sanctions"), the Responses filed by Defendants Whitehall Fiduciary LLC ("Whitehall Trust") and Saucon Trust and Non-Parties Nimita Kapoor Atiyeh and Abraham Atiyeh (collectively, "Respondents"), the Receiver's Reply in Further Support of the Motion, along with Receiver's Affidavit setting for the amount of attorneys' fees and costs incurred in the preparation, filing and presentment of the Motion for Sanctions, and upon consideration of Plaintiff's Motion to Void and Set Aside Lease Amendments and for Declaratory Judgment ("Motion to Void Amendments'), and the Response thereto, the oral argument held in Court on December 18, 2025,

and the concessions, admissions and statements made by the Parties, and the Court having found that Respondents have each violated the September 2, 2025 Order by failing to produce documents ordered to be produced in the aforementioned Order; it is hereby **ORDERED** as follows:

1. The Receiver's Motion for Sanctions (Docket No. 102, Case No. 24-2709) is **GRANTED**.

2. On or before December 29, 2025, Respondents shall produce each and every document ordered to be produced by this Court's Order dated September 2, 2025. Respondents are each deemed to have possession, control or the practical ability to obtain the documents, and may not claim that they cannot obtain the documents ordered to be produced.

3. On or before December 29, 2025, Respondents shall pay to Receiver the sum of $21,281.00 to compensate her for the preparation, filing and presentment of the Motion for Sanctions.

4. Receiver shall file a Report to the Court on or before January 2, 2026, indicating whether Respondents have complied with the requirements of the above paragraphs 2 and 3. If it is reported in the Report that Respondents have not complied with requirements of paragraphs 2 and 3, the Court will consider striking Defendants' Answer and Affirmative Defenses and entering Judgment of Foreclosure and Sale in favor of Plaintiff and against Defendants.

5. On or before December 29, 2025, Respondents, Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are directed to turn over to Receiver any rental payments received from October 31, 2025 (the date Good Shepherd Rehabilitation Hospital was directed to make payments to the Receiver). This includes rent received from Good Shepherd Rehabilitation Hospital only.

6. Respondents, Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are restrained from interfering with Receivers' efforts to collect rent, licensing fees, other occupancy fees or income of any sort from any and all occupants of the Properties. As agreed to by the Parties, any rent, licensing fee, occupancy fee or income of any sort that is or was paid to Respondents, Whitehall Manor, Inc. or Saucon Valley Manor, Inc. or any other entity over which Respondents, Whitehall Manor, Inc. or Saucon Valley Manor, Inc. have an interest or otherwise control, for rent or fees due and owing for January of 2026 and thereafter, shall be turned over to Receiver within 3 days of the date of this Order (in the case where money has already been received) or within 3 days of receipt (in the case where money is hereinafter received), along with a complete accounting of the source of the money received.

7. Plaintiff's Motion to Void and Set Aside Lease Amendments (Docket No. 92, Case No. 24-2627) is **GRANTED**.

8. The Sixth Amendment to Lease Agreement executed on September 21, 2023, affecting the property at 1050 Main Street, Unit #1, Hellertown, Pennsylvania, and the Fourth Amendment to Lease and Memorandum of Lease Extension executed on September 21, 2023, affecting the property at 1177 Sixth Street, Whitehall, Pennsylvania (the "Amendments"), are hereby **DECLARED NULL**, **VOID**, and **OF NO LEGAL EFFECT**.

BY THE COURT:

/s/ Catherine Henry

CATHERINE HENRY, J.

EXHIBIT F

Fill in this information to identify the case:

Debtor 1 Whitehall Manor, Inc.

Debtor 2 (Spouse, if filing) _____

United States Bankruptcy Court for the: Eastern District of Pennsylvania

Case number 4:25BK15245

Official Form 410

Proof of Claim

04/25

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. **Who is the current creditor?**

Whitehall Fiduciary, LLC, as Trustee of Whitehall Trust, by Duane Morris LLP, as Receiver
Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. **Has this claim been acquired from someone else?**

☑ No
☐ Yes. From whom? _____

3. **Where should notices and payments to the creditor be sent?**

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?	**Where should payments to the creditor be sent?** (if different)
Brett L. Messinger - Duane Morris LLP Name	_____ Name
30 South 17th Street Number Street	_____ Number Street
Philadelphia PA 19103 City State ZIP Code	_____ City State ZIP Code
Contact phone 215.979.1508	Contact phone _____
Contact email blmessinger@duanemorris.com	Contact email _____

Uniform claim identifier (if you use one):

_ _

4. **Does this claim amend one already filed?**

☑ No
☐ Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**

☑ No
☐ Yes. Who made the earlier filing? _____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**
- ☐ No
- ☑ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: 1 9 1 7

7. **How much is the claim?** $ 8,271,961.00 . **Does this amount include interest or other charges?**
- ☑ No
- ☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

Lease

9. **Is all or part of the claim secured?**
- ☑ No
- ☐ Yes. The claim is secured by a lien on property.

Nature of property:
- ☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim.*
- ☐ Motor vehicle
- ☐ Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: $_____

Amount of the claim that is secured: $_____

Amount of the claim that is unsecured: $_____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: $_____

Annual Interest Rate (when case was filed)_____%
- ☐ Fixed
- ☐ Variable

10. **Is this claim based on a lease?**
- ☐ No
- ☑ Yes. **Amount necessary to cure any default as of the date of the petition.** $ 7,993,961.00

11. **Is this claim subject to a right of setoff?**
- ☑ No
- ☐ Yes. Identify the property: _____

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☑ No

☐ Yes. *Check one:*

	Amount entitled to priority
☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	$_____
☐ Up to $3,800* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	$_____
☐ Wages, salaries, or commissions (up to $17,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	$_____
☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	$_____
☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	$_____
☐ Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies.	$_____

* Amounts are subject to adjustment on 4/01/28 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(3) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.
☑ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 03/25/2026
MM / DD / YYYY

/s/ Brett L. Messinger
Signature

Print the name of the person who is completing and signing this claim:

Name: Brett Lawrence Messinger
First name Middle name Last name

Title: Attorney for Receiver

Company: _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address: 30 South 17th Street
Number Street

Philadelphia PA 19103
City State ZIP Code

Contact phone 215.979.1508 Email blmessinger@duanemorris.com

WHITEHALL PROPERTY — Rent Arrears Analysis

Whitehall Trust (Landlord) / Whitehall Manor, Inc. (Tenant)
Governing: Second Amendment (Jan 1, 2012) as ratified by Third Amendment (Aug 31, 2018)
Fourth Amendment (Sept 21, 2023) — REJECTED / NULL AND VOID

KEY LEASE TERMS (Second Amendment)	
Annual Base Rent:	**$1,668,000.00**
Monthly Rent (as actually paid — $1,668,000 ÷ 12):	**$139,000.00**
Contractual Structure: $80,000/mo + $708,000 by Dec 31	
Actual Practice: Paid as $139,000/mo (confirmed by bank statements)	
Monthly Mortgage Payment (M&T Realty Capital):	$115,766.68
Last Rent Payment Received:	February 22, 2021 ($139,000 remote deposit)
Arrears Period:	March 1, 2021 through December 31, 2025

MONTHLY ARREARS SCHEDULE — March 2021 through December 2025

Year	Months Unpaid	Monthly Rent	Annual Rent Due	Cumulative Arrears	Notes
2021	10	$139,000.00	$1,390,000.00	$1,390,000.00	Mar–Dec 2021 (10 months)
2022	12	$139,000.00	$1,668,000.00	$3,058,000.00	Full year
2023	12	$139,000.00	$1,668,000.00	$4,726,000.00	Full year
2024	12	$139,000.00	$1,668,000.00	$6,394,000.00	Full year
2025	12	$139,000.00	$1,668,000.00	$8,062,000.00	Full year (through Dec 31, 2025)

TOTAL MONTHS UNPAID: **58**
GROSS BASE RENT ARREARS: **$8,062,000.00**

CREDITS / OFFSETS				
Less: Property Taxes Paid by WMI on behalf of Whitehall Trust		**-$68,039.00**		Credit to tenant
Total Credits:		**-$68,039.00**		

NET AMOUNT DUE — WHITEHALL: **$7,993,961.00**

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Exhibit F Document Whitehall Ridge Page 5 of 53

LEASE AGREEMENT
DATED AND EFFECTIVE AS OF August 14, 2008

By and Between
WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007,
a Pennsylvania Trust, as Owner and Lessor

and

WHITEHALL MANOR, INC.,
a Pennsylvania corporation, as Lessee

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LEASE AGREEMENT

This LEASE AGREEMENT, (the "Lease Agreement"), is made and dated as of August 14, 2008, by and between WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST u/t/a dated August 1, 2007 (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Whitehall Fiduciary LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

WHITEHALL MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner desires to lease to the Lessee the Leased Premises (hereinafter defined) on the terms and conditions set forth herein; and

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

ARTICLE I

DEFINITIONS

The Owner and the Lessee hereby mutually covenant and agree as follows:

1.01 Definitions.

(a) The following terms shall have the meanings specified below:

"Capital Additions" means property of any kind acquired, constructed or rehabilitated by the Owner or Lessee which is used or useful in connection with the Leased Premises and which is properly chargeable to the plant or property account under generally accepted accounting principles including, without limitation, land, easements, rights-of-way, leaseholds, other interests in real property, personal property, equipment, replacements of property retired or rendered obsolete, and permanent additions and betterments.

"Department of Public Health" means the Pennsylvania Department of Public Welfare.

"Event of Default" means any of the events described in Section 7.01 of this Lease Agreement.

"FHA" means the Federal Housing Administration.

"Fiscal Year" means the twelve month period hereby designated by the Owner and the Lessee for financial reporting purposes beginning on the first day of January in any calendar year and ending on the thirty-first day of December of such calendar year.

"Gross Revenues" means all revenues, receipts, income and other moneys at any time received by or on behalf of the Lessee from the operation of the Leased Premises, including, without limitation, revenues derived from the operation of the Leased Premises and all rights to receive the same whether in the form of accounts receivable, contract rights, chattel paper, instruments or other rights, and the proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Lessee, but excluding the proceeds of any loans to the Lessee and partnership contributions and insurance proceeds and eminent domain awards.

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

"HUD Requirements" means Section 232 of the National Housing Act of 1934, as amended; any and all regulations now or hereafter adopted pursuant to such Section 232; and any and all HUD rules, requirements and/or handbooks now or hereafter applicable to the Leased Premises.

"Indemnified Parties" means the Lender, the Owner and any person who "controls" the Owner within the meaning of Section 15 of the Securities Act of 1933, as amended; any member, officer, director, official, employee, agent, general partner, limited partner and attorney of the Owner or the Lender; and their respective executors, administrators, heirs, successors and assigns (excluding the Lessee).

"Leased Premises" means all the land located at, and known and identified as Unit 1 of Whitehall Manor Condominium, as Declared by Declaration of Condominium dated August 13, 2008 and recorded in the Office of the Recorder of Deeds in and for Lehigh County, Pennsylvania, said premises being situate in the Township of Whitehall, Lehigh County, Pennsylvania, and more particularly described in Exhibit A attached to this Lease Agreement, together with any additions thereto and substitutions therefor and any buildings, improvements, betterments, fixtures, equipment, furnishings, and other property, real or personal, now existing or at any time acquired, constructed or located thereon, including any Capital Additions.

"Lease Term" means the duration of the term created in this Lease Agreement as specified in Section 2.02.

"Lender" means M&T Realty Capital Corporation, and any future holder of the Mortgage.

"Lessee Regulatory Agreement" means the Regulatory Agreement-Nursing Homes entered into by and between the Lessee and HUD with respect to the Leased Premises.

"Lessee Security Agreement" means that certain Lessee Security Agreement between Lessee and Lender with respect to the Leased Premises securing the Mortgage Loan, and any amendments or supplements thereto.

"Mortgage" means that certain Mortgage from the Owner to the Lender with respect to the Leased Premises securing the Mortgage Loan, and any amendments and supplements thereto.

"Mortgage Loan" means the FHA-insured mortgage loan in the original maximum principal amount of up to $15,788,700.00 made by Lender to the Owner, secured, in part, by the Leased Premises, as the same may be amended, increased or decreased.

"Mortgage Loan Documents" means the Lessee Regulatory Agreement, the Owner Regulatory Agreement, the Mortgage, the Security Agreement, the Mortgage Note evidencing the Mortgage Loan executed by the Owner in favor of the Lender, the Lessee Security Agreement entered into by and between the Lessee and Lender with respect to the Leased Premises, and any and all other documents required by HUD and/or the Lender in connection with the Mortgage Loan.

"Operating Expenses" means all expenses required in operating and maintaining the Leased Premises, including, in each case, without limitation, (i) expenses of operation of the Leased Premises, including utilities, maintenance, repair, alteration, insurance and inspection expenses, (ii) expenses of professional, managerial, supervisory, administrative, engineering, architectural, legal, auditing and consulting services, (iii) sums payable to any Person, which sums, under generally accepted accounting principles, constitute expenses of operation and maintenance, and (iv) all taxes, assessments and other governmental charges, including, without limitation, property, franchise and excise taxes, but excluding taxes levied on income and/or profits of the Owner and/or Lessee. Operating Expenses shall exclude Rent. Operating Expenses shall also include deductibles relating to casualty losses of a part of the Property and shall also include all regular and special assessments due to the condominium association of which the Leased Premises forms a part.

"Owner Regulatory Agreement" means the Regulatory Agreement entered into by and between the Owner and HUD with respect to the Leased Premises.

"Person" means any natural person, corporation, partnership, limited liability company, trust, agency or other entity.

"Rent" means the payments of rent in respect of the Leased Premises required pursuant to Section 4.02.A of this Lease Agreement.

"Security Agreement" means that certain Security Agreement between Owner and Lender with respect to the Leased Premises securing the Mortgage Loan, and any amendments and supplements thereto.

(b) Words importing persons shall include firms, associations and corporations, and words importing the singular number shall include the plural number and vice versa.

ARTICLE II

LEASE OF LEASED PREMISES; TERM OF LEASE

2.01 Lease of Leased Premises. The Owner hereby leases to the Lessee, and the Lessee hereby leases from the Owner, the Leased Premises on the terms and conditions set forth in this Lease Agreement.

2.02 Term of Lease. The Lease Term for the Leased Premises shall commence on the date hereof and shall expire on August 31, 2018, or such earlier date as may be hereinafter provided. In addition, the Lessee shall have the option to extend the Lease Term for three (3) successive periods of five (5) years each upon the terms and conditions contained herein, upon written notice to the Owner given not later than one hundred eighty (180) days prior to the expiration of the initial Lease Term or extended Lease Term, as the case may be.

2.03. Subordination. This Lease Agreement is and shall be subject and subordinate to the Mortgage and other Mortgage Loan Documents; to all renewals, modifications, consolidations, replacements and extensions thereof; to all substitutions therefor; and to all future mortgages upon the Leased Premises and/or other security interests in or to the Leased Premises and any other items which are herein leased to Lessee or which, pursuant to the terms hereof, become a part of the Leased Premises or are otherwise deemed to become the property of Owner or to remain upon the Leased Premises at the end of the Term; and to each advance made or hereafter to be made under any of the foregoing. This Section 2.03 shall be self-operative and no further instrument of subordination shall be required. The Lessee agrees to execute and deliver promptly any and all certificates, agreements and other instruments that the Owner or Lender may reasonably request in order to confirm such subordination. If the Lender shall succeed to the interest of the Owner, then this Lease Agreement shall terminate, or, at the option of the Lender, this Lease Agreement shall nevertheless continue in full force and effect, in which case the Lessee shall and does hereby agree to attorn to the Lender and to recognize the Lender as its landlord under the terms of this Lease Agreement. Any agreements entered into by the Lessee for provision of services to the Leased Premises or the granting of easements, rights of way or other allowances of use or placement of CATV, utilities or other items are, and shall always be, subordinate to (i) the rights of Owner, and (b) the Mortgage and other Mortgage Loan Documents and all other mortgages and security interests now or hereafter encumbering the Leased Premises and/or the property of which it forms a part.

If this Lease Agreement or the Rent due hereunder is assigned to the Lender as collateral security for the Mortgage Loan, the Lender shall not be deemed to have assumed any of the Owner's obligations under this Lease Agreement solely as a result of such assignment. The Lender to whom this Lease Agreement has been so assigned shall be deemed to have assumed such obligations only if (i) by the terms of the instrument of assignment the Lender specifically elects to assume such obligations, or (ii) Lender has (a) foreclosed its mortgage, (b) accepted a deed in lieu thereof, or (c) taken possession of the Leased Premises by entry or otherwise. Even if the Lender so assumes the obligations of the Owner under this Lease Agreement, the Lender will be liable for breaches under this Lease Agreement only to the extent such breaches occur

during the period of ownership by the Lender after foreclosure (or after any conveyance by a deed in lieu of foreclosure) and then only to the extent of Lender's interest in the Leased Premises. The Lessee hereby consents to the assignment of this Lease Agreement as provided in the Mortgage.

2.04 Quiet Enjoyment. The Owner covenants and agrees with the Lessee that so long as the Lessee is in compliance with its obligations under this Lease Agreement, including the payment of the Rent and the other payments required under this Lease Agreement and the observance and performance of all the terms, covenants, and conditions on the Lessee's part to be observed and performed, and subject to the provisions of Section 2.03 of this Lease Agreement, the Lessee may peaceably and quietly have, hold and enjoy the Leased Premises for the Lease Term, subject to easements, agreements, restrictions, and covenants of record. The foregoing is subject to the rights reserved to Owner and/or the Declarant and/or others in the Declaration Condominium for the Property of which the Leased Premises is a part.

2.05 Ownership of Capital Improvements. Any and all buildings and improvements now existing and/or hereafter erected on the Leased Premises; any betterments made to the Leased Premises; any and all personal property, equipment, furniture, fixtures, computers, accessories and supplies of all kinds now or hereafter located on and/or used in connection with the Leased Premises; and all additions, substitutions, and replacements thereto during the Lease Term (hereinafter collectively called "Personal Property") shall be owned by the Owner, Lessee hereby conveying any and all such Personal Property to Owner.

Lessee agrees not to remove any Personal Property from the Leased Premises except to replace such Personal Property with other similar items of equal or greater quality and value, which items shall immediately become and remain the property of the Owner.

2.06 No Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Lease Agreement or for any claim based thereon or otherwise in respect thereof, shall be had against any partner (general or limited), member, manager, officer, director, shareholder or employee, trustee, as such, past, present or future, of the Owner or of any successor entity, either directly or through the Owner, at law or in equity, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise; it being expressly understood that no such personal liability whatever shall attach to, or is or shall be incurred by, any such Person, under or by reason of the obligations, covenants or agreements contained in this Lease Agreement or implied herefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such Person under or by reason of the obligations, covenants or agreements contained in this Lease Agreement, or implied herefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Lease Agreement.

ARTICLE III

HUD REQUIREMENTS

3.01 Precedence of Article III. For so long as, and only for so long as, HUD is the holder or insurer of any indebtedness secured by the Leased Premises, the provisions of this Article III shall apply to this Lease Agreement, notwithstanding anything herein to the contrary. This Article III shall not be amended without the prior written consent of HUD and the Lender.

3.02 Assignment and Subletting. This Lease Agreement shall not be assigned, in whole or in part (including any transfer of title or right to possession and control of the Leased Premises, or of any right to collect fees or rents), without the prior approval of HUD. Owner and Lessee acknowledge that any proposed assignee will be required to execute a Lessee Regulatory Agreement with HUD as a prerequisite to any such approval. Any consent by Owner to any sublease by the Lessee of the Leased Premises or any portion thereof may be given only upon compliance with the Mortgage Loan Documents and applicable HUD Requirements.

3.03 Compliance With HUD Requirements and Terms of Mortgage Loan Documents. The Lessee agrees to comply with all HUD Requirements that are applicable to the Leased Premises. The Lessee agrees that it will not take any action which would violate any applicable provision of any of the Mortgage Loan Documents.

In the event of any conflict between the terms and provisions of this Lease Agreement and any applicable HUD Requirements or the Mortgage Loan Documents, the HUD Requirements and Mortgage Loan Documents shall control in all respects. Owner and Lessee agree that no provision of this Lease Agreement shall modify any obligation of Owner or Lessee under the Mortgage Loan Documents. Owner and Lessee acknowledge that HUD's acceptance of this Lease Agreement in connection with the closing of the Mortgage Loan shall in no way constitute HUD's consent to arrangements which are inconsistent with HUD Requirements. This Lease Agreement is subordinate and subject to the Mortgage Loan Documents and to all HUD Requirements.

3.04 Acknowledgment. Owner and Lessee each acknowledges and agrees that the Rent and other amounts payable by Lessee under this Lease Agreement (including Rent, additional rent and all other sums payable under this Lease Agreement) are sufficient to properly maintain the Leased Premises, and to enable the Owner to meet its debt service obligations and related expenses in connection with the Mortgage Loan and the Leased Premises. Owner and Lessee each acknowledges and agrees that the terms and provisions of this Lease Agreement are comparable to the terms and provisions of leases of comparable facilities in the market.

3.05 License; Bed Authority. Owner and Lessee agree not to undertake or acquiesce to any modification to the assisted living facility license with respect to the Leased Premises or to any "bed authority" related thereto without the prior written approval of HUD.

3.06 Financial Statements. Lessee agrees to furnish HUD and Lender copies of its annual financial statements with respect to the Leased Premises within sixty (60) days after the close of Lessee's fiscal year or such longer period as may be permitted by HUD.

3.07 Medicaid and Medicare. Lessee shall be responsible for obtaining and maintaining all necessary licensure, and provider agreements for Medicaid and Medicare residents in the event the Leased Premises has a dual certification. Lessee agrees to furnish HUD and Lender with copies of all such provider agreements.

3.08 State Licensure Requirements. Lessee shall ensure that the Leased Premises meets all state licensure requirements and standards at all times.

3.09 MAP Guide Requirements. Owner and Lessee acknowledge and agree that this Lease Agreement complies with applicable requirements of Section 3.9.G of the Multifamily Accelerated Processing Guide dated May 17, 2000, as the same may have been amended, promulgated by the Office of the Assistant Secretary for Housing – FHA Commissioner.

3.10 Execution of Lessee Regulatory Agreement by Lessee. At the time of the closing of the Mortgage Loan, the Lessee agrees to execute the Lessee Regulatory Agreement. The Lessee agrees to comply with its obligations under the Lessee Regulatory Agreement, and agrees that a default by the Lessee under the Lessee Regulatory Agreement shall be deemed to be a default under this Lease Agreement.

3.11 Management Contract Requirements. The Lessee agrees not to enter into any management contract involving the Leased Premises unless such management contract shall contain provisions that, in the event of default under the Owner Regulatory Agreement or the Lessee Regulatory Agreement, the management agreement shall be subject to termination upon not more than thirty (30) days notice without penalty upon written request of HUD. Upon such HUD termination request, the Lessee shall immediately arrange to terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to HUD for continuing proper management of the Leased Premises.

3.12. Inspections. The Lessee agrees that upon reasonable request, the Lender and/or HUD and their designees and representatives may exercise all rights of examination and inspection that are afforded to the Owner under Section 5.08 of this Lease Agreement.

3.13 Insurance. The Lessee agrees to procure and maintain, or cause to be procured and maintained, the insurance coverages required pursuant to the Mortgage Loan Documents and/or applicable HUD Requirements, including HUD Notices 04-01 and 04-15. Insurance proceeds shall be applied in accordance with the terms of the Mortgage Loan Documents and applicable HUD Requirements. The decision to repair, reconstruct, restore or replace the Leased Premises shall be made by the Owner, subject to the terms of the Mortgage Loan Documents and applicable HUD Requirements.

3.14 Certain Payments. The Lessee agrees to pay, as Additional Rent, when due all premiums for (i) FHA mortgage insurance, (ii) liability insurance and full coverage hazard insurance on the Leased Premises, and (iii) all other insurance coverages required under the Mortgage Loan Documents and/or applicable HUD Requirements, and to treat such payments as Operating Expenses. Unless the Lender and Owner agree otherwise, the Lessee shall be

responsible for funding all escrows for taxes, reserves for replacements, mortgage insurance premiums, and/or other insurance premiums as may be required by the Lender and/or FHA.

3.15 Eminent Domain. The proceeds of any condemnation award or other compensation paid by reason of a conveyance in lieu of the exercise of such power, with respect to the Leased Premises or any portion thereof shall be applied in accordance with the terms of the Mortgage Loan Documents and applicable HUD Requirements.

3.16 Ownership of Capital Improvements. Lessee agrees to execute any and all documents as may be required by Lender or HUD to confirm the provisions of Section 2.05 and/or further effect the transfer of title to the Owner as provided in Section 2.05.

ARTICLE IV

RENTALS; APPLICATION OF GROSS REVENUES

4.01 General Obligation. This Lease Agreement is a general obligation of the Lessee.

4.02 Rental Payments.

A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of One Million Two Hundred Thousand and No/100 Dollars ($1,200,000.00) per year. Payments of Rent shall be due in advance in equal monthly installments of One Hundred Thousand and No/100 Dollars ($100,000.00) on the first day of each month. If the Lessee fails to make any monthly payment of Rent within fifteen (15) days after the due date thereof, the Owner may, at its option, impose a late charge upon the Lessee in an amount not to exceed five percent (5.0%) of the Rent so delinquent.

B. The Lessee agrees to pay to (or on behalf of) the Owner all payments to the reserve for replacements which are required to be made pursuant to the terms of the Owner Regulatory Agreement.

4.03 Security Interest In Gross Revenues. As security for the Rent and all other payments due to the Owner under the terms of this Lease Agreement, the Lessee grants to and creates in the Owner a security interest in the Gross Revenues, but the existence of such security interest shall not prevent the expenditure, deposit or commingling of Gross Revenues by the Lessee so long as all payments required under this Lease Agreement are made when due, nor prevent the write-off of any uncollectable accounts or bad debts. In the event of default by the Lessee under the terms and conditions of this Lease Agreement, beyond any applicable notice and cure periods, the Owner, without limitation of any other rights or remedies available to it and with any required consent of the Department of Public Health, shall have the right to appoint a receiver to collect the Gross Revenues and manage payments from such funds as permitted from time to time by the Department of Public Health, if applicable.

4.04 Obligations Unconditional. The obligations of the Lessee to make payments of Rent and all other payments required under this Lease Agreement shall be absolute and unconditional, without defense or set-off by reason of any default or other reason whatsoever, including by the Owner under this Lease Agreement or under any other agreement between the Lessee and the Owner or the Lender, and, except as may be expressly provided herein, such payments shall not be decreased, abated, postponed, or delayed for any reason whatsoever, including, without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Premises, the taking by condemnation of any part of the Leased Premises, commercial frustration of purpose, failure of the Owner to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Lease Agreement, or failure of any resident or occupant of the Lessee to pay the fees, rentals or other charges owed to the Lessee, and irrespective of whether or not any such resident or occupant of the Lessee receives either partial or total reimbursement as a credit against such payment, it being the intention of the parties that the payments required of the Lessee under this Lease Agreement will be paid in full when due without any delay or diminution whatsoever.

4.05 Net Lease. This Lease Agreement is intended to be an entirely "net" lease, intending hereby to impose the burden of payment of all costs and expenses related to the use and occupancy of the Leased Premises upon the Lessee. The Lessee agrees to pay when due all real estate and personal property taxes and special assessments assessed or imposed upon the Leased Premises or which may be charged to the Owner in connection with the Leased Premises and treat such payments as Operating Expenses. The Lessee agrees also to pay when due all payments required by Section 3.14 of this Lease Agreement (during periods in which Article III is operative), and premiums for liability insurance and full coverage hazard insurance on the Leased Premises, and to treat such payments as Operating Expenses. The Lessee agrees also to pay when due all other Operating Expenses. Notwithstanding the foregoing, the Lessee shall not be liable for any federal, state or local income taxes which may be assessed against the Owner.

ARTICLE V

COVENANTS AND REPRESENTATIONS OF THE LESSEE

5.01 Maintenance and Operation of Leased Premises. The Lessee covenants that during the Lease Term of this Lease Agreement, it shall:

A. pay or cause to be paid all costs of operating the Leased Premises including, without limitation, all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied during the Lease Term; all water, water meter, and sewer rents, rates, and charges; and any and all other governmental levies, fees, rents, assessments, or taxes and charges;

B. at its own cost or expense keep and maintain, or cause to be kept and maintained, in good repair and condition (excepting reasonable wear and tear), the Leased

Premises and all additions and improvements thereto, excluding any rebuilding or restoration following damage to or destruction or condemnation of all or part of the Leased Premises;

C. make all repairs, renewals, replacements and improvements to the Leased Premises in order to maintain adequate service and quality resident care;

D. not commit or suffer any waste of any of the Leased Premises;

E. maintain in good standing its license to operate the Leased Premises as an assisted living facility and any other licenses or permits required to operate the Leased Premises as a licensed facility; and promptly comply, unless contested in good faith, with any and all requests and recommendations of the Department of Public Health and its representatives with respect to the operation of the Leased Premises, in providing care to residents;

F. comply with all applicable requirements of Titles XVIII and XIX of the Social Security Act, and the rules and regulations thereunder, as the same may now or hereafter be in effect, in order to maintain its status in good standing as a provider of health care services under such Titles;

G. upon receipt, promptly furnish the Owner with copies of any inspection reports made by the Department of Public Health or the United States Department of Health and Human Services, and promptly undertake to correct any deficiencies noted in such inspection reports regarding its operation of the Leased Premises as an assisted living facility; and

H. promptly inform the Owner of any decisions on behalf of the Department of Public Health as to a change in status of any certificate or license affecting the Lessee's operation of the Leased Premises as an assisted living facility.

5.02 Maintenance of Entity Existence. The Lessee agrees that during the Lease Term (unless this Lease Agreement is assigned in accordance with its terms, in which event this Section shall apply to such assignee), it will maintain its entity existence, will continue to be a corporation organized under the laws of the Commonwealth of Pennsylvania, will promptly pay all taxes assessed against it or any of its assets by any federal, state or local governmental authority, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it.

5.03 Management. The Lessee agrees at all times during the Lease Term of this Lease Agreement to employ or cause to be employed a qualified management firm and/or qualified administrator to supervise the operation of the Leased Premises, who shall be experienced in the management and operation of facilities of the nature and size of the Leased Premises, and who shall be subject to the approval of the Owner (and HUD, in accordance with Section 3.11, during periods in which Article III is operative).

5.04 Payment of Lawful Taxes and Charges; Discharge of Liens.

A. The Lessee agrees to pay all taxes and assessments or other municipal or governmental charges of any kind whatsoever that may at any time be lawfully imposed, levied or assessed upon or in respect of the Lessee's income, operations, assets or property, including the Leased Premises, or any part thereof, when the same shall become due, including any machinery, equipment or related property installed or brought by the Lessee therein or thereon, and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Premises; provided, that with respect to special assessments or other governmental charges that lawfully may be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the term of this Lease Agreement. Notwithstanding the foregoing, the Lessee shall not be liable for any federal, state or local income taxes which may be assessed against the Owner.

B. The Lessee may, at its own expense and in good faith, contest any such taxes, assessments, charges, claims or demands and, in the event of any such contest, may, with the approval of the Owner (and HUD, in accordance with Section 3.12.A, during periods in which Article III is operative), permit the taxes, assessments, charges, claims and demands so contested to remain unpaid during the period of such contest and may appeal therefrom.

5.05 Compliance With Law.

A. The Lessee covenants, represents and warrants that at all times during the term of this Lease Agreement:

(1) all actions heretofore and hereafter taken by the Lessee with respect to the Leased Premises, including all repairs, additions, alterations or improvements thereto, have been and will at all times be in compliance in all material respects with all applicable requirements of federal, state and local laws, ordinances, rules, regulations and orders, and with all applicable requirements of any agency, board, or commission created under the laws of the state where the Leased Premises are located, or any other duly constituted public authority, and any requirement of an insurance company so long as such company is providing insurance in respect to the Lessee or the Leased Premises; and

(2) it shall not take any action which would cause the Leased Premises to be in violation of such laws, ordinances, rules, regulations or orders.

B. Notwithstanding any provision of this Lease Agreement, the Lessee shall have the right to contest in good faith any law, ordinance, rule, regulation or order, provided that such action is promptly and diligently pursued, and the Lessee agrees to keep the Owner informed as to the status of such contest and provided further that such action does not, in the Owner's judgment materially adversely affect the Lessee's ability to operate the Leased Premises and pay the Rent.

5.06 Additions and Alterations. Except where an emergency situation exists:

A. The Lessee shall not, without the prior written approval of the Owner, which will not be unreasonably withheld or delayed, make any alterations, changes, replacements, improvements and additions of a structural nature to the Leased Premises;

B. The Lessee agrees not to permit any alienation, removal, demolition, substitution, improvement, alteration or deterioration of the Leased Premises or any other act which might impair or reduce the usefulness or value thereof or the Owner's interest therein; and

C. The Lessee agrees to comply with all applicable requirements of law with respect to such alterations, changes, replacements, improvements and additions.

(And Lessee shall also comply with Section 3.12.B during periods in which Article III is operative.)

5.07 Financial and Other Restrictions. So long as this Lease Agreement remains in effect, (and, as to the records required hereunder, for a period of one year thereafter), the Lessee agrees to:

A. Keep proper books of record and account in which full, true and correct entries will be made of all its business transactions in accordance with generally accepted accounting principles;

B. Make payment of all indebtedness incurred in the ordinary course of the Lessee's business within the times provided under the terms of such indebtedness and make payments of all taxes, governmental charges and/or payments in lieu of taxes promptly (unless the Lessee is contesting the validity thereof in good faith);

C. Provide to the Owner annual financial statements with respect to the Leased Premises, prepared by a certified public accountant or firm of certified public accountants acceptable to the Owner (and which meet the requirements of Section 3.06 during periods in which Article III is operative); and

D. With reasonable promptness provide to the Owner any other data and information which may be reasonably requested from time to time.

5.08 Inspections. The Lessee agrees that upon reasonable request, the Owner and its designees and representatives may at all reasonable times, upon reasonable notice, subject to the rights of patients, residents and tenants, if any, examine and inspect the Leased Premises. The Lessee will, on the request of the Owner, promptly make available for inspection by the Owner and its designees and representatives copies of all of the Lessee's correspondence, books, records and other documentation relating to the Leased Premises, but excepting communications between the Lessee and its attorneys. The Lessee agrees to maintain accounting records for the Leased Premises in accordance with its customary practice, separate from any general accounting records which the Lessee may maintain in connection with the Lessee's general business activities. The

Lessee agrees that the Owner and its designees and representatives shall, at any reasonable time, have access to and the right to examine all accounting records of the Lessee which relate directly or indirectly to the Leased Premises. (See also Section 3.13 during periods in which Article III is operative.)

5.09 Assignment and Subletting. Except as set forth in this Section 5.09, the Lessee may not assign this Lease Agreement or sublease the Leased Premises or any portion thereof without the prior written consent of the Owner (and HUD, in accordance with Section 3.02, during periods in which Article III is operative). The Lessee shall be permitted to enter into leases and other possession and use agreements in the nature of assisted living rental, lease and/or services agreements with individual persons in the ordinary course of its operations.

5.10 Indemnification Concerning the Leased Premises.

A. The Lessee covenants and agrees, at its expense, to pay and to indemnify and save the Indemnified Parties harmless of, from and against, any and all claims, damages, demands, expenses, liabilities, and losses of every kind, character, and nature asserted by or on behalf of any person arising out of, resulting from, or in any way connected with, the condition, use, possession, conduct, management, operation, or leasing of the Leased Premises or any part thereof, except for any claim, damage, demand, expense, liability or loss arising out of the negligence or willful misconduct of the party seeking indemnity.

B. If any action is brought against any Indemnified Party based upon any of the above and in respect to which indemnity may be sought against the Lessee, the Indemnified Party involved may request in writing that the Lessee assume the defense thereof, including the employment of counsel selected by the Lessee satisfactory to such Indemnified Party (as reasonably determined), the payment of all costs and expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel at the sole cost and expense of such Indemnified Party in any such action, to participate in the defense thereof. The Lessee shall not be liable for any settlement of any such action effected without its consent, which consent shall not be unreasonably withheld nor delayed, but if settled with the consent of the Lessee or if there be a final judgment for the plaintiff in any such action, the Lessee agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

C. The Lessee shall have the right to obtain insurance, if available, against the risks which it has undertaken in paragraph A of this Section, and to treat the cost of such insurance as a part of Operating Expenses.

5.11 Representations of the Lessee. The Lessee represents and warrants as follows:

A. Due Organization. The Lessee is a corporation, duly organized, validly existing and in good standing under the laws of Pennsylvania, and is duly authorized and qualified to operate this type of facility in the Commonwealth of Pennsylvania. The Lessee has powers adequate for the execution, delivery and performance of its obligations under this Lease

Agreement and for carrying on the business now conducted by it and contemplated in connection with the Leased Premises. The execution and delivery of, and the performance by the Lessee of its obligations under this Lease Agreement have been duly authorized by all appropriate action by the Lessee, and this Lease Agreement constitutes the valid and binding obligations of the Lessee, enforceable in accordance with its terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied.

B. Legal Proceedings. There is no action, suit, proceeding (including, without limitation, any condemnation proceeding or proceeding in the nature of bankruptcy or for reorganization or arrangement), or investigation at law or in equity before or by any court or public board or body, pending or, to the knowledge of the Lessee after due investigation, threatened, against the Lessee or the Leased Premises, nor, to the best knowledge of the Lessee, any basis therefor, wherein an unfavorable decision, ruling or finding would, in any material respect, adversely affect the business, assets or condition (financial or otherwise) of the Lessee or the Leased Premises or the transactions contemplated by this Lease Agreement, or which in any way would adversely affect the validity of this Lease Agreement.

C. Compliance With Law; Consents. The Lessee is not in violation of any term or provision of its organizational documents or in violation of any term or provision of any mortgage, lease, agreement or other instrument which is material to its business or assets, or of any judgment, decree, governmental order, statute, rule or regulation by which it is bound or to which it or any of its assets is subject. The execution, delivery and performance of and compliance with this Lease Agreement will not violate or constitute a default under the organizational documents of the Lessee or of any term or provision of any mortgage, lease, agreement or other instrument, or of any judgment, decree, governmental order, statute, rule or regulation by which the Lessee is bound or to which any of its assets is subject. No approval by, authorization of, or filing with any federal, state, or local or other governmental commission, board, or agency or other governmental authority is necessary in connection with the execution and delivery of this Lease Agreement by the Lessee.

D. The Facility.

(1) The Lessee agrees to operate the Leased Premises as an assisted living facility.

(2) In the occupancy, maintenance, improvement and operation of the Leased Premises, the Lessee shall at all times comply in all respects with all applicable building, zoning and land use, environmental protection, sanitary, safety and other laws, rules and regulations, and shall not permit a nuisance thereon.

E. The foregoing representations and assurances are made for the benefit of the Owner, the Lender and HUD and not for the benefit of any other third party.

ARTICLE VI

INSURANCE AND CONDEMNATION

6.01 Insurance Coverage and Terms.

A. The Lessee agrees to procure and maintain, or cause to be procured and maintained, commercial general liability insurance and property insurance coverages with respect to the Leased Premises (and, during such periods as applicable, the insurance required under Section 3.14 of this Lease Agreement), naming the Owner and the Lender as additional insureds.

B. In the event that the Lessee fails to maintain any insurance as provided in this Section 6.01, the Owner may, at its option and upon such notice to the Lessee as is reasonable under the circumstances, procure and maintain such insurance. The Lessee agrees and covenants to pay any amounts so advanced therefor by the Owner, together with interest thereon at the prime rate of interest published in the Wall Street Journal plus five percent (5.0%), from the date thereof.

6.02 Insurance Proceeds. In the event of damage or destruction to the Leased Premises, the decision to repair, reconstruct, restore or replace the Leased Premises shall be made by the Owner (and in accordance with Section 3.14, during periods in which Article III is operative).

6.03 Eminent Domain. Subject to Section 3.16 (during periods in which Article III is operative), the proceeds of any condemnation award or other compensation paid by reason of a conveyance in lieu of the exercise of such power, with respect to the Leased Premises or any portion thereof shall be the property of Owner. The Lessee shall, however, be entitled to recover any amounts payable to it for moving expenses, loss of personal property, and the like so long as they do not affect Owner's award.

ARTICLE VII

DEFAULT AND REMEDIES

7.01 Events of Default. Each of the following shall be an "Event of Default" under this Lease Agreement:

A. If payment of any amount due under Section 4.02 of this Lease Agreement is not made when it becomes due and payable and if such payment remains unpaid for a period of fifteen (15) days; or

B. If the Lessee shall:

1. admit in writing its inability to pay its debts as they become due, or

2. file a petition to be adjudicated a voluntary bankrupt in bankruptcy or a petition to otherwise take advantage of any federal or state bankruptcy or insolvency law, or

3. make an assignment for the benefit of its creditors or seek a composition with its creditors, or

4. consent to the appointment of a receiver of itself or of the whole or any substantial part of the Leased Premises, or

C. If (i) the Lessee shall, upon an involuntary petition under any section or chapter of the federal bankruptcy laws filed against it, be adjudicated a bankrupt; or (ii) a court of competent jurisdiction shall enter an order or decree appointing a trustee or receiver (interim or permanent) or appointing the Lessee a debtor-in-possession, with or without the consent of the Lessee, of the whole or any substantial part of the Leased Premises, or of the Gross Revenues, or approving a petition filed against the Lessee seeking reorganization or an arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any legal subdivision thereof; and such adjudication, order or decree is not dismissed or vacated within a period of sixty (60) days from the date thereof; or

D. If the Lessee defaults in the due and punctual performance or observance of any other representation, agreement or covenant in this Lease Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied has been given by the Owner.

7.02 Remedies. Upon or after the occurrence of any Event of Default, the Lessee, upon demand of the Owner, shall forthwith surrender to the Owner the actual possession of the Leased Premises and the Owner may enter and take possession of the Leased Premises and may exclude the Lessee, its agent and employees wholly therefrom. Upon or after the occurrence of any Event of Default the Owner may, upon notice, do any or all of the following at the Lessee's risk:

A. Re-enter and take possession of the Leased Premises or any portion thereof without terminating this Lease Agreement, and lease the Owner's interest in such Leased Premises for the account of the Lessee to any other party, holding the Lessee liable for the difference between (i) the net proceeds to Owner from such re-leasing and (ii) the rent and other amounts payable by the Lessee and due under this Lease Agreement, including the expenses of Owner and Lender, including reasonable attorneys' fees, incurred in connection with such default.

B. Terminate the Lease Term, exclude the Lessee from possession of the Leased Premises and lease the Owner's interest in the Leased Premises for the account of the

Lessee, to any other party, holding the Lessee liable for all rents and other amounts due under this Lease Agreement and not paid by such other party.

C. Take whatever action at law or in equity may appear necessary or desirable to collect the payment then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease Agreement.

7.03 Cumulative Rights; No Implied Waiver. No remedy conferred upon or reserved to the Owner by this Lease Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No waiver by the Owner of any obligations, agreements or covenants under this Lease Agreement shall be deemed a waiver of any subsequent breach, and no delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

MISCELLANEOUS

8.01 Surrender of Possession. Except as otherwise expressly provided in this Lease Agreement, at the expiration or earlier termination of the Lease Term, the Lessee agrees to surrender possession of the Leased Premises peacefully and promptly to the Owner in as good a condition as at the commencement of the Lease Term, loss by fire or other casualty covered by insurance, condemnation, or ordinary wear, tear, and obsolescence excepted.

8.02 Successors and Assigns. This Lease Agreement shall inure to the benefit of and shall be binding upon the Owner, the Lessee and their respective successors and assigns.

8.03 Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Lease Agreement.

8.04 Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

8.05 Notices. All notices or other communications provided for in this Lease Agreement shall be in writing and shall be delivered personally to, or sent by certified or registered mail or recognized overnight delivery service to the respective offices of the Owner and the Lessee as set forth on the first page of this Lease Agreement, or such other address as may have been previously specified in a notice given in accordance with this Section 8.05.

The Owner or Lessee may from time to time designate other representatives or addresses with respect to receipt of notices or other communications.

8.06 Headings. The Article and Section headings in this Lease Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease Agreement.

8.07 Non-Waiver. It is understood and agreed that nothing contained in this Lease Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Lease Agreement.

8.08 Amendments. This Lease Agreement shall not be amended without the prior written consent of the Owner and Lessee and no such amendment shall be effective unless the same shall be in writing and executed by both parties hereto.

8.09 No Recording. Neither party shall record this Lease Agreement. At the request of Lessee or Owner, the parties shall execute and record a memorandum of lease.

8.10 Estoppel Certificates. The Lessee agrees that upon request by Owner, it will execute and deliver to the Owner, and/or to such third party as is designated by the Owner, a statement in writing certifying (a) that (except as may be otherwise specified by the Lessee) (i) this Lease Agreement is in full force and effect and unmodified and has not been assigned by Lessee, (ii) the Lessee is not in default under this Lease Agreement, and (iii) to the best of Lessee's knowledge, the Owner is not in default under this Lease Agreement, and (b) as to such other factual matters as the Owner may reasonably request about this Lease Agreement.

8.11 Governing Law. The internal laws of the State of Pennsylvania shall govern as to the interpretation, validity and effect of this Lease Agreement, without regard to such state's choice of law principles.

8.12 Entirety of Agreement. This Lease Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersedes all prior leases, agreements, correspondence, arrangements and understandings relating to the subject matter hereof.

IN WITNESS WHEREOF, the Owner and the Lessee have signed this Lease Agreement as of the date first above written.

OWNER:

WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a/ dated August 1, 2007

By: _____
Abraham R. Atiyeh, Manager

LESSEE:

WHITEHALL MANOR, INC.

By: _____
Abraham R. Atiyeh, President

EXHIBIT A

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-1

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

FIRST AMENDMENT
Dated and Effective As Of January 1, 2010
To The
LEASE AGREEMENT
Dated and Effective As Of August ____, 2008
By and Between
WHITEHALL TRUST,
a Pennsylvania Trust, as Owner and Lessor
and
WHITEHALL MANOR, INC.,
a Pennsylvania corporation, as Lessee

FIRST AMENDMENT TO LEASE AGREEMENT

This FIRST AMENDMENT TO LEASE AGREEMENT, (the "First Amendment") , is made and dated as of January 1, 2010, by and between **WHITEHALL TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Whitehall Fiduciary LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

WHITEHALL MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee desire to amend the Lease dated August ___, 2008 between Owner and Lessee (the "Lease") for those certain premises known as Unit 1 of Whitehall Manor Condominium, (the "Leased Premises") on the terms and conditions set forth herein; and

WHEREAS, the terms of this Addendum shall be effective as of the date shown above, subject to the obtaining approval as required by the terms of the Mortgage encumbering the Leased Premises.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02(A) of the Lease is amended and restated as follows:

> "A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of One Million Nine Hundred Fifty Thousand ($1,950,000.00) per year. Payments of Rent shall be due (a) in advance in equal monthly installments of One Hundred Thousand Dollars ($100,000.00) on the first day of each month, each due without setoff and without prior notice or demand, and (b) the remainder of $750,000.00 to be paid on or before December 31 of the then current calendar year, in one or more partial installments, as Lessee shall elect, provided however that the full Base Rental of $1,950,000.00 is paid in full by December 31 of each year.
>
> "A.1 Additionally, all other items set forth as Rent or Additional Rent under the Lease and all obligations of the Lessee are herein considered to be Rent and those additional items are due as set forth in the Lease. If the Lessee fails to make any monthly payment of Rent within fifteen (15) days after the due date thereof, the Owner may, at its option, impose a late charge upon the Lessee in an amount not to exceed

ten percent (10%) of the Rent so delinquent for each calendar month of delinquency.

2. No other portions of the Lease are amended or modified.

3. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease,

4. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Lease as if fully set forth herein at length.

5. The amendment set forth herein is subject to approval by the Secretary of Housing and Urban Development pursuant to the terms of the Mortgage encumbering the Leased Premises, and this amendment shall be void and of no force or effect if the said approval is not granted, and in such event, the Lease shall remain in full force and effect as if this First Amendment to Lease Agreement was never executed.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this First Amendment to Lease Agreement effective as of January 1, 2010.

WHITEHALL TRUST
By: **Whitehall Fiduciary LLC**

By: _____
Abraham Atiyeh, Manager

WHITEHALL MANOR, INC.

By: _____
(Vice) President

SECOND AMENDMENT
Dated and Effective As Of January 1, 2012,
To The
LEASE AGREEMENT
Dated on or about August, 2008
By and Between
WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007, as Owner and Lessor

and

WHITEHALL MANOR, INC.,
a Pennsylvania corporation, as Lessee

SECOND AMENDMENT TO LEASE AGREEMENT

This SECOND AMENDMENT TO LEASE AGREEMENT, (the "Second Amendment"), is made and dated as of January 1, 2012 by and between **WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST u/t/a dated August 1, 2007,** a trust organized and existing under the laws of the Commonwealth of Pennsylvania (the "Owner") having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

WHITEHALL MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee desire to amend the Lease dated on or about August, 2008 between Owner and Lessee (the "Original Lease") and the First Amendment to Lease Agreement dated as of January 1, 2010, together with this Second Amendment to Lease Agreement being herein called the "Lease", for those certain premises known as Unit 1 of Whitehall Manor Condominium, (the "Leased Premises") on the terms and conditions set forth herein; and

WHEREAS, Owner is refinancing the Mortgage Loan relating to the Premises, and the conditions for such loan require amendment of the Original Lease as amended by the First Amendment and Lessee is agreeable to such modifications; and

WHEREAS, Owner and Lessee agree that the terms of this Addendum shall be effective as of the date shown above.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 2.02 of the Lease is amended and restated as follows:

> 2.02 Term of Lease. The Lease Term for the Leased Premises commenced on August 19, 2008 and shall expire on August 31, 2018, or such earlier date as may be hereinafter provided. In addition, the Lessee shall have the option to extend the Lease Term for three (3) successive periods of five (5) years each upon the terms and conditions contained herein, upon written notice to the Owner given not later than one hundred eighty (180) days prior to the expiration of the initial Lease Term or extended Lease Term, as the case may be.

2. Section 4.02(A) of the Lease is amended and restated as follows:

"A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of One Million Six Hundred Sixty Eight Thousand ($1,668,000.00) per year. Payments of Rent shall be due (a) in advance in equal monthly installments of Eighty Thousand Dollars ($80,000.00) on the first day of each month, each due without setoff and without prior notice or demand, and (b) the remainder of Seven Hundred Eight Thousand ($708,000.00) Dollars to be paid on or before December 31 of the then current calendar year, in one or more partial installments, as Lessee shall elect, provided however that the full Base Rental of $1,668,000.00 is paid in full by December 31 of each year.

"A.1 Additionally, all other items set forth as Rent or Additional Rent under the Lease and all obligations of the Lessee are herein considered to be Rent and those additional items are due as set forth in the Lease. If the Lessee fails to make any monthly payment of Rent within fifteen (15) days after the due date thereof, the Owner may, at its option, impose a late charge upon the Lessee in an amount not to exceed ten percent (10%) of the Rent so delinquent for each calendar month of delinquency."

3. Owner and Lessee agree that the terms of the HUD Addendum to Operating Lease, which is attached hereto as Exhibit "A" and incorporated herein by reference, are a part of this Lease and that Owner and Lessee shall be bound thereby.

4. Other than as set forth in Sections 1 and 2 of this Second Amendment to Lease Agreement, there are no other changes to the Original Lease or the First Amendment to Lease.

5. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

6. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Original Lease as if fully set forth herein at length and ratified and affirmed herein at length.

[Sighature page follows]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Second Amendment to Lease Agreement effective as of January 1, 2012.

WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007

By: _____
Abraham Atiyeh, Manager

WHITEHALL MANOR, INC., a
Pennsylvania corporation

By: _____
Nimita Kapoor Atiyeh, President

EXHIBIT A

HUD ADDENDUM TO OPERATING LEASE

This Addendum is attached to and made a part of that certain Operating Lease Agreement dated on or about August, 2008, as amended by the First Amendment to Lease dated as of January 1, 2010, and the Second Amendment to Lease dated as of January 1, 2012, all entered into by Owner/Lessor and Lessee (the " Operating Lease"), and amends and/or supplements the Operating Lease. In the event of a conflict between the terms of this Addendum and the Operating Lease, the terms of this Addendum shall govern and control. Capitalized terms used herein but not defined shall have the meanings set forth in the Operating Lease.

DEFINITIONS

The following terms shall have the meanings specified below:

"FF&E" means furnishings, fixtures and equipment of all kinds used in connection with the Leased Premises, including additions, substitutions and replacements thereto.

"FHA" means the Federal Housing Administration.

"Health Care Requirements" shall mean, relating to the Leased Premises, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions or agreements, in each case, pertaining to or concerned with the establishment, construction, ownership, operation, use or occupancy of the Leased Premises or any part thereof as a health care facility, and all material permits, licenses and authorizations and regulations relating thereto, including all material rules, orders, regulations and decrees of and agreements with health care authorities pertaining to the Leased Premises.

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

"HUD Program Requirements" means all applicable statutes and regulations, including all amendments to such statutes and regulations, as they become effective, and all applicable requirements in HUD handbooks, notices and mortgagee letters that apply to the Leased Premises, including all updates and changes to such handbooks, notices and mortgagee letters that apply to the Leased Premise, except that changes subject to notice and comment rulemaking shall become effective upon completion of the rulemaking process.

"Leased Premises" means all the land located at, and known and identified as Unit 1 of Whitehall Manor Condominium, said premises being situated in the Township of Whitehall, Lehigh County, Pennsylvania, and more particularly described in Exhibit "B" attached to this Second Amendment to Lease Agreement dated as of January 1, 2012, together with any additions thereto and substitutions therefore, and any buildings, improvements, betterments, all FF&E and other property, real or personal, now existing or at any time acquired, constructed or located thereon, and all easements and other rights appurtenant thereto.

"Lender" means M&T Realty Capital Corporation, and any future holder of the Mortgage.

"Lessee" means Whitehall Manor, Inc.

"Lessee Regulatory Agreement" means the Regulatory Agreement-Nursing Homes entered into by and between the Lessee and FHA with respect to the Leased Premises and any riders, amendments and supplements thereto.

"Lessee Security Agreement" means that certain Lessee Security Agreement between Lessee and Lender with respect to the Leased Premises and any amendments or supplements thereto.

"Material Term" is a term in a loan or security agreement that:

1) extends the maturity date of the loan;
2) adds guarantors to the loan;
3) releases guarantors from the loan;
4) adds borrowers to the loan;
5) adds an interest reserve to the loan;
6) amends the interest rate payable on the outstanding principal balance of the loan;
7) increases or decreases the principal amount of the loan;
8) adds collateral as additional security for the loan; and/or
9) amends or expands the type of obligations secured by the loan.

"Mortgage" means that certain mortgage or deed of trust from the Owner/Lessor in favor of the Lender with respect to the Leased Premises securing the Mortgage Loan, and any amendments and supplements thereto.

"Mortgage Loan" means the FHA-insured mortgage loan in the original maximum principal amount of up to $15,788,700.00 made by Lender to the Owner/Lessor, secured, in whole or in part, by the Leased Premises, as the same may be amended, increased or decreased.

"Mortgage Loan Documents" means the Owner/Lessor Regulatory Agreement, the Mortgage, the Promissory Note evidencing the Mortgage Loan executed by the Owner/Lessor in favor of the Lender, the Security Agreement, the Lessee Regulatory Agreement, the Lessee Security Agreement, and any and all other documents required by HUD and/or the Lender in connection with the Mortgage Loan.

"Owner/Lessor" means Whitehall Fiduciary LLC, Trustee of the Whitehall Trust.

"Owner/Lessor Regulatory Agreement" means the Regulatory Agreement entered into by and between the Owner/Lessor and HUD with respect to the Leased Premises and any riders, amendments and supplements thereto.

"Security Agreement" means that certain Security Agreement between Owner/Lessor and Lender with respect to the Leased Premises and any amendments and supplements thereto.

HUD REQUIREMENTS

1. Precedence of Addendum. For so long as HUD is the holder or insurer of any indebtedness secured by the Leased Premises, the provisions of this Addendum shall apply to this Lease. In the event of any conflict between any provision of this Addendum and any other provision of this Lease, the provision of this Addendum shall be controlling. This Addendum shall not be amended without the prior written consent of HUD and the Lender.

2. Compliance With HUD Program Requirements and Terms of Mortgage Loan Documents.

(a) The Lessee agrees to comply with all applicable HUD Program Requirements and the Mortgage Loan Documents. The Lessee further agrees that this lease will be part of the collateral pledged by Owner/Lessor to Lender & HUD. The Lessee agrees that it will not take

any action which would violate any applicable HUD Program Requirements or any of the Mortgage Loan Documents.

(b) In the event of any conflict between the terms and provisions of this Lease Agreement and any applicable HUD Program Requirements or the Mortgage Loan Documents, the HUD Program Requirements and Mortgage Loan Documents shall control in all respects. Owner/Lessor and Lessee agree that no provision of this Lease shall modify any obligation of Owner/Lessor or Lessee under the Mortgage Loan Documents. Owner/Lessor and Lessee acknowledge that HUD's acceptance of this Lease in connection with the closing of the Mortgage Loan shall in no way constitute HUD's consent to arrangements which are inconsistent with HUD Program Requirements. This Lease is subject to all HUD Program Requirements.

3. Subordination.

(a) This Lease is and shall be subject and subordinate to the Mortgage and other Mortgage Loan Documents; to all renewals, modifications, consolidations, replacements and extensions thereof; to all substitutions thereof; and to all future mortgages upon the Leased Premises and/or other security interests in or to the Leased Premises and any other items which are herein leased to Lessee or which, pursuant to the terms hereof, become a part of the Leased Premises or are otherwise deemed to become the property of Owner/Lessor or to remain upon the Leased Premises at the end of the term; and to each advance made or hereafter to be made under any of the foregoing. This Section shall be self-operative and no further instrument of subordination shall be required. Without limiting the foregoing, the Lessee agrees to execute and deliver promptly any and all certificates, agreements and other instruments that the Owner/Lessor, Lender or HUD may reasonably request in order to confirm such subordination. Unless the Lender shall have agreed otherwise, if the Lender or another person or entity shall succeed to the interest of the Owner/Lessor by reason of foreclosure or other proceedings brought by Lender in lieu of or pursuant to a foreclosure, or by any other manner (Lender or such other person or entity being called a "Successor"), then this Lease shall terminate, or, at the option of the Successor, this Lease shall nevertheless continue in full force and effect, in which case the Lessee shall and does hereby agree to attorn to the Successor and to recognize the Successor as its landlord under the terms of this Lease.

(b) Agreements for provision of services to the Leased Premises or the granting of easements, rights of way or other allowances of use or placement of CATV, utilities or other items are, and shall always be, subordinate to (i) the right of Owner/Lessor, and (ii) the Mortgage and other Mortgage Loan Documents and all other mortgages and security interests now or hereafter encumbering the Leased Premises and/or the property of which it forms a part. Lessee must obtain HUD written approval prior to entering into any telecommunications services agreement and/or granting of any easements.

4. FF&E. Lessee agrees that (a) except leases of FF&E entered into in the ordinary course of business with third-party lessees and property of tenants and residents of the Leased Premises, all FF&E located on the Leased Premises at the date of the Lease is and shall be the property of the Owner/Lessor , and (b) any FF&E acquired by Owner/Lessor or Lessee during the term of this Lease remaining on the Leased Premises at the termination of the Lease shall be and/or become the property of the Owner/Lessor. Lessee agrees, during the term of the Lease,

not to remove any FF&E from the Leased Premises, except to replace such FF&E with other similar items of equal or greater quality and value.

5. Payments. Owner/Lessor and Lessee each acknowledges and agrees that the rent and other amounts payable by Lessee under this Lease (including rent, additional rent and all other sums payable under this Lease) are sufficient to properly maintain the Leased Premises, and to enable the Owner/Lessor to meet its debt service obligations and related expenses in connection with the Mortgage Loan and the Leased Premises.

(a) Without limiting the generality of the foregoing, the Lessee agrees to pay, as additional rent, when due all premiums for (i) FHA mortgage insurance, (ii) liability insurance and full coverage property insurance on the Leased Premises, and (iii) all other insurance coverage required under the Mortgage Loan Documents and/or applicable HUD Program Requirements.

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

6. Lessee Regulatory Agreement and Lessee Security Agreement. At the time of the closing of the Mortgage Loan, the Lessee agrees to execute the Lessee Regulatory Agreement and the Lessee Security Agreement, and other applicable documents evidencing the Lender's security interest in the collateral of the Lessee. The Lessee agrees to comply with its obligations under the Lessee Regulatory Agreement and the Lessee Security Agreement, and agrees that a default by the Lessee under the Lessee Regulatory Agreement or Lessee Security Agreement shall be deemed to be a default under this Lease.

7. Management Contract Requirements. The Lessee agrees not to enter into any management contract involving the Leased Premises unless such management contract complies with applicable HUD Program Requirements and contains provisions that, in the event of default under the Owner/Lessor Regulatory Agreement or the Lessee Regulatory Agreement, the management agreement shall be subject to termination upon not more than thirty (30) days notice without penalty upon written request of HUD. Upon such HUD termination request, the Lessee shall immediately arrange to terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to HUD for continuing proper management of the Leased Premises.

8. Licenses; Bed Authority. Lessee shall ensure that the Leased Premises meets all state licensure requirements and standards at all times. Owner/Lessor and Lessee agree not to undertake or acquiesce to any modification to any license with respect to the Leased Premises or to any "bed authority" related thereto without the prior written approval of HUD.

9. Governmental Receivables. Lessee shall be responsible for obtaining and maintaining all necessary provider agreements with Medicaid, Medicare and other governmental third party payors. Lessee agrees to furnish HUD and Lender with copies of all such provider agreements and any and all amendments thereto promptly after execution thereof.

10. Financial Statements and Reporting Requirements. Lessee agrees to furnish HUD and Lender copies of its annual financial statements with respect to the Leased Premises, prepared in compliance with the requirements of the Lessee Regulatory Agreement, within ninety (90) days after the close of Lessee's fiscal year or such longer period as may be permitted by HUD. Lessee agrees to submit to HUD and Lender copies of all other financial reports as specified in the Lessee Regulatory Agreement.

11. Inspections. The Lessee agrees that upon reasonable request, the Lender, HUD and their respective designees and representatives may at all reasonable times, upon reasonable notice, subject to the rights of patients, residents and tenants, examine and inspect the Leased Premises. The Lessee will, on the request of the Lender and/or HUD, promptly make available for inspection by the Lender and/or HUD, and their designees and representatives, copies of all of the Lessee's correspondence, books, records and other documentation relating to the Leased Premises, excepting communications between the Lessee and its attorneys. The Lessee agrees to maintain accounting records for the Leased Premises in accordance with its customary practice and the Lessee Regulatory Agreement, separate from any general accounting records which the Lessee may maintain in connection with the Lessee's other activities. The Lessee agrees that the Lender and/or HUD, and their designees and representatives, shall at any reasonable time, have access to and the right to examine all accounting records of the Lessee which relate directly or indirectly to the Leased Premises. The obligations of Lessee under this Section shall be limited to the extent necessary in order for Lessee to comply with applicable laws regarding the confidentiality of resident/patient medical records and information.

12. Insurance; Casualty; Condemnation. The Lessee agrees to procure and maintain, or cause to be procured and maintained, the insurance coverage required pursuant to the Mortgage Loan Documents and/or applicable HUD Requirements, including HUD Notices H 04-01 and H 04-15. Insurance proceeds and the proceeds of any condemnation award or other compensation paid by reason of a conveyance in lieu of the exercise of such power, with respect to the Leased Premises or any portion thereof shall be applied in accordance with the terms of the Mortgage Loan Documents and applicable HUD Program Requirements. The decision to repair, reconstruct, restore or replace the Leased Premises following a casualty or condemnation shall be subject to the terms of the Mortgage Loan Documents and applicable HUD Requirements.

13. Assignment of Operating Lease and Subletting of the Leased Premises. This Lease shall not be assigned or subleased by Lessee, in whole or in part (including any transfer of title or right to possession and control of the Leased Premises, or of any right to collect fees or rents), without the prior written approval of HUD. The prior written approval of HUD shall be required for (a) any change in or transfer of the management, operation, or control of the project or (b) any change in the ownership of the lessee that requires HUD approval under the Department's previous participation approval requirements. Owner/Lessor and Lessee acknowledge that any proposed assignee will be required to execute a Lessee Regulatory Agreement and a Lessee Security Agreement, each in form and substance satisfactory to HUD, as a prerequisite to any such approval. Any assignment or subletting of the Leased Premises made without such prior approval shall be null and void. This restriction on subletting does not apply to Lessee's leasing of individual units or beds to patient / residents.

14. Accounts Receivable (AR) Financing. The Lessee shall not pledge its accounts receivable or receipts to an accounts receivable lender for any loan without the prior written approval of the Lender and HUD. In the event that the Lender and HUD grant such approval; (i) the holder(s) of such lien shall enter into an Intercreditor and a Rider to Intercreditor Agreement with the AR Lender and Lender on such terms and conditions as may be required by HUD; and (ii) Lessee shall agree to comply with the requirements imposed by the Lender and HUD in connection therewith. Until such approved loan is paid in full, the written approval of HUD is required for any proposed modifications, extensions, renewals or amendments to a Material Term of the AR loan or the security agreement, prior to the effective date of such amendments.

15. Termination of Lease. The Lease shall not be terminated prior to its expiration date without the prior written approval of HUD. If HUD becomes Mortgagee, Mortgagee in Possession, or Successor, HUD can terminate the Lease (A) for any violation of the Lease that is not cured within any applicable notice and cure period given in the Lease, (B) for any violation of the Lessee Regulatory Agreement or other HUD Program Requirements or Health Care Requirements that is not cured within thirty (30) days after receipt by Lessee of written notice of such violation or (C) if HUD, as a result of the occurrence of either of the events described in the foregoing items (A) or (B), is required to advance funds for the operation of the facility located on the Leased Premises.

16. Master Lease. Projects proposed for FHA financing under the Section 232 program that are affiliated by common ownership among Mortgagors and/or Lessee/Operator entities must receive written approval from HUD, and may be required to use a Master Lease between the Mortgagor/Landlord and the Master Tenant/Subtenant/Operator. The Master Lease and the HUD Master Lease Subordination Agreement or Master Lease Subordination Non Disturbance Agreement shall be approved by HUD and the Mortgagee. The Master Lease shall only contain Mortgagors and Operators of FHA-insured projects.

17. Notwithstanding any other terms contained in the Lease, in the event of an assignment of the Lease to HUD or FHA, neither HUD nor FHA shall have any indemnification obligations under the Lease. In addition, any payment obligations of HUD or FHA pursuant to the Lease shall be limited to actual amounts received by HUD or FHA, and otherwise not prohibited by applicable law or regulation, including without limitation, the Anti Deficiency Act, 31 U.S.C. § 1341 et seq.

[signature page follows...]

SIGNATURE PAGE
FOR
HUD ADDENDUM TO OPERATING LEASE

In witness whereof, the undersigned has executed and delivered this Addendum as of the date first above set forth.

OWNER/LESSOR:

WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007

By: _____
Name: Abraham Atiyeh
Title: Manager

LESSEE:

WHITEHALL MANOR, INC.,
a Pennsylvania corporation

By: _____
Name: Nimita Kapoor Atiyeh
Title: President

EXHIBIT B

LEGAL DESCRIPTION

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-1

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

THIRD AMENDMENT TO LEASE AND MEMORANDUM OF LEASE EXTENSION

This Third Amendment to Lease and Memorandum of Lease Extension is effective as of August 31, 2018 by and between **WHITEHALL TRUST**, herein called Landlord;

AND

WHITEHALL MANOR, INC., herein called Tenant.

Witnesseth:

Whereas, Landlord and Tenant are parties to the Lease dated August, 2008, which was amended by First Amendment to Lease, made and dated as of January 1, 2012, and Second Amendment to Lease, made and dated as of January 1, 2012, (collectively and as amended herein called the "Lease"), by which Landlord has leased to Tenant the real property and improvements thereon situate on Unit 1 of Whitehall Manor Condominium; and

Whereas, Landlord and Tenant have agreed that Tenant has exercised its option to extend the Term of the Lease for a period of Five (5) Years as allowed by the Lease; and

Whereas, the parties desire that this Third Amendment to Lease and Memorandum of Lease Extension be executed to memorialize the election by Tenant of its exercise of the first of the three (3) extension options granted to Tenant under the Lease.

NOW, THEREFORE, the parties hereto, intending to be legally bound, and for other good and valuable consideration, do hereby agree as follows:

1. The above recitals are incorporated herein, and form a part hereof.

2. Tenant has exercised the privilege to extend the Term for 5 years, such that the original termination date of August 31, 2018 is now agreed to be August 31, 2023.

3. All other terms and conditions of the Lease (as amended through and including the Second Amendment), are ratified and affirmed.

4. Tenant expressly ratifies and affirms the rights granted to Landlord to confess judgment against Tenant as if the same were fully set forth herein at length. Tenant has knowingly and voluntarily granted the warrants of attorney and waivers of rights and authorization for confession of judgment.

5. Tenant certifies that it has no claims against Landlord, and that Tenant has no knowledge of any default by Landlord under the Lease or other claim which it does, or could, have against Landlord.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Third Amendment to Lease and Memorandum of Lease Extension, intending to be legally bound effective as of August 31, 2018.

WHITEHALL TRUST ("Landlord")
By: Whitehall Fiduciary LLC,
Its Trustee

By: _____
Abraham Atiyeh,
Manager of Trustee

WHITEHALL MANOR, INC. ("Tenant")

By: _____
Nimita Kapoor Atiyeh, President

FOURTH AMENDMENT TO LEASE AND MEMORANDUM OF LEASE EXTENSION

This Fourth Amendment to Lease and Memorandum of Lease Extension is effective as of September 21, 2023 by and between **WHITEHALL TRUST,** herein called Landlord;

AND

WHITEHALL MANOR, INC., herein called Tenant.

Witnesseth:

Whereas, Landlord and Tenant are parties to the Lease dated August, 2008, which was amended by First Amendment to Lease, made and dated as of January 1, 2012, and Second Amendment to Lease, made and dated as of January 1, 2012, and a Third Amendment made August 31, 2018, (collectively and as amended herein called the "Lease"), by which Landlord has leased to Tenant the real property and improvements thereon situate on Unit 1 of Whitehall Manor Condominium; and

Whereas, Tenant has made improvements to the Premises; and

Whereas, Landlord and Tenant have agreed that Tenant has exercised its option to extend the Term of the Lease for a period of Five (5) Years as allowed by the Lease, and that the terms of such lease extension were orally modified as of September 21, 2023 as more fully set forth herein; and

Whereas, the parties desire that this Fourth Amendment to Lease and Memorandum of Lease Extension be executed to memorialize the election by Tenant of its exercise of the second of the three (3) extension options granted to Tenant under the Lease, and to memorialize the modification of terms of the Lease as set forth herein.

NOW, THEREFORE, the parties hereto, intending to be legally bound, and for other good and valuable consideration, do hereby agree as follows:

1. The above recitals are incorporated herein, and form a part hereof.

2. Tenant has exercised the privilege to extend the Term for 5 years, such that the modified termination date of August 31, 2023, and to allow for the calculation on a calendar year basis, is now agreed to be December 31, 2028.

3. Tenant has made repairs and also arranged for other work to be performed to maintain the condition of the Premises.

4. Landlord and Tenant also have agreed to waive all past due rental and any obligations of Tenant or Landlord not performed by one or both through September 21, 2023, and hereby waive and release all unpaid sums and all performance not fully and timely provided.

a. Tenant waives any rights to refund or for calculation of overpayment previously made.
b. Tenant waives any right to payment for improvements made and any repairs or remodeling performed, other than any insurance coverage payments or proceeds as may be available.
c. This Fourth Amendment is a full waiver and release of all defaults, deficient performance and any other obligation of Landlord or of Tenant which has arisen or could have been asserted at any time through and including the date hereof.

5. Landlord and Tenant also have agreed that Tenant shall have two (2) additional extension periods of five (5) years, each, and that any renewal may be exercised by notice from Tenant to Landlord given not less than 90 days prior to the end of the then current termination date of the then current lease extension.

6. Landlord and Tenant have agreed to the following modifications of the Lease:

a. Base Rental
   i. For the period through December 31, 2024, no Base Rental shall be due.
   ii. For the remainder of the current renewal Term (i.e. calendar years 2025, 2026, 2027 and 2028) Base Rent shall be the greater of (i) One Hundred Twenty Thousand ($120,000.00) Dollars or (ii) Twenty-five (25%) percent of the net operating profit of Tenant from the operation of a personal care home at the Premises [reduced by all capital expenditures and by payment for any real property obligation which Tenant may elect to pay, and by uncollected accounts receivable or bad debt] for each calendar year of the Term, limited to the sum of Three Hundred Thousand ($300,000.00) per annum, to be paid on April 30 of the year following the calendar year for which the calculation shall be made; and
   iii. Base Rental for each calendar year of the Renewal Terms (i.e. Calendar years starting after December 31, 2028 shall be the greater of (i) Two Hundred Forty Thousand ($240,000.00)

Dollars or (ii) Twenty-five (25%) percent of the net operating profit of Tenant from the operation of a personal care home at the Premises [reduced by all capital expenditures and by payment for any real property obligation which Tenant may elect to pay and by uncollected accounts receivable or bad debt] during a calendar year, limited to the sum of Five Hundred Thousand ($500,000.00) per annum. Base Rental shall be due on April 30 of the year following the calendar year for which the calculation shall be made; and

b. Tenant shall pay all charges for electric, water and sewer services provided to the Premises prior to the same being made a lien upon the Premises; and
c. Tenant shall pay the premiums for one or more insurance policies to provide (i) property casualty insurance for the Premises and (ii) general liability insurance for the Premises; and
d. Repairs to the Premises as are required to maintain the Premises in the condition required for lawful operation of a personal care home.

7. The obligations of Landlord and/or Tenant under any Regulatory Agreement and all agreements, security interests and other rights, privileges, obligations or performance required under any Regulatory Agreement or other agreement made with the United States Department of Housing and Urban Development ("USHUD") or anyone required by, for or concerning USHUD or arising under any obligation with, concerning or associated with USHUD (collectively "HUD Obligations"), are hereby terminated and void as of September 20, 2023. Any past violations or continuing violation of the terms or conditions of any HUD Obligations are hereby waived and released.

8. All other terms and conditions of the Lease (as amended through and including the Third Amendment and the oral amendment memorialized herein), are ratified and affirmed.

9. This Agreement is effective as of September 21, 2023 notwithstanding a later date of execution.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Fourth Amendment to Lease and Memorandum of Lease Extension, intending to be legally bound effective as of September 21, 2023.

WHITEHALL TRUST ("Landlord")

By: Whitehall Fiduciary LLC, its Trustee

By: _____
Abraham Atiyeh, its Manager

WHITEHALL MANOR, INC. ("Tenant")

By: _____
Nimita Kapoor Atiyeh, President

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

LEHIGH VALLEY 1 LLC, successor by assignment to WINDSTREAM CAPITAL LLC, successor by assignment to the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, successor by assignment to M&T REALTY CAPITAL CORPORATION	:	**CIVIL ACTION**
	:	**NO. 24-2627**
v.	:	
WHITEHALL FIDUCIARY LLC, as TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007	:	
LEHIGH VALLEY 1, LLC, successor by assignment to WINDSTREAM CAPITAL LLC, successor by assignment to the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, successor by assignment to M&T REALTY CAPITAL CORPORATION	:	**CIVIL ACTION**
	:	**NO. 24-2709**
v.	:	
SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007	:	

ORDER

AND NOW, this 19th day of December, 2025, upon consideration of Receiver's Motion for Sanctions (the "Motion for Sanctions"), the Responses filed by Defendants Whitehall Fiduciary LLC ("Whitehall Trust") and Saucon Trust and Non-Parties Nimita Kapoor Atiyeh and Abraham Atiyeh (collectively, "Respondents"), the Receiver's Reply in Further Support of the Motion, along with Receiver's Affidavit setting for the amount of attorneys' fees and costs incurred in the preparation, filing and presentment of the Motion for Sanctions, and upon consideration of Plaintiff's Motion to Void and Set Aside Lease Amendments and for Declaratory Judgment ("Motion to Void Amendments'), and the Response thereto, the oral argument held in Court on December 18, 2025,

and the concessions, admissions and statements made by the Parties, and the Court having found that Respondents have each violated the September 2, 2025 Order by failing to produce documents ordered to be produced in the aforementioned Order; it is hereby **ORDERED** as follows:

1. The Receiver's Motion for Sanctions (Docket No. 102, Case No. 24-2709) is **GRANTED**.

2. On or before December 29, 2025, Respondents shall produce each and every document ordered to be produced by this Court's Order dated September 2, 2025. Respondents are each deemed to have possession, control or the practical ability to obtain the documents, and may not claim that they cannot obtain the documents ordered to be produced.

3. On or before December 29, 2025, Respondents shall pay to Receiver the sum of $21,281.00 to compensate her for the preparation, filing and presentment of the Motion for Sanctions.

4. Receiver shall file a Report to the Court on or before January 2, 2026, indicating whether Respondents have complied with the requirements of the above paragraphs 2 and 3. If it is reported in the Report that Respondents have not complied with requirements of paragraphs 2 and 3, the Court will consider striking Defendants' Answer and Affirmative Defenses and entering Judgment of Foreclosure and Sale in favor of Plaintiff and against Defendants.

5. On or before December 29, 2025, Respondents, Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are directed to turn over to Receiver any rental payments received from October 31, 2025 (the date Good Shepherd Rehabilitation Hospital was directed to make payments to the Receiver). This includes rent received from Good Shepherd Rehabilitation Hospital only.

6. Respondents, Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are restrained from interfering with Receivers' efforts to collect rent, licensing fees, other occupancy fees or income of any sort from any and all occupants of the Properties. As agreed to by the Parties, any rent, licensing fee, occupancy fee or income of any sort that is or was paid to Respondents, Whitehall Manor, Inc. or Saucon Valley Manor, Inc. or any other entity over which Respondents, Whitehall Manor, Inc. or Saucon Valley Manor, Inc. have an interest or otherwise control, for rent or fees due and owing for January of 2026 and thereafter, shall be turned over to Receiver within 3 days of the date of this Order (in the case where money has already been received) or within 3 days of receipt (in the case where money is hereinafter received), along with a complete accounting of the source of the money received.

7. Plaintiff's Motion to Void and Set Aside Lease Amendments (Docket No. 92, Case No. 24-2627) is **GRANTED**.

8. The Sixth Amendment to Lease Agreement executed on September 21, 2023, affecting the property at 1050 Main Street, Unit #1, Hellertown, Pennsylvania, and the Fourth Amendment to Lease and Memorandum of Lease Extension executed on September 21, 2023, affecting the property at 1177 Sixth Street, Whitehall, Pennsylvania (the "Amendments"), are hereby **DECLARED NULL**, **VOID**, and **OF NO LEGAL EFFECT**.

BY THE COURT:

/s/ Catherine Henry

CATHERINE HENRY, J.

EXHIBIT G

Fill in this information to identify the case:	
Debtor 1	Saucon Valley Manor, Inc.
Debtor 2 (Spouse, if filing)	
United States Bankruptcy Court for the:	Eastern District of Pennsylvania
Case number	4:25BK15244

Official Form 410

Proof of Claim

04/25

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. **Who is the current creditor?**
   Saucon Management LLC, as trustee for the Saucon Trust
   Name of the current creditor (the person or entity to be paid for this claim)
   Other names the creditor used with the debtor

2. **Has this claim been acquired from someone else?**
   ☑ No
   ☐ Yes. From whom?

3. **Where should notices and payments to the creditor be sent?**
   Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?	**Where should payments to the creditor be sent?** (if different)
Brett L. Messinger - Duane Morris LLP Name	Name
30 South 17th Street Number Street	Number Street
Philadelphia PA 19103 City State ZIP Code	City State ZIP Code
Contact phone 215.979.1508	Contact phone
Contact email blmessinger@duanemorris.com	Contact email

Uniform claim identifier (if you use one):

4. **Does this claim amend one already filed?**
   ☑ No
   ☐ Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**
   ☑ No
   ☐ Yes. Who made the earlier filing?

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**
☐ No
☑ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: 1 9 1 7

7. **How much is the claim?** $ 8,460,834.01 . **Does this amount include interest or other charges?**
☑ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**
Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.
Lease

9. **Is all or part of the claim secured?**
☑ No
☐ Yes. The claim is secured by a lien on property.
Nature of property:
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim.*
☐ Motor vehicle
☐ Other. Describe: _____
Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
Value of property: $_____
Amount of the claim that is secured: $_____
Amount of the claim that is unsecured: $_____ (The sum of the secured and unsecured amounts should match the amount in line 7.)
Amount necessary to cure any default as of the date of the petition: $_____
Annual Interest Rate (when case was filed)_____%
☐ Fixed
☐ Variable

10. **Is this claim based on a lease?**
☐ No
☑ Yes. **Amount necessary to cure any default as of the date of the petition.** $ 8,176,597.17

11. **Is this claim subject to a right of setoff?**
☑ No
☐ Yes. Identify the property: _____

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?** A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.	☑ No ☐ Yes. *Check one:*	**Amount entitled to priority**
	☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	$_____
	☐ Up to $3,800* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	$_____
	☐ Wages, salaries, or commissions (up to $17,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	$_____
	☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	$_____
	☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	$_____
	☐ Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies.	$_____

* Amounts are subject to adjustment on 4/01/28 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(3) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.
☑ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 03/25/2026
MM / DD / YYYY

/s/ Brett L. Messinger
Signature

Print the name of the person who is completing and signing this claim:

Name: Brett Lawrence Messinger
First name Middle name Last name

Title: Attorney for Receiver

Company: _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address: 30 South 17th Street
Number Street

Philadelphia PA 19103
City State ZIP Code

Contact phone 215.979.1508 Email blmessinger@duanemorris.com

SAUCON PROPERTY — Rent Arrears Analysis

Saucon Trust (Landlord) / Saucon Valley Manor, Inc. (Tenant)
Governing: Fourth Amend. (Nov 1, 2012) rent terms, as ratified by Fifth Amend. (July 1, 2018)
Sixth Amendment (Sept 21, 2023) — REJECTED / NULL AND VOID

KEY LEASE TERMS (Fourth/Fifth Amendment)	
Annual Minimum Rent:	**$1,705,421.00**
Monthly Rent ($1,705,421 ÷ 12):	**$142,118.42**
Alternative: 105% of HUD costs (P&I + MIP + reserves + insurance + taxes)	
Rent is the GREATER of $1,705,421 or 105% of HUD costs	
Arrears Period (assumed same as Whitehall):	March 1, 2021 through December 31, 2025

MONTHLY ARREARS SCHEDULE — March 2021 through December 2025

Year	Months Unpaid	Monthly Rent	Annual Rent Due	Cumulative Arrears	Notes
2021	10	$142,118.42	$1,421,184.17	$1,421,184.17	Mar–Dec 2021 (10 months)
2022	12	$142,118.42	$1,705,421.00	$3,126,605.17	Full year
2023	12	$142,118.42	$1,705,421.00	$4,832,026.17	Full year
2024	12	$142,118.42	$1,705,421.00	$6,537,447.17	Full year
2025	12	$142,118.42	$1,705,421.00	$8,242,868.17	Full year (through Dec 31, 2025)

TOTAL MONTHS UNPAID: **58**
GROSS BASE RENT ARREARS (minimum): **$8,242,868.17**

CREDITS / OFFSETS				
Less: Property Taxes Paid by SVM on behalf of Saucon Trust:		**-$66,271.00**		Credit to tenant
Total Credits:		**-$66,271.00**		

NET AMOUNT DUE — SAUCON: **$8,176,597.17**

Case 25-15244-pmm Doc 256-5 Filed 01/26/26 Entered 01/26/26 12:36:22 Desc Exhibit G POC Supplement Main Page 5 of 50

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 1st day of January, 2006 between ABRAHAM R. ATTYEH ("**Landlord**"), and the Tenant named below.

Tenant:	SAUCON VALLEY MANOR, INC., a Pennsylvania corporation
Tenant's Address for Notices:	1177 N. 6th Street, Whitehall, PA 10852
Landlord's Address for Notices and Payments:	1177 N. 6th Street, Whitehall, PA 10852
Premises:	Property located at 1050 Main Street, Township of Lower Saucon, County of Northampton, Commonwealth of Pennsylvania, more specifically described on Exhibit A.
Term:	The term of the Lease begins on January 1, 2006 and ends on July 31, 2012.
Base Rent:	$5,748,000 for the Term, payable in monthly installments of $95,800 each in accordance with Section 4 hereof.
Additional Rent:	All other amounts due under this Lease by Tenant to Landlord, which amounts shall be computed as incurred during the Term of the Lease.
Exhibits:	A. Description of Premises

1. **Granting Clause.** In consideration of the obligation of Tenant to pay rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Landlord leases to Tenant, and Tenant takes from Landlord, the Premises, to have and to hold for the Term, subject to the terms, covenants and conditions of this Lease.

2. **Acceptance of Premises.** Tenant shall accept the Premises in its "As Is" condition as of the first day of the Term, subject to all applicable laws, ordinances, regulations, covenants and restrictions. Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. In no event shall Landlord have any obligation for any defects in the Premises or any limitation on its use. The taking of

possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken.

3. **Use; Zoning.** The Premises shall be used only for the purpose of a residential assisted living facility. Landlord does not warrant or represent that Tenant shall be able to obtain a permit under any zoning or other ordinance or regulation for such use as Tenant intends to make of the Premises, and nothing in this Lease shall obligate Landlord to assist Tenant in obtaining such permit. Landlord and Tenant further agree that in case the Tenant is unsuccessful in obtaining a permit under any zoning ordinance or regulation, that this Lease will not terminate without Landlord's consent and, should such consent be withheld by Landlord, Tenant agrees to use the Premises only in a manner permitted under such zoning ordinance or regulation. Tenant will use the Premises in a careful, safe and proper manner and will not commit waste, or subject the Premises to use that would damage the Premises. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise, or vibrations to emanate from the Premises, or take any other action that would constitute a nuisance. Tenant, at its sole expense, shall use and occupy the Premises in compliance with all laws, including, without limitation, the Americans With Disabilities Act, if applicable, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises (collectively, "**Legal Requirements**"). Tenant shall, at its expense, make any alterations or modifications, within or without the Premises, that are required by Legal Requirements related to Tenant's use or occupation of the Premises. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, violate its conditions or increase the insurance risk. If any increase in the cost of any insurance on the Premises is caused by Tenant's use or occupation of the Premises, or because Tenant vacates the Premises, then Tenant shall pay the amount of such increase to Landlord.

4. **Base Rent.** Tenant promises to pay to Landlord in advance, without demand, deduction or set-off, monthly installments of Base Rent in the amount of $137,500 each, commencing on the date hereof and continuing thereafter on or before the first day of each calendar month of the Term. Payments of Base Rent for any fractional calendar month shall be prorated. All payments required to be made by Tenant to Landlord hereunder shall be sent to Landlord's address for notices and payments, as set forth above, or at such other place as Landlord may from time to time designate to Tenant in writing. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any rent due hereunder except as may be expressly provided in this Lease. If Tenant is delinquent in any monthly installment of Base Rent or Additional Rent for more than 5 days, Tenant shall pay to Landlord on demand a late charge equal to ten percent (10%) of such delinquent sum, plus interest on any delinquent sum not paid within thirty (30) days after the due date therefor at the rate of 1½% per month (the "**Default Rate**"), which interest shall accrue from the due date to the date of payment. The provision for such late charge and interest shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as a penalty. Tenant shall pay to Landlord on demand a charge of $30.00 (or such higher sum as may be charged to Landlord by its bank) for any returned checks.

5. **Net Lease.** This is a net lease, and, except as the contrary is otherwise expressly herein provided, all costs of taxes, insurance, improvements, maintenance, repairs, alterations, additions, and replacements relating to the Premises shall be at the sole cost and expense of Tenant, and Landlord shall not be obligated to make any improvements, maintenance, repairs, alterations, additions, or replacements to the Premises.

6. **Utilities and Services.** Tenant shall supply and pay for all water, gas, electricity, heat, light, power, telephone, sewer, sprinkler services, refuse and trash collection, and other utilities and services used on the Premises, all maintenance charges for utilities, and any storm sewer charges or other similar charges for utilities imposed by any governmental entity or utility provider, together with any taxes, penalties, surcharges or the like pertaining to Tenant's use of the Premises. Landlord may cause, at Tenant's expense, any utilities to be charged directly to Tenant by the provider; and otherwise Tenant shall pay such charges to Landlord as Additional Rent. No interruption or failure of utilities shall be deemed to be the responsibility of Landlord, or shall result in the termination of this Lease or the abatement of rent.

7. **Insurance.**

(a) Tenant, at its expense, shall maintain during the Term: all risk property insurance covering the full replacement cost of all building(s) and other improvements on the Premises (excluding coverage of Tenant's personal property), and such other insurance as Landlord may reasonably deem appropriate or as any mortgagee of Landlord may require, including, without limitation, rent loss coverage and business personal property coverage including, without limitation, any Tenant-Made Alterations; and

(b) Tenant, at its expense, shall maintain during the Term, commercial general liability insurance, including blanket contractual liability insurance, covering Tenant's use of the Premises, with such coverages and limits of liability as Landlord may reasonably require, but not less than combined single limits of $2,000,000 per occurrence and in the aggregate for bodily injury or property damage (together with such umbrella coverage as Landlord may reasonably require); however, such limits shall not limit Tenant's liability hereunder. Landlord may from time to time require reasonable increases in any such limits. Tenant agrees to name Landlord as the insured party and loss payee in the policy for all risk property insurance. The commercial liability policies shall name Landlord as an additional insured and loss payee, and shall insure on an occurrence or a claims-made basis. The insurance policies shall be issued by insurance companies which are reasonably acceptable to Landlord, not be cancelable unless not less than 30 days' prior written notice shall have been given to Landlord, contain a hostile fire endorsement and a contractual liability endorsement and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Such policies or certificates thereof shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance.

The all risk property insurance obtained by Tenant shall include a waiver of subrogation by the insurers of all rights based upon an assignment from its insured, against Landlord, its officers, directors, employees, managers, agents, invitees and contractors, in

connection with any loss or damage thereby insured against. Neither Landlord nor its officers, directors, employees, managers, agents, invitees or contractors shall be liable to Tenant for loss or damage caused by any risk coverable by all risk property insurance, and Tenant waives any claims against Landlord, and its officers, directors, employees, managers, agents, invitees and contractors for such loss or damage. The failure of Landlord to insure its property shall not void this waiver. Landlord and its agents, employees and contractors shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises from any cause whatsoever, including without limitation, damage caused in whole or in part, directly or indirectly, by the negligence of Landlord or its agents, employees or contractors.

8. **Landlord's Repairs.** Except as provided in Section 12 of this Lease, Landlord shall have no obligation to inspect or maintain the Premises, or to make repairs or replacements to the Premises of any kind or nature, including those to the roof, foundation, or exterior walls of any building on the Premises (the "**Building**").

9. **Tenant's Maintenance and Repairs.** Tenant agrees to maintain the Premises, at Tenant's expense, in a good, clean, sanitary and safe condition, including, without limitation, maintenance of the lawn, shrubbery, sidewalks, driveways and other exterior areas of the Premises, snow and ice removal, yearly heater maintenance contract, sewage cost and maintenance, and trash removal. Tenant, at its expense, shall make all necessary repairs and replacements to all portions of the Premises and all areas, improvements and systems exclusively serving the Premises, including, without limitation: the roof, foundation, and exterior walls of the Building; plumbing, water and sewer lines serving the Premises; heating, ventilation and air conditioning systems; fire sprinklers, fire protection systems, security systems and all other systems existing on the Premises for the safety of the Premises and the occupants thereof; and all entries, doors, ceilings, windows, and interior walls. Such repairs and replacements include capital expenditures and repairs whose benefit may extend beyond the Term. Tenant agrees to enter into and maintain, at Tenant's expense, maintenance service contracts for heating, ventilation and air conditioning systems and other mechanical and building systems serving the Premises. The scope of services and contractors under such maintenance contracts shall be reasonably approved by Landlord. If Tenant fails to perform any repair or replacement for which it is responsible, Landlord may, but shall have no obligation to, perform such work and be reimbursed by Tenant within 10 days after demand therefor.

10. **Tenant-Made Alterations, Removal of Fixtures and/or Personal Property.** Any alterations, additions, or improvements made by or on behalf of Tenant to the Premises ("Tenant-Made Alterations") shall be subject to Landlord's prior written consent. Tenant shall cause, at its expense, all Tenant-Made Alterations to comply with insurance requirements and with Legal Requirements and shall construct at its expense any alteration or modification required by Legal Requirements as a result of any Tenant-Made Alterations. All Tenant-Made Alterations shall be constructed in a good and workmanlike manner by contractors reasonably acceptable to Landlord and only good grades of materials shall be used. All plans and specifications for any Tenant-Made Alterations shall be submitted to Landlord for its approval.

Landlord may monitor construction of the Tenant-Made Alterations. Tenant shall reimburse Landlord for its costs in reviewing plans and specifications and in monitoring construction. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations. Tenant shall provide Landlord with the identities and mailing addresses of all persons performing work or supplying materials, prior to beginning such construction, and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all work free and clear of liens and shall provide certificates of insurance for worker's compensation and other coverage in amounts and from an insurance company satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Tenant-Made Alterations, Tenant shall deliver to Landlord sworn statements setting forth the names of all contractors and subcontractors who did work on the Tenant-Made Alterations and final lien waivers from all such contractors and subcontractors. Upon surrender of the Premises, all Tenant-Made Alterations and any leasehold improvements constructed by Landlord or Tenant shall remain on the Premises as Landlord's property, except to the extent Landlord requires removal at Tenant's expense of any such items or Landlord and Tenant have otherwise agreed in writing in connection with Landlord's consent to any Tenant-Made Alterations. Tenant shall repair any damage caused by such removal. Tenant agrees not to remove any fixtures or significant personal property from the Premises during the Term.

11. **Signs.** Tenant shall not make any changes to the exterior of the Premises, install any exterior lights, decorations, balloons, flags, pennants, banners, or painting, or erect or install any signs, windows or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises, without Landlord's prior written consent. Upon surrender or vacation of the Premises, Tenant shall have removed all signs and repair, paint, and/or replace the building facia surface to which its signs are attached. Tenant shall obtain all applicable governmental permits and approvals for sign and exterior treatments. All signs, decorations, advertising media, blinds, draperies and other window treatment or bars or other security installations visible from outside the Premises shall be subject to Landlord's approval and conform in all respects to Landlord's requirements. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or for sale.

12. **Restoration.** If at any time during the Term the Premises are damaged by a fire or other casualty, Landlord shall notify Tenant within 30 days after receipt of at least 75% of the insurance proceeds relating to the casualty as to whether or not Landlord has elected to restore the Premises or to terminate the Lease. If this Lease is terminated under this Section, all rent shall be apportioned as of the date of the casualty. If Landlord elects not to terminate this Lease, then, subject to receipt of sufficient insurance proceeds, Landlord shall promptly restore the Premises excluding any improvements installed by Tenant or by Landlord and paid by Tenant, subject to delays arising from the collection of insurance proceeds or from Force Majeure events. Tenant at Tenant's expense shall promptly perform, subject to delays arising from the collection of insurance proceeds, or from Force Majeure events, all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in

accordance with this Lease. Base Rent shall be abated for the period of repair and restoration in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises. Such abatement shall be the sole remedy of Tenant, and Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

13. **Condemnation.** If any part of the Premises should be taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would prevent or materially interfere with Tenant's use of the Premises or in Landlord's judgment would materially interfere with or impair its ownership of the Premises, then upon written notice by Landlord this Lease shall terminate and Base Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, the Base Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. In the event of any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's Trade Fixtures, if a separate award for such items is made to Tenant.

14. **Assignment and Subletting.** Without Landlord's prior written consent, Tenant shall not assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises and any attempt to do any of the foregoing shall be void and of no effect. For purposes of this Section, a transfer of more than 25% of the ownership interests controlling Tenant or a change in the management of the Premises by Tenant shall be deemed an assignment of this Lease. Tenant shall reimburse Landlord for all of Landlord's reasonable out-of-pocket expenses in connection with any assignment or sublease. Upon Landlord's receipt of Tenant's written notice of a desire to assign or sublet the Premises, or any part thereof, Landlord may, by giving written notice to Tenant within 30 days after receipt of Tenant's notice, terminate this Lease with respect to the space described in Tenant's notice, as of the date specified in Tenant's notice for the commencement of the proposed assignment or sublease.

Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully responsible and liable for the payment of the rent and for compliance with all of Tenant's other obligations under this Lease (regardless of whether Landlord's approval has been obtained for any such assignments or sublettings). In the event that the rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto) exceeds the rental payable under this Lease, then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder all such excess rental and other excess consideration within 10 days following receipt thereof by Tenant.

If this Lease be assigned or if the Premises be subleased (whether in whole or in part) or in the event of the mortgage, pledge, or hypothecation of Tenant's leasehold interest or grant of any concession or license within the Premises or if the Premises be occupied in whole or in part by anyone other than Tenant, then upon a default by Tenant hereunder Landlord may collect rent from the assignee, sublessee, mortgagee, pledgee, party to whom the leasehold interest was hypothecated, concessionee or licensee or other occupant and, except to the extent set forth in the preceding paragraph, apply the amount collected to the next rent payable hereunder; and all such rentals collected by Tenant shall be held in trust for Landlord and immediately forwarded to Landlord. No such transaction or collection of rent or application thereof by Landlord, however, shall be deemed a waiver of these provisions or a release of Tenant from the further performance by Tenant of its covenants, duties, or obligations hereunder.

15. **Release and Indemnity.**

(a) Release. Tenant agrees that Landlord and its agents, employees, officers, directors, shareholders and partners shall not be liable to Tenant and Tenant hereby releases said parties from any liability, for any personal injury, loss of income or damage to or loss of persons or property, or loss of use of any property, in or about the Premises from any cause whatsoever, even if such damage, loss or injury results from the negligence or willful misconduct of Landlord, its officers, employees or agents. The release contained in this Section 15 shall apply, by way of example and not limitation, to damage, loss or injury resulting directly or indirectly from any existing or future condition, matter or thing in the Premises, the Building or any part thereof, or from equipment or appurtenances becoming out of repair, or from accident, or from the flooding of basements or other subsurface areas or from refrigerators, sprinkling devices, air conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors, or noise, or the bursting or leaking of pipes or plumbing fixtures, and shall apply equally whether any such damage, loss or injury results from the act or omission of Tenant or any other persons, and whether such damage be caused by or result from any thing or circumstance, whether of a like or wholly different nature.

(b) Indemnity. Tenant shall defend, indemnify, save and hold harmless ("Indemnify") Landlord and its agents, employees, officers, directors, shareholders, and partners from and against all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including reasonable attorneys' fees, court costs, administrative costs, and costs of appeals which may be imposed upon or incurred by or asserted against Landlord or its Agents and arising out of or in connection with loss of life, personal injury or damage to property in or about the Premises or arising out of the occupancy or use of the Premises by Tenant or its Agents or occasioned wholly or in part by any act or omission of Tenant or its Agents, whether prior to, during or after the Term. The obligation of Tenant to Indemnify contained in this Section 15 shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant, its agents or contractors under workers' or workman's compensation acts, disability benefit acts or other employee benefits acts, or under any other insurance coverage Tenant may obtain. Tenant's obligations pursuant to this subsection are intended to survive the expiration or termination of this Lease. As used in the Section 12, "Agents" of a party means such party's employees, agents, representatives,

contractors, licensees, invitees, and, with regard to Tenant's Agents, shall include all residents and occupants of the Premises.

16. **Inspection and Access.** Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make repairs, to the extent Landlord elects to do so, and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours for the purpose of showing the Premises to prospective lenders, tenants or purchasers. Landlord may grant easements, make public dedications, and create restrictions on or about the Premises, provided that no such easement, dedication, or restriction materially interferes with Tenant's use or occupancy of the Premises. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions.

17. **Quiet Enjoyment.** If Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

18. **Surrender.** Upon termination of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 12 and 13 excepted. Any Tenant-Made Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term shall survive the termination of the Term, including without limitation, indemnity obligations and obligations concerning the condition and repair of the Premises.

19. **Holding Over.** If Tenant retains possession of the Premises after the termination of the Term of this Lease, unless otherwise agreed in writing, such possession shall be subject to immediate termination by Landlord at any time, and all of the other terms and provisions of this Lease shall be applicable during such holdover period, except that Tenant shall pay Landlord from time to time, upon demand, as Base Rent for the holdover period, an amount equal to double the Base Rent in effect on the termination date, computed on a monthly basis for each month or part thereof during such holding over. All other payments shall continue under the terms of this Lease. In addition, Tenant shall be liable for all damages incurred by Landlord as a result of such holding over. No holding over by Tenant, with or without consent of Landlord, shall operate to extend this Lease, except as otherwise expressly provided, and this Section 19 shall not be construed as consent for Tenant to retain possession of the Premises. For purposes of this Section 19, "possession of the Premises" shall continue until, among other things, Tenant has delivered all keys to the Premises to Landlord, Landlord has complete and total dominion and control over the Premises, and Tenant has completely fulfilled all obligations required of it upon termination of the Lease as set forth in this Lease, including, without limitation, those concerning the condition and repair of the Premises.

20. **Events of Default.** Each of the following events shall be an event of default ("Event of Default") by Tenant under this Lease:

(a) Tenant shall fail to pay any installment of Base Rent or any other payment required herein when due, and such failure shall continue for a period of 5 days from the date such payment was due.

(b) Tenant or any guarantor or surety of Tenant's obligations hereunder shall (i) make a general assignment for the benefit of creditors; (ii) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "proceeding for relief"); (iii) become the subject of any proceeding for relief which is not dismissed within 60 days of its filing or entry; or (iv) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(c) Any insurance required to be maintained by Tenant pursuant to this Lease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each case, as permitted in this Lease.

(d) Tenant shall not occupy or shall vacate the Premises or shall remove its personal property and/or fixtures from the Premises, whether or not Tenant is in monetary or other default under this Lease.

(e) Tenant shall attempt or there shall occur any assignment, subleasing or other transfer of Tenant's interest in or with respect to this Lease except as otherwise permitted in this Lease.

(f) Tenant shall fail to discharge any lien placed upon the Premises in violation of this Lease within 30 days after any such lien or encumbrance is filed against the Premises.

(g) Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20.

21. **Landlord's Remedies.**

(a) Cumulative Remedies. In the event Tenant commits an event of default or otherwise breaches the terms of this Lease, Landlord shall have the following rights and remedies which shall be distinct, separate and cumulative and shall not operate to exclude or deprive Landlord of any other right or remedy allowed it by law or equity:

(i) To declare due and payable and sue for recovery, all unpaid Base Rent for the unexpired Term of the Lease (and also all Additional Rent as the amounts of same

can be determined or reasonably estimated) as if by the terms of this Lease the same were payable in advance, together with all reasonable legal fees and other expenses incurred by Landlord in connection with the enforcement of any Landlord's rights or remedies hereunder; and/or

(ii) To distrain, collect or bring action for such Base Rent and Additional Rent as being rent in arrears, or may enter judgment therefore in an action as herein elsewhere provided for in case of rent in arrears, or may file a Proof of Claim in any bankruptcy or insolvency proceeding for such Base Rent and Additional Rent, or institute any other proceedings, whether similar or dissimilar to the foregoing, to enforce payment thereof; and/or

(iii) If Landlord has not elected to accelerate rent under clause (i) above, to terminate this Lease by giving written notice thereof to Tenant and, upon the giving of such notice, this Lease shall expire and terminate with the same force and effect as though the date of such notice was the date hereinabove fixed for the expiration of the Lease, and all rights of Tenant hereunder shall expire and terminate, but Tenant shall remain liable as hereinafter provided; and/or

(b) Repossession of Premises. If any event of default shall have occurred and be continuing, Landlord may, whether or not the Lease has been terminated as herein provided, re-enter and repossess the Premises or any part thereof by force, summary proceedings, ejectment or otherwise and Landlord shall have the right to remove all persons and property therefrom. Landlord shall be under no liability for or by reason of any such entry, repossession or removal and no such re-entry or taking of possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate the Lease unless a written notice of such intention be given to Tenant or unless the termination of this Lease be by a court of competent jurisdiction. At any time or from time to time after the repossession of the Premises or any part thereof whether or not the Lease shall have been terminated, Landlord may (but shall be under no obligation to) relet all or any part of the Premises for the account of Tenant for such term or terms (which may be greater or less in the period which would otherwise have constituted the balance of the term) and on such conditions and for such uses as Landlord, in its absolute discretion, may determine and Landlord may collect and receive any rents payable by reason of such reletting. Landlord shall not be required to exercise any care or diligence with respect to such reletting or to the mitigation of damages. For the purpose of such reletting, Landlord may decorate or make repairs, changes, alterations or additions in or to the Premises or any part thereof to the extent deemed by Landlord desirable or convenient, and the cost of such decoration, repairs, changes, alterations or additions and any reasonable brokerage and legal fees expended by Landlord shall be charged to and payable by Tenant as Additional Rent hereunder. No expiration or termination of this Lease, by operation of law or otherwise, and no repossession of the Premises or any part thereof pursuant to this section, or otherwise, and no reletting of the Premises or any part thereof pursuant to this section shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

(c) Payment of Damages.

(i) In the event of any expiration or termination of this Lease or repossession of the Premises or any part thereof by reason of Tenant's default, and if Landlord has not elected to accelerate rent, Tenant shall pay to Landlord the Base Rent, Additional Rent and all other sums required to be paid by Tenant to and including the date of such expiration, termination, repossession and, thereafter, Tenant shall, until the end of what would have been the expiration of the term in the absence of such expiration, termination, repossession and whether or not the Premises or any part thereof shall have been relet, be liable to Landlord for, and shall pay to Landlord, as liquidated and agreed current damages, the Base Rent, Additional Rent and other sums which would be payable under this Lease by Tenant in the absence of such expiration, termination or repossession, less the net proceeds, if any, of any reletting effective for the account of Tenant, after deducting from such proceeds all of Landlord's reasonable expenses in connection with such reletting (including, without limitation, all related repossession costs, brokerage commissions, attorneys' fees, alterations costs and expenses for preparation of such reletting). Tenant shall pay such current damages on the days on which the rent would have been payable under this Lease in the absence of such expiration, termination, repossession and Landlord shall be entitled to recover the same from Tenant on each such day.

(ii) At any time after such expiration or termination of this Lease or repossession of the Premises or any part thereof by reason of the occurrence of Tenant's default, whether or not Landlord shall have collected any current damages, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord on demand, unless Tenant has paid the whole or accelerated rent, as and for liquidated and agreed final damages for Tenant's default and in lieu of all current damages beyond the date of such demand (it being agreed that it would be impracticable or extremely difficult to fix the actual damages), an amount equal to the excess, if any, of (A) Base Rent, Additional Rent and other sums which would be payable under this Lease for the remainder of the term from the date of such demand for what would have been the unexpired term of this Lease in the absence of such expiration, termination or repossession, discounted at the rate of six (6%) percent per annum, over (B) the then fair rental value of the Premises for the same period, discounted at a like rate. If any statute or rule of law shall limit the amount of such liquidated final damages to less than the amount above agreed upon, Landlord shall be entitled to the maximum amount allowable under such statute or rule of law.

(iii) Tenant further hereby expressly the authorizes and empowers Landlord, upon the occurrence of Tenant's default and so long as the same is continuing, to enter upon the Premises, distrain upon and remove therefrom all inventory, equipment, machinery, trade fixtures and personal property of whatsoever kind or nature, whether owned by Tenant or others, and to proceed, without judicial decree, writ of execution or assistance of constables, to conduct a private sale, by auction or sale bid, of such personal property, at which sale Landlord may bid without restriction. Tenant hereby waives the benefit of all laws, whether now in force or hereafter enacted, exempting any personal property on the Premises from sale or levy, whether execution thereon is had by order of any Court of through private sales herein authorized. Tenant waives the right to issue a Writ of Replevin under the Pennsylvania Rules of Civil Procedure, under the laws of the Commonwealth of Pennsylvania or under any law previously enacted and now in force or which hereinafter may be enacted for the recovery of any articles of any nature

whatsoever seized under a distress for rent, or levy upon an execution for rent, liquidated damages or otherwise.

(d) CONFESSION OF JUDGMENT. TENANT HEREBY EMPOWERS ANY PROTHONOTARY OR ATTORNEY FOR ANY COURT OF RECORD TO APPEAR FOR TENANT IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT FOR RENT HEREUNDER AND TO SIGN FOR TENANT AN AGREEMENT FOR ENTERING INTO ANY COMPETENT COURT AN ACTION OR ACTIONS FOR THE RECOVERY OF RENT, AND IN SAID SUITS OR IN SAID ACTION OR ACTIONS TO CONFESS JUDGMENT AGAINST TENANT FOR ALL OR ANY PART OF THE RENT INCLUDING, AT LANDLORD'S OPTION, THE RENT FOR THE ENTIRE UNEXPIRED BALANCE OF THE TERM OF THIS LEASE, AND ANY CHARGES, PAYMENTS, COSTS AND EXPENSES RESERVED AS RENT OR AGREED TO BE PAID BY THE TENANT, AND FOR INTEREST AND COSTS TOGETHER WITH AN ATTORNEY'S COMMISSION OF TEN (10%) PERCENT THEREOF. SAID AUTHORITIES SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AND AS OFTEN AS ANY OF THIS SAID RENT OR OTHER CHARGES RESERVED AS RENT OR LIQUIDATED DAMAGES SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE EXPIRATION OF THE ORIGINAL TERM OR DURING ANY EXTENSION OR RENEWAL OF THIS LEASE.

(e) ACTION FOR EJECTMENT. UPON TERMINATION OF THIS LEASE OR EXPIRATION OF THE TERM OR ANY EXTENSION THEREOF, IT SHALL BE LAWFUL FOR ANY ATTORNEY AS ATTORNEY FOR TENANT TO SIGN AN AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN ACTION IN EJECTMENT, WITHOUT ANY STAY OF EXECUTION OR APPEAL AGAINST TENANT AND ALL PERSONS CLAIMING UNDER TENANT FOR THE RECOVERY BY LANDLORD OF POSSESSION OF THE HEREIN PREMISES, WITHOUT LIABILITY ON THE PART OF THE SAID ATTORNEY, WHICH THIS LEASE SHALL BE A SUFFICIENT WARRANT, WHEREUPON, IF LANDLORD SO DESIRES A WRIT OF POSSESSION WITH CLAUSES FOR COST MAY ISSUE FORTHWITH WITHOUT ANY PRIOR WRIT OR PROCEEDINGS WHATSOEVER. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE PREMISES HEREBY DEMISED REMAIN IN OR BE RESTORED TO TENANT, THE LANDLORD SHALL HAVE THE RIGHT IN ANY SUBSEQUENT DEFAULT OR DEFAULTS TO BRING ONE OR MORE FURTHER ACTIONS IN THE MANNER AND FORM HEREIN BEFORE SET FORTH, TO RECOVER POSSESSION OF SAID PREMISES FOR SUCH SUBSEQUENT DEFAULT. NO SUCH TERMINATION OF THIS LEASE NOR TAKING, NOR RECOVERING POSSESSION OF THE PREMISES SHALL DEPRIVE LANDLORD OF ANY REMEDIES OR ACTION AGAINST TENANT FOR RENT OR DAMAGES DUE OR TO BECOME DUE FOR THE BREACH OF ANY CONDITION OR COVENANT HEREIN CONTAINED, NOR SHALL THE BRINGING OF ANY SUCH ACTION FOR RENT, OR BREACH OF COVENANT OR CONDITION NOR THE RESORT TO ANY OTHER REMEDY HEREIN PROVIDED FOR THE RECOVERY OF RENT OR

DAMAGES FOR SUCH BREACH BE CONSTRUED AS A WAIVER OF THE RIGHT TO INSIST UPON THE NATURE AND TO OBTAIN POSSESSION IN THE MANNER HEREIN PROVIDED.

(f) Landlord's Affidavit. In any action in ejectment or for rent in arrears, Landlord shall first cause to be filed in such action, an affidavit made by it or someone acting for it setting forth the facts necessary to authorize the entry of judgment, of which facts such affidavit shall be conclusive evidence, and if a true copy of this Lease be filed in such action, it shall not be necessary to file the original as a warrant of attorney, any rule of court, custom or practice to the contrary notwithstanding.

(g) Judgment Final. Any judgment, order or decree entered against Tenant by or any court or Magistrate by virtue of the powers of attorney contained in this Lease, or otherwise, shall be final, and Tenant will not take an appeal, certiorari, writ of error, exception or objection to same, or file a motion or rule to strike off or open or to stay execution of the same. Tenant releases Landlord and any and all attorneys who may appear for Tenant all errors in the said proceedings. Tenant expressly waives the benefits of law, now or hereafter in force, exempting any goods on the Premises, or elsewhere, from the distraint, levy or sale in any legal proceedings taken by the Landlord to enforce any rights under this Lease. Tenant further waives the right to any notice to remove as may be specified in the Pennsylvania Landlord and Tenant Act of April 6, 1951, as amended, or any similar or successor provision of law, and agrees that five (5) days notice shall be sufficient in any case where a longer period may be statutorily specified.

(h) WAIVER. IT IS MUTUALLY AGREED BY AND BETWEEN LANDLORD AND TENANT THAT THE RESPECTIVE PARTIES HERETO SHALL AND THEY HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF SAID PREMISES, ANY CLAIM OF INJURY OR DAMAGE, OR FOR THE ENFORCEMENT OF ANY REMEDY UNDER ANY STATUTE, EMERGENCY OR OTHERWISE. IT IS FURTHER MUTUALLY AGREED THAT IN THE EVENT THAT LANDLORD COMMENCES ANY SUMMARY PROCEEDING FOR NON-PAYMENT OF RENT, TENANT WILL NOT INTERPOSE ANY COUNTERCLAIM OF WHATEVER NATURE OR DESCRIPTION IN ANY SUCH PROCEEDING.

(i) Injunction. In the event of a breach or threatened breach by Tenant of any of the agreements, conditions, covenants or terms hereof, Landlord shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity whether or not other remedies, indemnity or reimbursements are herein provided.

(j) Interest and Costs. All amounts owed by Tenant to Landlord under this Lease, other than the Base Rent, shall be deemed Additional Rent and, unless otherwise provided, shall be paid within ten (10) days from the date Landlord renders a statement of account. All Base Rent and Additional Rent shall bear interest from the date due until the date

paid at the Default Rate. Tenant shall pay upon demand all of Landlord's costs, charges and expenses, including the reasonable fees of counsel, agents and others retained by Landlord, incurred in enforcing Tenant's obligations hereunder or incurred by Landlord in any litigation, negotiation or transaction which Tenant causes Landlord, without Landlord's fault, to become involved or concerned.

(k) Removal of Tenant's Property. All property removed from the Premises by Landlord pursuant to any provision of this Lease or of law may be handled, removed or stored by Landlord at the cost and expense of the Tenant, and the Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay Landlord for all expenses incurred by Landlord in such removal and storage charges against such property while the same shall be in Landlord's possession or under Landlord's control. All property not removed from the Premises or not retaken from storage by Tenant within thirty (30) days after the end of the term, however terminated, shall be conclusively deemed to be conveyed by Tenant to Landlord as by bill of sale without further payment or credit by Landlord to Tenant.

22. **Bankruptcy.** If at any time during the term of this Lease there shall be filed by or against Tenant or Guarantor in any court pursuant to any statute either of the United States or of any State (or Canada, as to Guarantor) a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's or Guarantor's property, or if a receiver or trustee takes possession of any of the assets of Tenant or Guarantor, or if the leasehold interest herein passes to a receiver, or if Tenant or Guarantor makes an assignment for the benefit of creditors or petitions for or enters into an arrangement (any of which are referred to herein as "a bankruptcy event"), then such bankruptcy event shall be an event of default under this Lease, and the following provisions shall apply:

Any receiver or trustee in bankruptcy or Tenant as debtor in possession ("debtor") shall either expressly assume or reject this Lease within sixty (60) days following the earlier of the entry of an "Order for Relief", or an order confirming a Plan of Reorganization.

In the event of an assumption of the Lease by a debtor, receiver, or trustee, such debtor, receiver, or trustee shall immediately after such assumption (1) cure any default or provide adequate assurances that defaults will be promptly cured; and (2) compensate Landlord for actual pecuniary loss or provide adequate assurances that compensation will be made for actual pecuniary loss; and (3) provide adequate assurance of future performance.

Where a default exists under the Lease, the party assuming the Lease may not require Landlord to provide services or supplies incidental to the Lease before its assumption by such trustee or debtor, unless Landlord is compensated under the terms of the Lease for such services and supplies provided before the assumption of such Lease.

Landlord specifically reserves any and all remedies available to Landlord in Section 22 hereof or at law or in equity in respect of a bankruptcy event by Tenant to the extent such remedies are permitted by law.

23. **Limitation of Liability.** All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder. Landlord shall have no liability for consequential damages, nor for punitive or exemplary damages. All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "Landlord" in this Lease shall mean only the owner, for the time being of the Premises, and in the event of the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership. Any liability of Landlord under this Lease shall be limited solely to its interest in the Premises, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord; and in any proceeding or in the case of any judgment against Landlord, Tenant shall request that the judgment index be noted to reflect such limitation of liability.

24. **Subordination.** This Lease and Tenant's interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any first mortgage, now existing or hereafter created on or against the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant. Tenant agrees, at the election of the holder of any such mortgage, to attorn to any such holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination and such instruments of attornment as shall be requested by any such holder. Tenant hereby appoints Landlord attorney in fact for Tenant irrevocably (such power of attorney being coupled with an interest) to execute, acknowledge and deliver any such instrument and instruments for and in the name of the Tenant and to cause any such instrument to be recorded. Notwithstanding the foregoing, any such holder may at any time subordinate its mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates of execution, delivery or recording and in that event such holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such mortgage and had been assigned to such holder. The term "mortgage" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "holder" of a mortgage shall be deemed to include the beneficiary under a deed of trust.

25. **Mechanic's Liens.** Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of Landlord or Tenant in, the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises and that it will save and hold Landlord harmless from all loss, cost or expense based on or arising out of asserted claims or liens against

the leasehold estate or against the interest of Landlord in the Premises or under this Lease. Tenant shall give Landlord immediate written notice of the placing of any lien or encumbrance against the Premises and cause such lien or encumbrance to be discharged within 30 days of the filing or recording thereof; provided, however, Tenant may contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner satisfactory to Landlord within such 30 day period.

26. **Estoppel Certificates.** Tenant agrees, from time to time, within three (3) business days after request of Landlord, to execute and deliver to Landlord, or Landlord's designee, any estoppel certificate requested by Landlord, stating that this Lease is in full force and effect, the date to which rent has been paid, that Landlord is not in default hereunder (or specifying in detail the nature of Landlord's default), the termination date of this Lease and such other matters pertaining to this Lease as may be requested by Landlord. Tenant's obligation to furnish each estoppel certificate in a timely fashion is a material inducement for Landlord's execution of this Lease. No cure or grace period provided in this Lease shall apply to Tenant's obligations to timely deliver an estoppel certificate. Tenant hereby irrevocably appoints Landlord as its attorney in fact to execute on its behalf and in its name any such estoppel certificate if Tenant fails to execute and deliver the estoppel certificate within three (3) business days after Landlord's written request thereof.

27. **Environmental Requirements.** Except for Hazardous Material contained in products used by Tenant in de minimis quantities for ordinary cleaning and office purposes, Tenant shall not permit or cause any party to bring any Hazardous Material upon the Premises or transport, store, use, generate, manufacture or release any Hazardous Material in or about the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall operate its business in the Premises in strict compliance with all Environmental Requirements and shall remediate in a manner satisfactory to Landlord any Hazardous Materials released on or from the Premises by Tenant, its agents, employees, contractors, subtenants or invitees. Tenant shall complete and certify to disclosure statements as requested by Landlord from time to time relating to Tenant's transportation, storage, use, generation, manufacture or release of Hazardous Materials on the Premises. The term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term "Hazardous Materials" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquified natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by

Tenant, its agents, employees, contractors or invitees, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all losses (including, without limitation, diminution in value of the Premises and loss of rental income from the Premises), claims, demands, actions, suits, damages (including, without limitation, punitive damages), expenses (including, without limitation, remediation, removal, repair, corrective action, or cleanup expenses), and costs (including, without limitation, actual attorneys' fees, consultant fees or expert fees and including, without limitation, removal or management of any asbestos brought into the property or disturbed in breach of the requirements of this Section 27, regardless of whether such removal or management is required by law) which are brought or recoverable against, or suffered or incurred by Landlord as a result of any release of Hazardous Materials for which Tenant is obligated to remediate as provided above or any other breach of the requirements under this Section 27 by Tenant, its agents, employees, contractors, subtenants, assignees or invitees, regardless of whether Tenant had knowledge of such noncompliance. The obligations of Tenant under this Section 27 shall survive any termination of this Lease.

Landlord shall have access to, and a right (but not an obligation) to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this Section 27, or the environmental condition of the Premises. Access shall be granted to Landlord upon Landlord's prior notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant.

28. **Security Service.** Tenant acknowledges and agrees that Landlord is not providing any security services with respect to the Premises and that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises.

29. **Force Majeure.** Landlord shall not be held responsible for delays in the performance of its obligations hereunder when caused by strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, delay in issuance of permits, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of Landlord ("Force Majeure").

30. **Entire Agreement.** This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained herein, and any prior agreements,

promises, negotiations, or representations are superseded by this Lease. This Lease may not be amended except by an instrument in writing signed by both parties hereto.

31. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

32. **Brokers**. Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, other than the broker, if any, set forth on the first page of this Lease, and Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction.

33. **Miscellaneous**. (a) Any payments or charges due from Tenant to Landlord hereunder shall be considered rent for all purposes of this Lease.

(b) If and when included within the term "Tenant," as used in this instrument, there is more than one person, firm or corporation, each shall be jointly and severally liable for the obligations of Tenant.

(c) All notices required or permitted to be given under this Lease shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable national overnight courier service, postage prepaid, or by hand delivery addressed to the parties at their addresses as set forth at the beginning of this Lease. Either party may by notice given aforesaid change its address for all subsequent notices. Except where otherwise expressly provided to the contrary, notice shall be deemed given upon delivery or attempted delivery.

(d) Except as otherwise expressly provided in this Lease or as otherwise required by law, Landlord retains the absolute right to withhold any consent or approval.

(e) At Landlord's request from time to time Tenant shall furnish Landlord with true and complete copies of its most recent annual and quarterly financial statements prepared by Tenant or Tenant's accountants and any other financial information or summaries that Tenant typically provides to its lenders or shareholders.

(f) Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(g) The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto.

(h) The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(i) Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(j) It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(k) Construction and interpretation of this Lease shall be governed by the laws of the state in which the Premises is located, excluding any principles of conflicts of laws.

(l) Time is of the essence as to the performance of Tenant's obligations under this Lease.

(m) All riders and addenda now or hereafter attached hereto are hereby incorporated into this Lease and made a part hereof. In the event of any conflict between such riders or addenda and the terms of this Lease, such riders or addenda shall control.

(n) In the event either party hereto initiates litigation to enforce the terms and provisions of this Lease, the non-prevailing party in such action shall reimburse the prevailing party for its reasonable attorney's fees, filing fees, and court costs.

(o) Each person executing this Lease on behalf of Tenant certifies that he or she has the authority to do so.

(p) This Lease shall be binding upon and shall inure to the benefit of Landlord and Tenant, and their respective heirs, personal representatives, principals, successors and assigns, except that no rights shall inure to the benefit of any assignee of Tenant unless the

assignment of the Lease has previously been approved in writing by Landlord and the assignee or successor to Tenant has executed a consent and authorization for Confession of Judgment and to be otherwise bound hereby.

(q) Landlord and Tenant both acknowledge that this is a commercial transaction.

(r) If Landlord accepts the rent at any time after the rent is due, or Landlord fails to enforce any of its rights under this Lease or any of the penalties, forfeitures or conditions contained in this Lease, such forbearance shall not in any way be considered as a waiver of the right to enforce the same; and thereafter Landlord may enforce such rights, penalties or forfeitures against Tenant without any notice whatsoever; and any attempt to collect the rent by one proceeding shall not be considered as a waiver of the right of Landlord to collect the same by any other proceeding.

34. **Landlord's Lien/Security Interest.** Tenant hereby grants Landlord a security interest, and this Lease constitutes a security agreement, within the meaning of and pursuant to the Uniform Commercial Code of the state in which the Premises are situated as to all of Tenant's property situated in, or upon, or used in connection with the Premises (except merchandise sold in the ordinary course of business) as security for all of Tenant's obligations hereunder, including, without limitation, the obligation to pay rent. Such personalty thus encumbered includes specifically all trade and other fixtures for the purpose of this Section and inventory, equipment, contract rights, accounts receivable and the proceeds thereof. In order to perfect such security interest, Tenant shall execute such financing statements and file the same at Tenant's expense at the state and county Uniform Commercial Code filing offices as often as Landlord in its discretion shall require; and Tenant hereby irrevocably appoints Landlord its agent for the purpose of executing and filing such financing statements on Tenant's behalf as Landlord shall deem necessary.

35. **Limitation of Liability of Trustees, Shareholders, and Officers of Landlord.** Any obligation or liability whatsoever of Landlord which may arise at any time under this Lease, or any obligation or liability which may be incurred by Landlord pursuant to any other instrument, transaction, or undertaking contemplated hereby, shall not be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of the trustees, directors, shareholders, officers, employees or agents of Landlord, regardless of whether such obligation or liability is in the nature of contract, tort, or otherwise.

SECTION 21 OF THIS LEASE PROVIDES FOR THE CONFESSION OF JUDGMENT AGAINST TENANT FOR MONEY AND FOR EJECTMENT. IN CONNECTION THEREWITH, TENANT, KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND UPON ADVICE OF SEPARATE COUNSEL, UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES AND THE COMMONWEALTH OF PENNSYLVANIA. WITHOUT LIMITATION OF THE FOREGOING, TENANT HEREBY SPECIFICALLY WAIVES ALL RIGHTS TENANT HAS OR MAY HAVE TO NOTICE AND OPPORTUNITY FOR

A HEARING PRIOR TO EXECUTION UPON ANY JUDGMENT CONFESSED AGAINST TENANT BY LANDLORD HEREUNDER.

TENANT FURTHER ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS SAID PROVISIONS WITH TENANT'S INDEPENDENT LEGAL COUNSEL AND THAT THE MEANING AND EFFECT OF SUCH PROVISIONS HAVE BEEN FULLY EXPLAINED TO TENANT BY SUCH COUNSEL, AND AS EVIDENCE OF SUCH FACT AN AUTHORIZED OFFICER OF TENANT SIGNS HIS OR HER INITIALS IN THE SPACE PROVIDED BELOW.

(Initials)

IN WITNESS WHEREOF, Landlord and Tenant, intending to be legally bound hereby, have executed this Lease as of the day and year first above written.

ABRAHAM R. ATIYEH

SAUCON VALLEY MANOR, INC.

By:
Name: RAMI G ATIYEH
Title: VP

(Corporate Seal)

EXHIBIT A

Description of Premises

ALL THAT CERTAIN tract or parcel of land situate in the Township of Lower Saucon, County of Northampton, Commonwealth of Pennsylvania, bounded and described as follows:

BEGINNING at a railroad spike (bench mark, elevation 480.00) in Wassergass Road (Legislative Route T-391) and running in an easterly direction M. 82° 43' 30" E. 255.53' to a spike; N 78° 50' 30" E. 354.75' to a spike; N 70° 49' 30" E. 45.54' to a spike; thence in a southerly direction along the property now or late of Jarcu Petran, S 9° 58' E. 580.24' to a pin; S. 77° 31' 30" W. 8.25' to a pin; S. 12° 28' 30" E. 533.26' to a point; thence in a westerly direction along property of the School District of the Township of Lower Saucon (now Saucon Valley School District) S. 81° 26' W. 552.23' to a pin; thence continuing S. 81° 28' W. 210.11' along property now or late of Louis Fortley to an iron pin; thence in a northerly direction bordering the property now or later of George Mar N. 5° 45' W. 464.72' to a pin; thence N. 4° 53' W. 631.24' bordering the property now or late of Ronald J. Sweeney to the point of **BEGINNING. CONTAINING** 16.25 acres, more or less.

BEING THE SAME PREMISES which Saucon Valley School District, successors in interest to Hellertown-Lower Saucon School Authority, by Indenture dated October 1, 1999, did grant and convey unto Abraham R. Atiyeh, said deed being recorded in the Office for the Recording of Deeds in and for Northampton County, at Easton, Pennsylvania, in Deed Book Volume 1999-1, at Page 153214, reference thereunto had, the same will therein more fully and at large appear.

UNDER AND SUBJECT to the right-of-way contained in the foregoing deed.

Certification

The undersigned, SAUCON VALLEY MANOR, INC., a Pennsylvania corporation (the "**Tenant**") in connection with the Lease Agreement dated January 1, 2006 (the "**Lease**") entered with ABRAHAM R. ATTYEH, an individual (the "**Landlord**") hereby certifies the following:

1. Tenant has been represented by legal counsel in connection with the Lease.

2. Tenant has received advice as to the meaning and consequences of the provisions in the Lease authorizing confession of judgment, execution and attachment, confession of judgment in ejectment, waiver of errors, waiver of the right to appeal, all other waivers provided for under the Lease and have executed the Lease following receipt of such advice of counsel.

3. Tenant, in furtherance of the above, hereby certifies that it has elected to execute the Lease with full understanding of the consequences of such election.

4. If Tenant is a Corporation, then signatory certifies that he/she has been authorized to execute the Lease.

5. Tenant acknowledges that the Lease constitutes a commercial transaction.

Tenant has caused this Certification to be executed this ____ day of January, 2006.

SAUCON VALLEY MANOR, INC.

By: _____

Name: Ramzi Attyeh

Title: VP

(Corporate Seal)

Lease Amendment Agreement

MADE as of the 8th day of December, 2006 by and between ABRAHAM R. ATIYEH, an adult individual, herein called Landlord, having an office at 1177 Sixth Street, Whitehall, PA 18052;

AND

SAUCON VALLEY MANOR, INC., a Pennsylvania corporation, herein called Tenant, having an office at 1050 Main Street, Hellertown, Pennsylvania.

Witnesseth:

WHEREAS, Landlord and Tenant entered into a Lease for the property known as 1050 Main Street, Hellertown, Northampton County, Pennsylvania, (the "Lease"), which lease included the main building and parking lots and open space, consisting of Northampton County tax parcels Q7SW2A-1-3 and Q7SW2A-1-5, (the Property); and

WHEREAS, pursuant to the agreement and understandings between Landlord and Tenant, Landlord was permitted to redevelop the open space and allow use of some of the parking in common with Tenant; and

WHEREAS, Landlord has declared a condominium for the Property; and

WHEREAS, Landlord and Tenant desire to amend the Lease to reflect the revision of the leased area and the reduced obligations of Tenant concerning the Property, as follows.

NOW, THEREFORE, the parties hereto, intending to be legally bound, and for other good and valuable consideration, do hereby agree as follows:

1. The Lease is hereby amended to modify the Leased Premises to be Unit 1 of the Condos at Saucon Valley Manor, a Condominium.

2. The Leased Premises under the Lease shall also include all of the parking rights allowed on Unit 2 for Unit 1 owners, residents, guests, tenants and invitees.

3. The Leased Premises under the Lease shall also include all easements, encroachment and other rights of Unit 1 as exist or as are allowed

in the future under the Declaration of Condominium for the Condos at Saucon Valley Manor.

4. Landlord, and not Tenant, shall be responsible for the maintenance and lawn cutting and other actions concerning the area known as Unit 4 of the Condos at Saucon Valley Manor.

5. Landlord, and not Tenant, shall be responsible for the taxes due upon Unit 4 of the the Condos at Saucon Valley Manor; and the successor(s) to Landlord in ownership of Unit 3 shall be responsible for its taxes and related charges.

6. In the event of any failure of Landlord to exercise the voting rights of the Unit 1 Owner in a manner consistent with the Lease, the Tenant is authorized and empowered to vote for Landlord as the Unit 1 Owner to fulfill the obligations of Landlord, as amended by this Lease Amendment Agreement. This right is granted with an interest so long as Tenant is not in default under the Lease and no event which would be a default with the passage of time or giving of notice, or both, exists.

7. Landlord acknowledges that the business of Tenant involves the keeping or dealing with medical records and information, and that any entry by Landlord is made with the understanding that the same will not intentionally expose medical records.

8. The Lease, except as specifically modified herein, is ratified and affirmed, including the rights of Landlord to confession of judgment and other allowances of summary procedures or waivers of rights by Tenant.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Lease Addendum Agreement intending to be legally bound as of the date and year first above set forth.

SAUCON VALLEY MANOR, INC.

By: _____
Its (Vice) President

_____
Abraham R. Atiyeh
(Landlord)

ADDENDUM TO LEASE AGREEMENT

MADE October 1, 2007, by and between, Saucon Trust hereinafter, sometimes referred to as Landlord;

AND

Saucon Valley Manor Inc., hereinafter sometimes referred to as Tenant.

WITNESSETH:

WHEREAS Abraham R. Atiyeh as Landlord (the "Assignor") did enter into an Agreement of Lease with Tenant effective January 1, 2006 as more fully described in the above Assignment of Lease (the "Lease") which Lease was assigned to Landlord by the above Assignment of Lease; and

WHEREAS Landlord and Tenant have agreed to amend the description of the Premises and add and delete certain terms and conditions set forth in this Addendum to Lease Agreement with all terms of the Lease not inconsistent herewith to continue to remain in full force and effect.

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. The above Recitals do form a part of this Addendum to Lease Agreement.

2. Section 14 of Lease is deleted in its entirety.

3. The parties acknowledge that the rent set forth on page 1 of the lease (monthly installments of $95,800.) is correct and do correct and modify the amount set forth in Section 4 to read "monthly installments if Base Rent in the amount of $95,800."

4. The Premises is amended to read "Unit 1 of the Condos at Saucon Valley Manor, Lower Saucon Township, Northampton County, Pennsylvania" as more fully described on Exhibit A to this Addendum to Lease.

5. In addition to the Base Rent and other rent or charges set forth in the Lease, Tenant shall pay all common charges for the Premises pursuant the condominium documents of Condos at Saucon Valley ("The Condo Documents") and shall abide by all rules, regulations, terms, covenants and conditions of the Condominium Documents.

6. All other terms, covenants and conditions of the aforementioned Lease not inconsistent herewith are hereby ratified and confirmed by the parties hereto the same as

if set forth herein at length.

IN WITNESS WHEREOF the parties have hereunto affixed their hands and seals to this Addendum to Lease Agreement as of the day and year above first written, intending to be legally bound hereby.

Saucon Trust (Landlord)

Abraham R. Atiyeh, Trustee

Saucon Valley Manor, Inc. (Tenant)

By: _____

Title: _____

SECOND ADDENDUM TO LEASE AGREEMENT

MADE this 29th day of August 2008, by and between, The Saucon Trust, by and through ABRAHAM R. ATIYEH as Trustee of the Saucon Trust, hereinafter sometimes referred to as Landlord;

AND

Saucon Valley Manor Inc., hereinafter sometimes referred to as Tenant.

WITNESSETH:

WHEREAS Abraham R. Atiyeh, individually, as Landlord, did enter into an Agreement of Lease with Tenant effective January 1, 2006 (the "Lease"); and the Lease was assigned to Landlord effective October 1, 2007; and

WHEREAS, Landlord and Tenant entered in the Addendum to Lease Agreement dated October 1, 2007, (the "First Addendum"), which modified the Lease as therein set forth; and

WHEREAS, Landlord and Tenant did agree with National Penn Bank concerning the Assignment of Rents and Leases under date of October 1, 2007 (the "ALR"); and

WHEREAS Landlord and Tenant have agreed to further amend the Lease to change the Base Rental due by Tenant to Landlord effective September 1, 2008, and intend that all terms of the Lease and the First Addendum not inconsistent herewith to continue to remain in full force and effect.

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. The above Recitals do form a part of this Second Addendum to Lease Agreement.

2. Effective as of September 1, 2008, Base Rent, as defined and/or otherwise stated in Section 4 of the Lease, is amended to be the sum of One Hundred Thirty Two Thousand Five Hundred ($132,500.00) Dollars per month.

3. The aforesaid increased amount of Base Rent shall be payable monthly starting September 1, 2008 in addition to the continued payment of all amounts due as Additional Rent or otherwise due pursuant to the Lease.

3. Tenant certifies to Landlord and National Penn Bank that there is no Default of Landlord existing under the Lease and that it has no knowledge of any event which, with the passage of time or giving of notice would be a default of Landlord under the Lease.

4. All other terms, covenants and conditions of the aforementioned Lease (as amended by the First Addendum) not inconsistent herewith are hereby ratified and confirmed by the parties hereto the same as if set forth herein at length.

5. All terms, covenants and conditions of the aforementioned ALR are hereby ratified and confirmed by the parties hereto the same as if set forth herein at length.

IN WITNESS WHEREOF the parties have hereunto affixed their hands and seals to this Addendum to Lease Agreement as of the day and year above first written, intending to be legally bound hereby.

The Saucon Trust (Landlord)

By: _____
Abraham R. Atiyeh, Trustee of
The Saucon Trust

Saucon Valley Manor, Inc. (Tenant)

By: _____
Abraham Atiyeh, President

THIRD AMENDMENT
Dated and Effective As Of January 1, 2010
To The
LEASE AGREEMENT
Dated and Effective As Of January 1, 2006
By and Between
SAUCON TRUST,
a Pennsylvania Trust, as Owner and Lessor
and
SAUCON VALLEY MANOR, INC.,
a Pennsylvania corporation, as Lessee

THIRD AMENDMENT TO LEASE AGREEMENT

This THIRD AMENDMENT TO LEASE AGREEMENT, (the "First Amendment") , is made and dated as of January 1, 2010, by and between **SAUCON TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Abraham R. Atiyeh, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

SAUCON VALLEY MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee desire to amend the Lease dated January 1, 2006 between Owner and Lessee (the "Lease") for those certain premises known as Unit 1 of Saucon Valley Manor Condominium, (the "Leased Premises") on the terms and conditions set forth herein; and

WHEREAS, the terms of this Addendum shall be effective as of the date shown above, subject to the obtaining approval as required by the terms of the Mortgage encumbering the Leased Premises.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02(A) of the Lease is amended and restated as follows:

> "A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of Two Million Four Hundred Thousand ($2,400,000.00) per year. Payments of Rent shall be due in advance in equal monthly installments of One Hundred Thousand Dollars ($100,000.00) on the first day of each month. "A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the sum of Two Million Four Hundred Thousand ($2,400,000.00) per year. Payments of Rent shall be due (a) in advance in equal monthly installments of One Hundred Thousand Dollars ($100,000.00) on the first day of each month, each due without setoff and without prior notice or demand, and (b) the remainder of $1,200,000.00 to be paid on or before December 31 of the then current calendar year, in one or more partial installments, as Lessee shall elect, provided however that the full Base Rental of $2,400,000.00 is paid in full by December 31 of each year.
>
> "A.1 Additionally, all other items set forth as Rent or Additional Rent under the Lease and all obligations of the Lessee are herein considered to be Rent and those additional items are due as set forth

in the Lease. If the Lessee fails to make any monthly payment of Rent within fifteen (15) days after the due date thereof, the Owner may, at its option, impose a late charge upon the Lessee in an amount not to exceed ten percent (10%) of the Rent so delinquent for each calendar month of delinquency.

2. The parties acknowledge that the new areas being added to the Building on Unit 1 form a part of the Premises, and that the Lessee shall take possession of the same when occupancy is allowed by applicable ordinance and inspection(s) and certification(s) as may be required. Lessee acknowledges that it is observing the construction and that it shall bear all risk from failure of the premises to comply with requirements for its intended use. Lessee hereby waives all obligations or warranties of Owner with respect to the construction being made for the benefit of Lessee on the Premises.

3. No other portions of the Lease are amended or modified.

4. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

5. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Lease as if fully set forth herein at length.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Third Amendment to Lease Agreement effective as of January 1, 2010.

SAUCON TRUST

By: _____
Abraham Atiyeh, Trustee

SAUCON VALLEY MANOR, INC.

By: _____
(Vice) President

FOURTH AMENDMENT
Dated and Effective As Of November 1, 2012
To The
LEASE AGREEMENT
Dated and Effective As Of January 1, 2006
By and Between
SAUCON TRUST,
a Pennsylvania Trust, as Owner and Lessor
and
SAUCON VALLEY MANOR, INC.,
a Pennsylvania corporation, as Lessee

FOURTH AMENDMENT TO LEASE AGREEMENT

This FOURTH AMENDMENT TO LEASE AGREEMENT, (the "First Amendment") , is made and dated as of November 1, 2012, by and between **SAUCON TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Saucon Management LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

A N D

SAUCON VALLEY MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee desire to amend the Lease dated January 1, 2006 between Owner and Lessee (the "Lease") for those certain premises known as Unit 1 of Saucon Valley Manor Condominium, (the "Leased Premises") on the terms and conditions set forth herein; and

WHEREAS, the Lease has been amended prior to the date hereof; and

WHEREAS, Owner is obtaining a mortgage loan from M&T Realty Capital Corporation, its successors and/or assigns which will be insured or endorsed by the Secretary of Housing and Urban Development ("HUD"), which is herein called the "HUD Mortgage"; and

WHEREAS, the HUD Mortgage requires certain additional lease terms and other amendments, and the parties desire to amend the Lease as herein set forth.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02(A) of the Lease is amended and restated as follows:

> "A. The Lessee agrees to pay to the Owner during the Lease Term, as Rent for the Leased Premises, the greater of:
>
> (i) The sum of One Million Seven Hundred Five Thousand Four Hundred Twenty One ($1,705,421.00) Dollars, due in 12 annual installments; or
>
> (ii) During each calendar year, in 12 equal installments, an Amount equal to One Hundred Five Percent (105%) of the sum of :
>
> a. Annual Principal and Interest Payments due by Owner under the HUD Mortgage; and
>
> b. Annual Mortgage Insurance Premium relating to the HUD Mortgage; and

c. Annual Deposit for Reserve for Replacement as required by the HUD Mortgage; and
d. Annual Property Insurance Premiums for coverages for the Leased Premises required to be maintained by Owner under the HUD Mortgage; and
e. Annual Property Taxes for the Leased Premises.

(iii) The obligations of Lessee to pay, as Rent or Additional Rent, any of the items set forth in subsection (ii), above, are satisfied by the payment of rental as set forth in subsection (ii), above.

(iv) Lessee acknowledges that the foregoing Rent will be variable due to the potential change in payments required for the items comprising rental due by subsection (li), above.

2. Owner agrees that it, or the holder of any escrow relating to items within the scope of 1 A (ii), will cause the timely payment of insurance premiums and taxes.

3. Lessee or Owner may seek reimbursement or funding from the Replacement Reserve to fund costs, provided that any sums disbursed to them or for the use of the Premises are limited by the terms of the Replacement Reserve and the documents by which it was created or otherwise exists

4. The HUD Rider, attached hereto as Exhibit "A" is incorporated herein by reference and forms a part hereof. Lessee agrees that it shall abide by all terms of the HUD Rider.

5. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

6. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Lease as if fully set forth herein at length.

7. Lessee acknowledges and agrees that it shall execute and deliver a Subordination, Nondisturbance and Attornment Agreement in form and content satisfactory to HUD.

8. Lessee shall cause its subtenants, Lehigh Valley Health Network and Good Shepherd Rehabilitation Hospital to execute Subordination, Nondisturbance and Attornment Agreement in form and content satisfactory to HUD. The said subleases are subordinate to the terms of this Lease, and shall be subordinate to the HUD Mortgage and all subsequent mortgages now or hereafter upon the Premises.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Fourth Amendment to Lease Agreement effective as of November 1, 2012.

SAUCON TRUST
By: Saucon Management LLC, Trustee

By: _____
Abraham Atiych,
Manager of Trustee

SAUCON VALLEY MANOR, INC.

By: _____
(Vice) President

FIFTH AMENDMENT TO LEASE AGREEMENT

This FIFTH AMENDMENT TO LEASE AGREEMENT, (the "Fifth Amendment") is effective as of July 1, 2018, by and between **SAUCON TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Saucon Management LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

AND

SAUCON VALLEY MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee are parties to a Lease, originally dated and effective as of January 1, 2006 (the "Lease"), for the lease by Lessee from Owner of those certain premises known as Unit 1 of Saucon Valley Manor Condominium, (the "Leased Premises"); and

WHEREAS, the Lease has been amended four (4) times prior to the effective date hereof; and

WHEREAS, Owner and Lessee desire to amend the Lease to extend the term thereof upon the terms and conditions set forth herein; and

WHEREAS, Owner and Tenant desire to extend the Term of the Lease.

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02(A) of the Lease ratified and Rent shall continue to be calculated as follows:

"A. The Lessee agrees to pay to the Owner during the Lease Term, starting on January 1, 2013, as Rent for the Leased Premises, the greater of:

(i) The sum of One Million Seven Hundred Five Thousand Four Hundred Twenty One ($1,705,421.00) Dollars, due in 12 annual installments; or

(ii) During each calendar year, in 12 equal installments, an Amount equal to One Hundred Five Percent (105%) of the sum of :

a. Annual Principal and Interest Payments due by Owner under the HUD Mortgage; and

b. Annual Mortgage Insurance Premium relating to the HUD Mortgage; and

c. Annual Deposit for Reserve for Replacement as required by the HUD Mortgage; and

d. Annual Property Insurance Premiums for coverages for the Leased Premises required to be maintained by Owner under the HUD Mortgage; and

e. Annual Property Taxes for the Leased Premises.

(iii) The obligations of Lessee to pay, as Rent or Additional Rent, any of the items set forth in subsection (ii), above, are satisfied by the payment of rental as set forth in subsection (ii), above.

(iv) Lessee acknowledges that the foregoing Rent will be variable due to the potential change in payments required for the items comprising rental due by subsection (ii), above.

(v) The foregoing does not include those obligations, fees or other expenses and reimbursements as are due by Tenant under the Lease.

2. Owner agrees that the holder of any escrow relating to items within the scope of 1 A (ii), will cause the timely payment of insurance premiums and taxes.

3. Lessee or Owner may seek reimbursement or funding from the Replacement Reserve to fund costs, provided that any sums disbursed to them or for the use of the Premises are limited by the terms of the Replacement Reserve and the documents by which it was created or otherwise exists

4. Lessee hereby acknowledges the validity of the Lease and confirms that there are no defenses, setoffs or other claims which it has or could assert under the Lease.

5. Lessee hereby ratifies and reaffirms the rights to confess judgment against Lessee as set forth in the Lease as if fully set forth herein at length.

6. Lessee acknowledges and agrees that this Lease, and all rights of Lessee and anyone claiming by, through or under Lessee, are, and shall be, subordinate to the HUD Mortgage and all subsequent mortgages now or hereafter upon the Premises.

7. The parties acknowledge that the term of the existing lease extended to July, 2018; and the parties hereto extend the Term of the Lease through August 31, 2023, (which hereby becomes the "Termination Date").

8. The Term shall automatically extend on the Termination Date for three (3) periods of three (3) years, each, (and the Termination Date shall be modified automatically thereby) unless (i) a Default by Lessee occurs, (in which event the rights and remedies of Owner shall be immediately applicable, and no further extension shall automatically occur) or (ii) Owner gives notice of nonrenewal to Lessee at least six (6) months prior to the end of the then-current Term, (in which event no further automatic extensions shall be available), or (iii) Lessee notifies Owner of the intent of Lessee not to renew by notice given at least 9 months prior to the end of the then-current Term.

9. Lessee certifies that there is no default of Owner under the Lease.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Fifth Amendment to Lease Agreement intending to be legally bound effective as of July 1, 2018.

SAUCON TRUST
By: Saucon Management LLC, Trustee

By: _____
Abraham Atiyeh,
Manager of Trustee

SAUCON VALLEY MANOR, INC.

By: _____
Nimita Kapoor Atiyeh, President

SIXTH AMENDMENT TO LEASE AGREEMENT

This SIXTH AMENDMENT TO LEASE AGREEMENT, (the "Sixth Amendment") is effective as of September 21, 2023, by and between **SAUCON TRUST**, (the "Owner"), a Pennsylvania Trust, by and through its Trustee, Saucon Management LLC, having its principal office at 1177 Sixth Street, Whitehall, PA 18052;

A N D

SAUCON VALLEY MANOR, INC., (the "Lessee"), a Pennsylvania corporation, having its principal office at 1177 Sixth Street, Whitehall, PA., 18052.

WHEREAS, the Owner and Lessee are parties to a Lease, originally dated and effective as of January 1, 2006 (the "Lease"), for the lease by Lessee from Owner of those certain premises known as Unit 1 of Saucon Valley Manor Condominium, (the "Leased Premises"); and

WHEREAS, the Lease has been amended five (5) times prior to the effective date hereof; and

WHEREAS, Owner and Lessee desire to amend the Lease to extend the term thereof upon the terms and conditions set forth herein; and

WHEREAS, Owner and Tenant desire to extend the Term of the Lease and to grant extensions to Tenant as hereinafter set forth; and

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, and intending to be legally bound, the Owner and Lessee hereby agree as follows:

1. Section 4.02 of the Lease (and all other parts of the Lease setting forth Base Rent, Additional Rent or other tenant payment obligations) are as follows:

    a. Base Rental

        i. For the period through December 31, 2024, no Base Rental shall be due.

        ii. For the remainder of the current renewal Term (i.e. calendar years 2025, 2026, 2027 and 2028) Base Rent shall be the greater of (i) One Hundred Twenty Thousand ($120,000.00) Dollars or (ii) Twenty-five (25%) percent of the net operating profit of Tenant from the operation of a personal care home at the Premises [reduced by all capital expenditures and by payment

for any real property obligation which Tenant may elect to pay, and by uncollected accounts receivable or bad debt] for each calendar year of the Term, limited to the sum of Three Hundred Thousand ($300,000.00) per annum, to be paid on April 30 of the year following the calendar year for which the calculation shall be made; and

iii. Base Rental for each calendar year of the Renewal Terms (i.e. Calendar years starting after December 31, 2028 shall be the greater of (i) Two Hundred Forty Thousand ($240,000.00) Dollars or (ii) Twenty-five (25%) percent of the net operating profit of Tenant from the operation of a personal care home at the Premises [reduced by all capital expenditures and by payment for any real property obligation which Tenant may elect to pay and by uncollected accounts receivable or bad debt] during a calendar year, limited to the sum of Five Hundred Thousand ($500,000.00) per annum. Base Rental shall be due on April 30 of the year following the calendar year for which the calculation shall be made; and

b. Tenant shall pay all charges for electric, water and sewer services provided to the Premises prior to the same being made a lien upon the Premises; and

c. Tenant shall pay the premiums for one or more insurance policies to provide (i) property casualty insurance for the Premises and (ii) general liability insurance for the Premises; and

d. Repairs to the Premises as are required to maintain the Premises in the condition required for lawful operation of a personal care home.

2. The Term is hereby extended to December 31, 2028 (which date shall hereafter be called the Termination Date, unless extended as per subsection (a), below).

a. The Term shall automatically extend on the Termination Date for three (3) periods of five (5) years, each, (and the Termination Date shall be modified automatically thereby) unless Lessee notifies Owner of the intent of Lessee not to renew by notice given at least 90 days prior to the end of the then-current Term.

3. Landlord and Tenant also have agreed to waive all past due rental and any obligations of Tenant or Landlord not performed by one or both through September 21, 2023, and hereby waive and release all unpaid sums and all performance not fully and timely provided.

a. Tenant waives any rights to refund or for calculation of overpayment previously made.

4. Landlord acknowledges that Tenant has made repairs and replacements and betterments for the Premises. Tenant hereby waives obligation of Landlord to reimburse or perform such repairs, replacements or betterments, other than such funds are are now or hereafter due from insurers or loss payment sources other than Landlord.

5. This Sixth Amendment is a full waiver and release of all defaults, deficient performance and any other obligation of Landlord or of Tenant which has arisen or could have been asserted at any time through and including the date hereof.

6. The obligations of Landlord and/or Tenant under any Regulatory Agreement and all agreements, security interests and other rights, privileges, obligations or performance required under any Regulatory Agreement or other agreement made with the United States Department of Housing and Urban Development ("USHUD") or anyone required by, for or concerning USHUD or arising under any obligation with, concerning or associated with USHUD (collectively "HUD Obligations"), are hereby terminated and void as of September 20, 2023. Any past violations or continuing violation of the terms or conditions of any HUD Obligations are hereby waived and released.

7. All other terms and conditions of the Lease (as amended through and including the Fifth Amendment and the oral amendment memorialized herein), are ratified and affirmed.

8. This Agreement is effective as of September 21, 2023 notwithstanding a later date of execution.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Sixth Amendment, intending to be legally bound effective as of September 21, 2023.

SAUCON TRUST ("Landlord")

By: Saucon Management LLC, its Trustee

By: _____
Abraham Atiyeh, its Manager

SAUCON VALLEY MANOR, INC. ("Tenant")

By: _____
Nimita Kapoor Atiyeh, President

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

LEHIGH VALLEY 1 LLC, successor by assignment to WINDSTREAM CAPITAL LLC, successor by assignment to the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, successor by assignment to M&T REALTY CAPITAL CORPORATION	:	**CIVIL ACTION**
	:	**NO. 24-2627**
v.	:	
WHITEHALL FIDUCIARY LLC, as TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007	:	
LEHIGH VALLEY 1, LLC, successor by assignment to WINDSTREAM CAPITAL LLC, successor by assignment to the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, successor by assignment to M&T REALTY CAPITAL CORPORATION	:	**CIVIL ACTION**
	:	**NO. 24-2709**
v.	:	
SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007	:	

ORDER

AND NOW, this 19th day of December, 2025, upon consideration of Receiver's Motion for Sanctions (the "Motion for Sanctions"), the Responses filed by Defendants Whitehall Fiduciary LLC ("Whitehall Trust") and Saucon Trust and Non-Parties Nimita Kapoor Atiyeh and Abraham Atiyeh (collectively, "Respondents"), the Receiver's Reply in Further Support of the Motion, along with Receiver's Affidavit setting for the amount of attorneys' fees and costs incurred in the preparation, filing and presentment of the Motion for Sanctions, and upon consideration of Plaintiff's Motion to Void and Set Aside Lease Amendments and for Declaratory Judgment ("Motion to Void Amendments'), and the Response thereto, the oral argument held in Court on December 18, 2025,

and the concessions, admissions and statements made by the Parties, and the Court having found that Respondents have each violated the September 2, 2025 Order by failing to produce documents ordered to be produced in the aforementioned Order; it is hereby **ORDERED** as follows:

1. The Receiver's Motion for Sanctions (Docket No. 102, Case No. 24-2709) is **GRANTED**.
2. On or before December 29, 2025, Respondents shall produce each and every document ordered to be produced by this Court's Order dated September 2, 2025. Respondents are each deemed to have possession, control or the practical ability to obtain the documents, and may not claim that they cannot obtain the documents ordered to be produced.
3. On or before December 29, 2025, Respondents shall pay to Receiver the sum of $21,281.00 to compensate her for the preparation, filing and presentment of the Motion for Sanctions.
4. Receiver shall file a Report to the Court on or before January 2, 2026, indicating whether Respondents have complied with the requirements of the above paragraphs 2 and 3. If it is reported in the Report that Respondents have not complied with requirements of paragraphs 2 and 3, the Court will consider striking Defendants' Answer and Affirmative Defenses and entering Judgment of Foreclosure and Sale in favor of Plaintiff and against Defendants.
5. On or before December 29, 2025, Respondents, Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are directed to turn over to Receiver any rental payments received from October 31, 2025 (the date Good Shepherd Rehabilitation Hospital was directed to make payments to the Receiver). This includes rent received from Good Shepherd Rehabilitation Hospital only.

6. Respondents, Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are restrained from interfering with Receivers' efforts to collect rent, licensing fees, other occupancy fees or income of any sort from any and all occupants of the Properties. As agreed to by the Parties, any rent, licensing fee, occupancy fee or income of any sort that is or was paid to Respondents, Whitehall Manor, Inc. or Saucon Valley Manor, Inc. or any other entity over which Respondents, Whitehall Manor, Inc. or Saucon Valley Manor, Inc. have an interest or otherwise control, for rent or fees due and owing for January of 2026 and thereafter, shall be turned over to Receiver within 3 days of the date of this Order (in the case where money has already been received) or within 3 days of receipt (in the case where money is hereinafter received), along with a complete accounting of the source of the money received.

7. Plaintiff's Motion to Void and Set Aside Lease Amendments (Docket No. 92, Case No. 24-2627) is **GRANTED**.

8. The Sixth Amendment to Lease Agreement executed on September 21, 2023, affecting the property at 1050 Main Street, Unit #1, Hellertown, Pennsylvania, and the Fourth Amendment to Lease and Memorandum of Lease Extension executed on September 21, 2023, affecting the property at 1177 Sixth Street, Whitehall, Pennsylvania (the "Amendments"), are hereby **DECLARED NULL**, **VOID**, and **OF NO LEGAL EFFECT**.

BY THE COURT:

/s/ Catherine Henry
CATHERINE HENRY, J.

EXHIBIT H

Return to:
Kelly Kremer
Vorys, Sater, Seymour and Pease LLP
Atrium Two, Suite 2000
221 East Fourth Street
Cincinnati, Ohio 45202

RECORDED
01/26/2012 8:52:21 AM
RECORDER OF DEEDS
LEHIGH COUNTY
PENNSYLVANIA
Inst Num: 2012002757

PIN: 5498 9378 8632-1

FHA Form No. 4171-b
(CORPORATE)
Rev. March 1971

PA OPEN-END MORTGAGE

This mortgage is an "Open-End" Mortgage that secures future advances.

42 Pa.C.S.Ann. § 8143

OPEN-END MORTGAGE

THIS MORTGAGE made **as of** the 19th day of **January**, ~~19~~ **2012**, **to be effective as of January 26, 2012,** between **WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST u/t/a dated August 1, 2007**, **a Pennsylvania trust**, the Mortgagor, **having its principal place of business at 1177 Sixth Street, Whitehall, Pennsylvania 18052** and **M&T REALTY CAPITAL CORPORATION**, a corporation organized and existing under the laws of **Maryland** and having its principal place of business at **25 South Charles Street, 17th Floor, Baltimore, Maryland 21201**, the Mortgagee.

In order to secure the payment of an indebtedness in the principal sum of **Fifteen Million Seven Hundred Eighty-Eight Thousand Seven Hundred and No/100** Dollars (**$15,788,700.00**), lawful money of the United States, which sum or so much thereof as may be advanced with interest thereon at **three and thirty-eight hundredths** percent (**3.38**%) per annum, is payable in accordance with the terms of a certain note bearing even date herewith as follows:

Interest only payable on the first day of February, 2012. Commencing on the first day of March, 2012, monthly installments of interest and principal shall be paid in the sum of Sixty-Nine Thousand Eight Hundred Forty-Four and 95/100 Dollars ($69,844.95) each, such payments to continue monthly thereafter on the first day of each succeeding month until the entire indebtedness has been paid in full. In any event, the balance of the principal (if any) remaining unpaid, plus accrued interest, shall be due and payable on February 1, 2042. The installments of interest and principal shall be applied first to interest at the rate of three and thirty-eight hundredths per centum (3.38%) per annum upon the principal sum or so much thereof as shall from time to time remain unpaid and the balance thereof shall be applied on account of principal.

which note provides: (1) ~~that privilege is reserved to pay the debt in whole or in an amount equal to one or more monthly payments on principal next due, on the first day of any month prior to maturity upon at least thirty (30) days prior written notice to the holder; (2)~~ that if the debt is paid in full prior to maturity and while insured under the National Housing Act, all parties liable for payment thereof hereby agree to

be jointly and severally bound to pay to the holder hereof any adjusted premium charge required by the applicable Regulations; ~~(3) that notwithstanding any provision for a prepayment charge or premium, prepayments of principal made as aforesaid, which do not exceed an aggregate of fifteen per centum (15%) of the original principal sum of the note in any one calendar year, may be made without any prepayment charge or premium; and (4) that no default shall exist by reason of nonpayment of any required installment of principal so long as the amount of optional additional prepayments of principal made pursuant to the privilege of prepayment equals or exceeds the amount of such required installment of principal;~~ **and (2) that in the event any installment or part of any installment due under the Note becomes delinquent for more than fifteen (15) days, there shall be due, at the option of the holder of the Note, in addition to other sums due, a late charge in an amount equal to two percent (2%) of the amount of principal and/or interest so delinquent, as further provided in the Note.**

And also to secure payment by the Mortgagor to the Mortgagee of all sums expended or advanced by the Mortgagee pursuant to any term or provision of this mortgage;

And also to secure performance of each covenant, term, condition and agreement of the Mortgagor herein contained and in a certain ~~Building Loan Agreement and~~ Regulatory Agreement hereinafter referred to;

The Mortgagor for valuable consideration, the receipt of which is hereby acknowledged, hath granted, bargained, sold, aliened, enfeoffed, released and confirmed, and by these presents doth grant, bargain, sell, alien, enfeoff, release and confirm unto the said Mortgagee, all the following-described real estate situate in the **Township** of **Whitehall,** County of **Lehigh**, and Commonwealth of Pennsylvania; to wit:

See Exhibit A, attached hereto and incorporated herein by reference.

TOGETHER with all and singular the buildings and improvements on said premises, as well as all alterations, additions, or improvements now or hereafter made to said premises, and any and all appliances, machinery, furniture, and equipment (whether fixtures or not) of any nature whatsoever now or hereafter installed in or upon said premises, streets, alleys, passages, ways, waters, water courses, rights, liberties, privileges, hereditaments, and appurtenances whatsoever thereunto belonging, or in anywise appertaining, and the reversions and remainders, rents, issues and profits thereof; and

TOGETHER with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein; and

TOGETHER with all fixtures and articles of personal property now or hereafter attached to or in and about the building or buildings now erected or hereafter to be erected on the lands herein described which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all goods, chattels, and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner.

And the said Mortgagor, for itself, its successors and assigns does hereby covenant, promise, and agree with said Mortgagee, its successors and assigns, that all furnaces, heaters, ranges, mantels, cabinets, gas and electric light fixtures, elevators, laundry equipment, refrigerator, air-conditioning equipment, including all operating equipment, Murphy beds and all apparatus, appliances, and fixtures for the creation and distribution of light, heat, power, and water, including all pipes, wires, faucets, bathroom and

kitchen fixtures of whatever kind and nature at present contained or hereafter placed in the building or hereafter standing upon the mortgaged premises and all structures, gas and oil tanks, screens, shades, awnings and Venetian blinds, storm doors and windows and equipment erected or placed in or upon the mortgaged premises are to be considered as annexed to and forming part of the freehold.

TO HAVE AND TO HOLD the said lot or piece of ground described, with the buildings and improvements thereon erected, the hereditaments and premises hereby granted or mentioned and intended so to be, with the appurtenances unto the said Mortgagee, its successors or assigns, to and for the only proper use and behoof of the said Mortgagee, its successors or assign forever;

Provided however that if said Mortgagor does and shall well and truly pay or cause to be paid unto the said Mortgagee, the aforesaid debt or principal sum secured by this mortgage, on the day and time and in the manner hereinbefore mentioned and appointed for payment of the same, together with interest and all sums advanced for payment of any ground rents, taxes, water rents, charges, claims or insurance premiums and any other advance hereunder as aforesaid, without any fraud or further delay and without any deduction, defalcation or abatement to be made of anything, for or in respect of any ground rents, taxes or water rents or charges or claims or advances whatsoever, then this mortgage and the estate hereby granted, shall cease and become void.

The Mortgagor covenants with the Mortgagee as follows:

1. That the Mortgagor will deposit with the Mortgagee concurrently with payments of interest or of interest and principal, on the first day of each month after the date hereof until the said note is fully paid, the following sums:

(a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this mortgage and the note secured hereby are insured, or a monthly service charge, if they are held by the Secretary of Housing and Urban Development, as follows:

(i) if and so long as said note of even date and this mortgage are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one month prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, or

(ii) Beginning with the first day of the month following an assignment of this mortgage and the note secured hereby to the Secretary of Housing and Urban Development, a monthly service charge which shall be an amount equal to one-twelfth of one-half per centum of the average outstanding principal balance due on the note computed for each successive year, beginning with the first of the month following such assignment, without taking into account delinquencies or prepayments.

(b) A sum equal to the ground rents, if any, next due, plus the premium that will next become due and payable on policies of fire and other ~~hazard~~ insurance covering the mortgaged property, plus water rents, taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, water rents, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, water rents, taxes, and special assessments.

(c) All monthly installments of interest or of principal and interest and all payments mentioned in paragraphs (a) and (b) above shall be added together, and the aggregate amount thereof shall

be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:

(i) Premium charges under the contract of insurance with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner or service charge;

(ii) Ground rents, taxes, water rents, assessments, fire and other ~~hazard~~ insurance premiums;

(iii) Interest on the debt secured hereby; and

(iv) Amortization of the principal of the debt secured hereby.

Provided that any excess funds accumulated under paragraph (b) above remaining after payment of the items therein mentioned shall be credited to subsequent monthly payments of the same nature required thereunder; but if any such item shall exceed the estimate therefor, the Mortgagor shall without demand forthwith make good the deficiency. Failure to do so before the due date of such item shall be a default hereunder. In case of termination of the contract of mortgage insurance by prepayment of the mortgage in full, or otherwise (except as hereinafter provided), accumulations under paragraph (a) above not required to meet payments due under the contract of mortgage insurance, shall be credited to the Mortgagor. If the property is sold under foreclosure or is otherwise acquired by the Mortgagee after default, any remaining balance of the accumulations under paragraph (b) above shall be credited to the principal of the debt as of the date of commencement of foreclosure proceedings or as of the date the property is otherwise acquired; and accumulations under paragraph (a) above shall be similarly applied unless required to pay sums due to the Secretary of Housing and Urban Development, acting by and through the Commissioner under the contract of mortgage insurance.

2. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Secretary of Housing and Urban Development, acting by and through the Commissioner upon the insurance of the mortgage and other hazards **and liabilities** as may be required from time to time by the Mortgagee, and all such insurance shall be carried in such companies and be for such periods as may be required by the Mortgagee, and be in an amount which will comply with the coinsurance clause applicable to the location and character of the property but not less than eighty per centum (80%) of the actual cash value of the insurable improvements and equipment of the property and will pay when due any insurance premiums not provided for by monthly payments hereunder and in default thereof the Mortgagee may effect such insurance. Such policies shall be in standard form and endorsed with standard mortgagee clause with loss payable to the Mortgagee ~~and the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner as interest may appear,~~ and shall be deposited with the Mortgagee**; the insurance carrier shall be selected by the Mortgagor, subject to approval by the Mortgagee, which shall not be unreasonably withheld**. If the premises covered hereby, or any part thereof, shall be destroyed or damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company or companies by reason of such damage, in pursuance of the contract or contracts of such fire or other hazard insurance, to the extent of the indebtedness secured hereby remaining unpaid, shall be paid to the Mortgagee, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the premises.

3. That the Mortgagor will keep said premises in as good order and condition as they now are, and will not commit or permit any waste of said premises, reasonable wear and tear excepted. If the Mortgagor shall refuse or neglect to make or cause to be made all necessary repairs to the mortgaged property, then at the option of the Mortgagee, such repairs may be made at the expense of the Mortgagee,

and the cost thereof, with interest at the rate provided in the note secured hereby shall be added to and made a part of the principal debt secured hereby and shall be payable on demand.

4. The Mortgagee shall have the right to advance and pay any ground rents, taxes, assessments, water rents, and all other charges and claims which are provided to be made by the Mortgagor in paragraphs 1(a) and (b) above, and to advance and pay any sums of money that in its or their judgment may be necessary to perfect or preserve the title of the premises covered hereby. Any amount or amounts so paid by the Mortgagee shall be added to the principal debt secured hereby, shall bear interest at the rate provided in the note secured hereby from the date of payment, and shall be payable on demand. The Mortgagee, at its option, shall be entitled to be subrogated to any lien, claim or demand paid by it, or discharged with money advanced by it and secured by this mortgage.

5. That so long as this mortgage and the said note secured hereby are insured under the provisions of the National Housing Act, or held by the Secretary of Housing and Urban Development, the Mortgagor will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color or creed.

6. That so long as this mortgage and the note secured hereby are insured under the provisions of the National Housing Act, or held by the Secretary of Housing and Urban Development, the Mortgagor will not rent dwelling accommodations in the mortgaged premises at rental rates in excess of the rates permitted by the Secretary of Housing and Urban Development, acting by, and through the Federal Housing Commissioner or for periods of less than one (1) month or in excess of three (3) years, nor rent the premises as an entirety.

7. ~~That the indebtedness secured by this mortgage represents funds to be used in the construction of certain improvements on the lands herein described, in accordance with a building loan agreement between the Mortgagor and the Mortgagee dated _____ 19__, a copy of which is attached hereto and made a part hereof (provided, however, that if and to the extent that said building loan agreement is inconsistent herewith, this mortgage shall govern). If the construction of the improvements to be made pursuant to said building loan agreement shall not be carried on with reasonable diligence, or shall be discontinued at any time for any reason other than strikes or lock-outs, the Mortgagee, after due notice to the Mortgagor, or any subsequent owner, is hereby vested with full and complete authority to enter upon the said premises to employ watchmen to protect such improvements from depredation or injury and to preserve and protect the personal property therein, to continue any and all outstanding contracts for the erection and completion of said building or buildings, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the Mortgagor, or other owner, and to pay and discharge all debts, obligations, and liabilities incurred thereby. All such sums so advanced by the Mortgagee (exclusive of advances of the principal of the indebtedness secured hereby) shall be added to the principal of the indebtedness secured hereby and all shall be secured by this mortgage and shall be due and payable on demand with interest at the rate provided in the note secured hereby, but no such advances shall be insured unless same are specifically approved by the Federal Housing Commissioner prior to the making thereof. The principal sum and the other charges provided for herein shall, at the option of the Mortgagee or holder of this mortgage and the note secured hereby become due and payable on the failure of the Mortgagor, or other owner, to keep and perform any of the covenants, conditions and agreements of said building loan agreement. This covenant shall be terminated upon the completion of the improvement to the satisfaction of the Mortgagee and the making of the final advance as provided in said building loan agreement.~~

8. That the Mortgagor will not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage; and further, that it will keep and maintain said property free from the claim of all persons supplying labor or materials

which will enter into the construction of any and all buildings now being erected or to be erected on said property.

9. That the improvements ~~about to be made~~ upon the premises above described and all plans and specifications comply with all municipal ordinances and regulations made or promulgated by lawful authority, and that the same ~~will upon completion~~ comply with all such municipal ordinances and regulations and with the rules of the Board of Fire Underwriters having jurisdiction.

10. That the Mortgagor will not permit or suffer the use of any of the property for any purpose other than that for which the same is now agreed upon to be used; nor will it permit or suffer any alteration of or addition to the buildings or improvements ~~hereafter constructed~~ in or upon said property without the consent of the Mortgagee.

11. That the Regulatory Agreement, if any, executed by the Mortgagor and the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, which is being recorded simultaneously herewith, is incorporated in and made a part of this Mortgage. Upon default under the Regulatory Agreement and upon the request of the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, the Mortgagee, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.

It is agreed that if at any time, a Writ of Fieri Facias or other execution is properly issued upon a judgment obtained upon the note secured hereby, or if an Action of Mortgage Foreclosure is brought or a Writ of Scire Facias is issued or other foreclosure proceedings instituted upon this mortgage, an attorney's **fee** ~~commission~~ for collection, viz: **five** per centum (**5.0%**) of said principal debt or sum shall be payable, and shall be recovered in addition to all principal and interest and all other recoverable sums then due, besides costs of suit. The Mortgagor does hereby expressly waive and relinquish all benefit that may accrue to him by virtue of any and every law, civil or military, made or to be made hereafter exempting the mortgaged premises from attachment, levy and sale under execution.

It is further agreed that the holder of this mortgage, in any action to foreclose, shall be entitled to the appointment of a Receiver of the rents and profits of the mortgaged premises as a matter of right and without notice, with power to collect the rents, issues, and profits of said mortgaged premises, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by this mortgage, without regard to the value of the mortgaged premises or the solvency of any person or persons liable for the payment of the mortgage indebtedness. The Mortgagor for itself and any subsequent owner hereby waives any and all defenses to the application for a Receiver and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the mortgage of any other right, remedy, or privilege it may now have under the law to have a Receiver appointed. The provision for the appointment of a Receiver of the rents and profits, and the assignment of such rents and profits, is made an express condition upon which the loan hereby secured is made. The rights and remedies herein provided for shall be deemed to be cumulative and in addition to, and not in limitation of, those provided by law.

It is also agreed that, for the purpose of procuring possession of said mortgaged premises to the Mortgagee, its successors and assigns, in the event of any default as defined below, the Mortgagor, for the Mortgagor and for the successors and assigns of the Mortgagor, does hereby authorize and empower any attorney of any court as attorney for the Mortgagor, and for the successors or assigns of the Mortgagor, to sign an agreement for entering in any competent court an amicable action or judgment in ejectment, without any stay of execution, against the Mortgagor, or the successors or assigns of the Mortgagor and against all persons claiming under the Mortgagor, or the successors or assigns of the Mortgagor and for

the recovery by the Mortgagee, its successors or assigns, of possession of the mortgaged premises. In any such action, this mortgage or a copy thereof, verified by affidavit, shall be a sufficient warrant of attorney. Thereupon a Writ of Habere Facias Possessionem may issue forthwith without any prior writ or proceeding whatsoever. It is hereby expressly agreed that if for any reason after such action has been commenced the same shall be discontinued, marked satisfied of record or be determined, or possession of the mortgaged premises shall remain in or be restored to the Mortgagor, or the successors or assigns of the Mortgagor, the Mortgagee, its successors and assigns, shall have the right for the same default or in the event of any subsequent defaults, to bring on or more further amicable actions in the manner hereinbefore set forth to recover possession of the mortgaged premises. The Mortgagee, its successors and assigns, shall have the right to bring such amicable action in ejectment after an Action of Mortgage Foreclosure is brought or after the issuance of a Scire Facias sur Mortgage or other foreclosure proceedings are instituted upon this mortgage and after judgment thereon or therein, and after a sale of the mortgaged premises by the sheriff.

It is also expressly agreed that if the Mortgagor should fail to pay any installment of principal and interest or payment due pursuant to covenant one above within thirty (30) days after the due date of such installment or payment, or if the Mortgagor should fail to perform any of the terms, conditions or covenants of the mortgage, the note, ~~the building loan agreement~~, or the regulatory agreement, such failure shall constitute a default and in every such case, the whole principal debt shall, at the option of the Mortgagee, become due and payable immediately, and it shall and may be lawful for said Mortgagee forthwith to bring an Action of Mortgage Foreclosure, to sue out of a Writ of Scire Facias, or to institute other foreclosure proceedings upon this mortgage, and to proceed to judgment and execution for recovery of said principal debt, all interest thereon, all sums advanced for payment of any ground rent, taxes, water rents, charges, claims or insurance premiums as aforesaid, and all other recoverable sums, together with an attorney's commission for collection, without further stay of execution or other process, any law, usage or custom to the contrary notwithstanding. The Mortgagor hereby waives and relinquishes unto and in favor of the Mortgagee, all benefit under the laws now in effect or hereafter passed to relieve the Mortgagor in any manner, or to reduce the amount of the note to any greater extent than the amount actually paid for the premises hereby mortgaged at the sale thereof in any judicial proceedings upon the said note or upon this mortgage.

This mortgage and every covenant and agreement herein contained shall be binding upon and inure to the benefit of the Mortgagor and the Mortgagee and their respective successors and assigns and to the extent permitted by law shall bind every subsequent owner of the mortgaged premises.

Notwithstanding any other provision contained herein or in the Note, it is agreed that the Execution of the Note shall impose no personal liability upon the Mortgagor for payment of the indebtedness evidenced thereby and in the event of a default, the holder of the Note shall look solely to the "Collateral" (defined below) in satisfaction of the indebtedness evidenced by the Note and will not seek or obtain any deficiency or personal judgment against the Mortgagor except such judgment or decree as may be necessary to foreclose and/or bar its interest in the Collateral, provided, that nothing in this condition and no action so taken shall operate to impair any obligation of the Mortgagor under the Regulatory Agreement herein referred to and made a part hereof. As used herein, "Collateral" shall mean and include (i) the property subject to this Mortgage, including, but not limited to, the land, improvements, equipment, personal property, and appurtenances thereto and to the rents, issues and profits thereof, as set forth in this Mortgage and (ii) the collateral described in the Security Agreement of even date herewith given to further secure the Note between the Mortgagor and Mortgagee.

See Assignment of Leases Rider to Mortgage attached hereto.

IN WITNESS WHEREOF, **the Mortgagor has caused this instrument to be duly executed in its behalf by its duly authorized representative.**

WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007

By: _____
Abraham R. Atiyeh, Manager

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF LEHIGH

On this the 19th day of January, 2012, before me, the undersigned officer, personally appeared Abraham R. Atiyeh who acknowledged himself to be a manager and duly authorized representative of the said Whitehall Fiduciary, LLC, a Pennsylvania limited liability company, sole Trustee of Whitehall Trust, a Pennsylvania trust, and that he as such manager, being authorized to do so, executed the foregoing instrument, for the purposes therein contained, by signing the name of the limited liability company by himself as such manager.

_____
Notary Public

Commonwealth of Pennsylvania
NOTARIAL SEAL
MARIANNE L. RICE, Notary Public
City of Allentown, Lehigh County
My Commission Expires Aug. 20, 2015

~~(To be executed, witnessed and acknowledged as required by the laws of the State of Pennsylvania)~~

CERTIFICATE OF RESIDENCE

I, **Brianne Schwanitz, Esq.,** do hereby certify that the correct address of the within-named Mortgagee is **25 South Charles Street, 17th Floor, Baltimore, Maryland 21201** witness my hand this 19th day of **January, 2012.**~~, 19 _____~~.

_____
(On behalf of the Mortgagee)

COMMONWEALTH OF PENNSYLVANIA

Loan No. 034-22084

Mortgage

WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST
TO
M&T REALTY CAPITAL CORPORATION

COMMONWEALTH OF PENNSYLVANIA,
COUNTY OF **LEHIGH**

RECORDED on this ___ day of **January,** A.D. ~~19~~**2012**, in the Recorder's Office of said County, in Mortgage Book, ___, Vol. ___, Page ___.

Given under my hand and seal of the said office, the day and year aforesaid.

_____
Recorder.

Exhibit A

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-1

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

Whitehall Manor Senior Living
FHA Project No. 034-22084

ASSIGNMENT OF LEASES RIDER TO MORTGAGE

This Assignment of Leases Rider to Mortgage is dated as of January 19, 2012 and is incorporated by reference into that certain Open-End Mortgage dated of even date herewith by and between WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST u/t/a dated August 1, 2007, a Pennsylvania trust, ("Mortgagor"), and M&T REALTY CAPITAL CORPORATION, a Maryland corporation ("Mortgagee"), as if fully set forth therein.

1. Mortgagor hereby assigns, grants and transfers over to Mortgagee, its successors and assigns, all interest of the Mortgagor in and under that certain Lease Agreement by and between Mortgagor, as "Landlord", and Whitehall Manor, Inc., a Pennsylvania corporation, as "Tenant", together with any subsequent leases affecting the property described in the Mortgage (the "Leases"), together with all rents, income, revenues and profits now due, or which may become due under the Leases or arising otherwise out of the property covered by this Mortgage (the "Property"), or any interest therein, together with all rights which Mortgagor may have against all tenants or others under said Leases or otherwise in connection with the Property (collectively, the "Rents"), and including without limitation the rights and interests of Mortgagor as secured party under those provisions of the Leases whereby Tenant grants to Mortgagor a security interest in certain assets of Tenant; including Tenant's accounts receivable, licenses, provider agreements and certificates of need. This assignment is subject to a license hereby reserved to Mortgagor, but limited as hereinafter provided, to collect said Rents. For purposes of the security interests and rights of Mortgagor, as secured party, under each of the Leases which are assigned to Mortgagee under this Section 1, Mortgagor and Mortgagee agree that the term "Mortgagee" shall mean and include both the Mortgagee first named above and U.S. Department of Housing and Urban Development.

2. Mortgagor agrees to timely perform and discharge all obligations of Mortgagor as Landlord under the Lease.

3. Mortgagor further agrees not to receive or collect any Rents in advance, nor pledge, or assign future Rents, nor release or discharge any Tenant thereof from any obligation under the Lease; nor to cancel, modify, extend or renew any Lease or dispossess any Tenant without the prior written approval of Mortgagee.

4. So long as Mortgagor shall not be in default hereunder, Mortgagor shall have the license reserved hereby to collect all Rents.

5. Upon default by Mortgagor under this Mortgage, Mortgagee may, at its option, terminate the license of Mortgagor to collect the Rents and bring an action to appoint a receiver to enter upon, take possession of, manage and operate the Property and collect the Rents, make, enforce, and modify the Leases now or hereafter in effect, and otherwise perform all acts with respect to the Property, Leases and Rents as fully as Mortgagor could do if personally present, and Mortgagee shall, after payment of all expenses, credit the net amount of income which it may receive to the indebtedness secured hereby, in the manner, order and amounts as Mortgagee shall determine.

6. In the event Tenant defaults under its Lease with Mortgagor entitling Mortgagor, as Landlord, under the Lease to cause a receiver to be appointed to operate the Property, and after ten (10) days written notice from Mortgagee to Mortgagor directing Mortgagor to take such actions as are required to have a receiver appointed to so operate the Property, Mortgagor fails to commence such actions and diligently pursue them to completion, such failure shall be a default by Mortgagor under this Mortgage entitling Mortgagee to exercise its rights and remedies under this Mortgage and applicable law. In addition, upon such default or other default by Mortgagor under this Mortgage or the Note secured by this Mortgage that is not cured within any applicable cure period, Mortgagee may initiate such actions as may be necessary, whether in Mortgagee's name or in the name of, and/or in the place, of Mortgagor, to have a receiver appointed to operate the Property.

7. Notwithstanding anything herein to the contrary, acceptance by Mortgagee of this assignment shall not constitute Mortgagee a mortgagee in possession, or obligate Mortgagee to appear in or defend any action or proceeding relating to the Rents, Leases or the Property, or to take any action hereunder, or incur any expenses; nor shall Mortgagee be liable for any injury or damage to person or property sustained by any persons, in or about the Property. This assignment is an assignment of rights only, and not a delegation of duties.

8. Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney, coupled with an interest, in the name of Mortgagor, to subordinate any Lease to the lien of this Mortgage and to collect all Rents payable under the Leases upon termination of the license herein granted. This assignment shall constitute a direction to and full authority to Tenant and any other tenant under the Leases to pay all Rents to Mortgagee. The foregoing powers are irrevocable, continuing, and exclusive in Mortgagee, its successors and assigns.

9. Upon payment in full of the indebtedness secured by this Mortgage, this assignment shall be of no further force and effect and Mortgagee shall execute such documents, in recordable form, as may be required or needed to reconvey and/or rescind this assignment.

ANDREA E. NAUGLE
LEHIGH COUNTY CLERK OF JUDICIAL RECORDS

Recorder of Deeds Division
Deborah A. Casciotti, Chief Deputy
Lehigh County Courthouse
455 W. Hamilton Street - Room 122
Allentown, PA 18101-1614
(610) 782-3162

*RETURN DOCUMENT TO:
WIENER AND WIENER
512 HAMILTON STREET
ALLENTOWN, PA 18101

Instrument Number - 2012002759
Recorded On 1/26/2012 At 8:52:21 AM
* Instrument Type - MORTGAGE
Invoice Number - 114086 User ID: LSA
* Mortgagor - WHITEHALL FIDUCIARY LLC
* Mortgagee - M&T REALTY CAPITAL CORP
* Customer - WIENER AND WIENER

***Total Pages - 12**

* FEES

STATE WRIT TAX	$0.50
STATE JCS	$23.50
RECORDING FEES	$27.00
AFFORDABLE HOUSING	$11.50
COUNTY ARCHIVES FEE	$2.00
ROD ARCHIVES FEE	$3.00
UPI CERTIFICATION FEES	$10.00
TOTAL PAID	$77.50

I hereby CERTIFY that this document is
Recorded in the Recorder of Deeds Office
of Lehigh County, Pennsylvania

RECORDER OF DEEDS OF LEHIGH COUNTY PENNSYLVANIA

Andrea E. Naugle
Clerk of Judicial Records
Recorder of Deeds Division

LCGIS Registry UPI Certification
On January 26, 2012 By SB

THIS IS A CERTIFICATION PAGE

Do Not Detach

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT

* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

002XU7

INSTRUMENT NUMBER - 2012002759

1177 6th St. Whitehall PA 18052

Project No.: **034-22084**
Project Name: **Whitehall Manor Senior Living**
Location: **Lehigh County, Pennsylvania**
Whitehall Township

ASSIGNMENT OF MORTGAGE

Dated November 8, 2022, Effective as of November 16, 2022

KNOW ALL MEN BY THESE PRESENTS:

THAT, M&T REALTY CAPITAL CORPORATION, a corporation organized and existing under the laws of the State of Maryland, hereinafter referred to as the "Assignor", having offices at One Light Street, 12th Floor, Baltimore, Maryland 21202, for value received, does by these presents, without recourse, representation or warranty, except as hereinafter set forth, grant, bargain, sell, assign, transfer and set over unto the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, his/her successors and assigns, hereinafter referred to as "Assignee", having offices at 451 7th Street, SW, Washington D.C., 20410, all right, title and interest in and to that certain:

> Mortgage Note and Open-End Mortgage each dated January 19, 2012, to be effective January 26, 2012 (the "Mortgage"), each executed by WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007, each being in the original principal amount of Fifteen Million Seven Hundred Eighty-Eight Thousand Seven Hundred and No/100 Dollars ($15,788,700.00), which Mortgage Note was made payable to M&T Realty Capital Corporation and which Mortgage Note is secured by the Mortgage recorded January 26, 2012, as Instrument No. 2012002759 in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania.

SEE ATTACHED EXHIBIT "A" FOR A DESCRIPTION OF THE REAL PROPERTY.

TO HAVE AND TO HOLD the same unto said UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, HIS/HER SUCCESSORS AND ASSIGNS.

THIS Assignment is without recourse or warranty, except that the undersigned hereby warrants that no act or omission of the undersigned has impaired the validity or priority of said Mortgage. The undersigned also warrants that said Mortgage is prior to all mechanics' and materialmen's liens filed of record subsequent to the recording of such Mortgage regardless of whether such liens attached prior to such recording date, and prior to all liens and encumbrances

which may have attached or defects which may have arisen subsequent to the recording of such Mortgage (except such liens or other matters as have been approved by the Assignee hereunder). The undersigned also warrants that, as of the execution of this Assignment, the sum of Twelve Million Four Hundred Eighty-Seven Thousand Six Hundred Sixty-Nine and 04/100 Dollars ($12,487,669.04), together with the interest accruing at the rate of 3.38% per annum, as provided in the said Mortgage Note and Mortgage, is actually due and owing under said Mortgage Note and Mortgage, that there are no offsets or counterclaims thereto, and that the undersigned has a good right to assign the said Mortgage Note and Mortgage.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Assignor has caused this instrument to be executed on its behalf as of the date first above written.

M&T REALTY CAPITAL CORPORATION, a Maryland corporation

By:_____
Name: Michael Angles
Title: Senior Vice President

STATE OF MARYLAND }
} ss.
CITY OF BALTIMORE }

Before me, Melissa L. First, a Notary Public, in and for said City and State, on this day personally appeared **Michael Angles**, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the **Senior Vice President** of M&T Realty Capital Corporation, a Maryland corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed and as the authorized act of said corporation.

Given under my hand and seal of office, this the 8th day of November, 2022.

_____
Notary Public
My Commission Expires:

MELISSA L FIRST
Notary Public - State of Maryland
Baltimore County
My Commission Expires Apr 6, 2026

This instrument prepared by: Ariel A. Mullin
Vorys, Sater, Seymour and Pease LLP
301 E. Fourth Street, Suite 3500
Cincinnati, Ohio 45202

EXHIBIT A

Legal Description

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-2

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

Whitehall Township

1177 6th St. Whitehall PA 18052

Project No.: **034-22084**
Project Name: **Whitehall Manor Senior Living**
Location: **Lehigh County, Pennsylvania**
Whitehall Township

ASSIGNMENT OF MORTGAGE

Dated November 8, 2022, Effective as of November 16, 2022

KNOW ALL MEN BY THESE PRESENTS:

THAT, M&T REALTY CAPITAL CORPORATION, a corporation organized and existing under the laws of the State of Maryland, hereinafter referred to as the "Assignor", having offices at One Light Street, 12th Floor, Baltimore, Maryland 21202, for value received, does by these presents, without recourse, representation or warranty, except as hereinafter set forth, grant, bargain, sell, assign, transfer and set over unto the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, his/her successors and assigns, hereinafter referred to as "Assignee", having offices at 451 7th Street, SW, Washington D.C., 20410, all right, title and interest in and to that certain:

> Mortgage Note and Open-End Mortgage each dated January 19, 2012, to be effective January 26, 2012 (the "Mortgage"), each executed by WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007, each being in the original principal amount of Fifteen Million Seven Hundred Eighty-Eight Thousand Seven Hundred and No/100 Dollars ($15,788,700.00), which Mortgage Note was made payable to M&T Realty Capital Corporation and which Mortgage Note is secured by the Mortgage recorded January 26, 2012, as Instrument No. 2012002759 in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania.

SEE ATTACHED EXHIBIT "A" FOR A DESCRIPTION OF THE REAL PROPERTY.

TO HAVE AND TO HOLD the same unto said UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, HIS/HER SUCCESSORS AND ASSIGNS.

THIS Assignment is without recourse or warranty, except that the undersigned hereby warrants that no act or omission of the undersigned has impaired the validity or priority of said Mortgage. The undersigned also warrants that said Mortgage is prior to all mechanics' and materialmen's liens filed of record subsequent to the recording of such Mortgage regardless of whether such liens attached prior to such recording date, and prior to all liens and encumbrances

which may have attached or defects which may have arisen subsequent to the recording of such Mortgage (except such liens or other matters as have been approved by the Assignee hereunder). The undersigned also warrants that, as of the execution of this Assignment, the sum of Twelve Million Four Hundred Eighty-Seven Thousand Six Hundred Sixty-Nine and 04/100 Dollars ($12,487,669.04), together with the interest accruing at the rate of 3.38% per annum, as provided in the said Mortgage Note and Mortgage, is actually due and owing under said Mortgage Note and Mortgage, that there are no offsets or counterclaims thereto, and that the undersigned has a good right to assign the said Mortgage Note and Mortgage.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Assignor has caused this instrument to be executed on its behalf as of the date first above written.

M&T REALTY CAPITAL CORPORATION, a Maryland corporation

By:_____
Name: Michael Angles
Title: Senior Vice President

STATE OF MARYLAND }
} ss.
CITY OF BALTIMORE }

Before me, Melissa L. First, a Notary Public, in and for said City and State, on this day personally appeared **Michael Angles**, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the **Senior Vice President** of M&T Realty Capital Corporation, a Maryland corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed and as the authorized act of said corporation.

Given under my hand and seal of office, this the 8th day of November, 2022.

_____
Notary Public
My Commission Expires:

MELISSA L FIRST
Notary Public - State of Maryland
Baltimore County
My Commission Expires Apr 6, 2026

This instrument prepared by: Ariel A. Mullin
Vorys, Sater, Seymour and Pease LLP
301 E. Fourth Street, Suite 3500
Cincinnati, Ohio 45202

EXHIBIT A
LEGAL DESCRIPTION

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-2

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

Whitehall Township
1177 Cedar Ln Whitehall, PA 18052

Certificate of Residence

I do hereby certify that the correct address of the within-named Assignee is:

offices at 451 7th St. SW.
Washington, PA 20410

_____

ANDREA E. NAUGLE
LEHIGH COUNTY CLERK OF JUDICIAL RECORDS



Recorder of Deeds Division
Karen S. Collura, Chief Deputy
Lehigh County Courthouse
455 W. Hamilton Street - Room 122
Allentown, PA 18101-1614
(610) 782-3162

*RETURN DOCUMENT TO:
FIDELITY NATIONAL TITLE - WESTERVILLE (10043)
4111 EXECUTIVE PKWY, SUITE 30
WESTERVILLE, OH 43081

Instrument Number - 2022038363
Recorded On 11/16/2022 At 2:43:56 PM
* Instrument Type - ASSIGNMENT OF MORTGAGE
Invoice Number - 506774 User ID: CMF ***Total Pages - 6**
* Grantor - M&T REALTY CAPITAL CORP WHITEHALL TRUST
* Grantee - UNITED STATES SECRETARY OF HOUSING & URBAN DEVELOPMENT
* Customer - FIDELITY NATIONAL TITLE - WESTERVILLE (10043)

*FEES

STATE WRIT TAX	$0.50
STATE JCS	$40.25
RECORDING FEES	$17.00
COUNTY ARCHIVES FEE	$2.00
ROD ARCHIVES FEE	$3.00
UPI CERTIFICATION FEES	$10.00
TOTAL PAID	$72.75

I hereby CERTIFY that this document is
Recorded in the Recorder of Deeds Office
of Lehigh County, Pennsylvania



Andrea E. Naugle
Clerk of Judicial Records
Recorder of Deeds Division

LCGIS Registry UPI Certification
On November 16, 2022 By CJ

THIS IS A CERTIFICATION PAGE

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* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

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INSTRUMENT NUMBER - 2022038363

EXHIBIT I

WHITEHALL MANOR SENIOR LIVING
FHA Project No. 034-22084

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made, entered into and dated as of the 26th day of January, 2012 by and between **WHITEHALL FIDUCIARY, LLC, AS TRUSTEE OF WHITEHALL TRUST u/t/a dated August 1, 2007**, a trust organized and existing under the laws of the Commonwealth of Pennsylvania, whose principal place of business is located at 1177 Sixth Street, Whitehall, Pennsylvania 18052 ("Debtor"); and **M&T REALTY CAPITAL CORPORATION**, a corporation organized and existing under the laws of the State of Maryland and having an address at 25 South Charles Street, 17th Floor, Baltimore, Maryland 21201 (the "Secured Party"), as follows:

Recitals

A. Contemporaneously with this Agreement, the Secured Party has made a loan to the Debtor in the maximum principal amount of $15,788,700.00 (the "Loan"). The Loan is (i) evidenced by the Mortgage Note made by the Debtor in favor of the Secured Party, dated as of even date herewith (the "Note") and (ii) secured, in part, by an assisted living project known as Whitehall Manor Senior Living, FHA Project No. 034-22084 (the "Project") located at 1177 Sixth Street, Whitehall, Pennsylvania 18052, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Premises"). The Project is the subject of the Regulatory Agreement between the Debtor and the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner ("HUD"), dated as of even date herewith (the "Regulatory Agreement").

B. As security, in part, for the Obligations (as defined below), the Debtor (i) granted to the Secured Party the Mortgage, dated as of even date herewith, encumbering the Project, which has been or is being recorded in the real estate records of the jurisdiction in which the Premises are located (the "Mortgage") and (ii) is entering into this Agreement with the Secured Party. The Note, the Mortgage, this Agreement, the Regulatory Agreement and all other agreements, instruments, and documents which are now existing or are in the future signed or delivered by, or on behalf of, the Debtor to the Secured Party and/or HUD in connection with, or related to, the Loan or the other Obligations are sometimes collectively referred to as the "Loan Documents."

C. As used herein, "Healthcare Assets" means (i) any and all licenses, permits, and/or approvals issued by any governmental authority with respect to the use or operation of the Project for its "Approved Use" (as defined in the Regulatory Agreement), (ii) any and all Medicare and Medicaid provider agreements and (iii) any and all "Government Accounts" and "Government Payments" (each as defined below).

Statement of Agreement

1. SECURITY INTEREST; SETOFF.

(a) To secure the full, prompt and complete payment and performance of all Obligations, the Debtor hereby, to the fullest extent permitted by applicable law with respect to Healthcare Assets, grants to, and creates in favor of, the Secured Party a continuing security interest in all of Debtor's right, title and interest in and to the property described on Exhibit B attached hereto and incorporated herein by reference (the "Collateral"). "Obligations" means, as of any date, the Loan and all other indebtedness, liabilities, obligations, covenants, debts and amounts owing from the Debtor to the Secured Party and/or HUD arising out of, in connection with, described in, or evidenced by the Loan Documents, whether direct or indirect, absolute or contingent, related or unrelated, now or in the future existing and whether consisting of principal, interest, fees, indemnities, expenses (including attorneys' fees), charges or other sums, however any of that indebtedness, obligations, or liabilities may be evidenced or acquired, all as now exist or may, after the date of this Agreement, be incurred, renewed, extended, consolidated, adjusted or amended.

(b) In addition to (and without limitation of) any right of setoff, lien or counterclaim the Secured Party may otherwise have, the Secured Party may, at its option, setoff and retain, and may refuse to allow withdrawals by, or for the benefit of the Debtor of, any and all funds, monies, securities and other property held in escrow or for the account of the Debtor pursuant to the Loan Documents, against any amount payable by the Debtor under the Note, the Mortgage or any of the other Loan Documents which is not paid when due (whether or not any of the funds, monies, securities, or other property are then distributable to, or on behalf of, the Debtor).

(c) Notwithstanding any provisions to the contrary contained in this Agreement, nothing set forth in this Agreement shall be construed as granting to Secured Party a security interest, assigning receivables, giving dominion and control or designating an attorney-in-fact with respect to Healthcare Assets in violation of any applicable law.

(d) The Debtor hereby assigns and transfers to Secured Party all of Debtor's rights, titles and interests in, to and under any and all security agreements now or hereafter entered into by the Debtor with any lessee of all or any portion of the Project and all of Debtor's rights, titles and interests in the collateral described therein.

2. REPRESENTATIONS; GENERAL COVENANTS.

(a) To induce the Secured Party to make the Loan, the Debtor promises to the Secured Party that the following statements are, and will continue throughout the term of this Agreement to be, true: (i) except to the extent expressly permitted pursuant to Section 19 hereof, the security interest granted to the Secured Party in the Collateral constitutes a valid, first priority security interest; (ii) the Debtor has good title to, and is the sole and lawful owner of, the Collateral; (iii) the Debtor has full power and authority to enter into and perform its obligations under this Agreement; (iv) except to the extent expressly permitted pursuant to Section 19 hereof and taxes that are not yet due and payable, the Collateral is free and clear of any lien, security

interest, claim, interest, pledge, assignment or other encumbrance (a "Lien") except (A) the security interest in favor of the Secured Party and (B) those Liens, if any, approved in writing by Secured Party (the "Permitted Liens"); (v) the Debtor keeps all tangible Collateral at the Property; (vi) all trade names, assumed names, fictitious names and other names used by the Debtor during the five year period preceding the date of this Agreement are set forth on Exhibit C, and the Debtor has not, during the preceding five year period, except as may be set forth on Exhibit C, acquired any of its assets in any bulk transfer; (vii) Debtor's chief executive office is as set forth in the first paragraph of this Agreement; (viii) Debtor's jurisdiction of organization is as set forth in the first paragraph of this Agreement; (ix) Debtor's exact legal name is as set forth in the first paragraph of this Agreement; (x) Debtor's organizational number (if any) as assigned by the State in which Debtor is organized is the number identified as Debtor's organizational ID # on the financing statement(s) filed in connection with the closing of the Loan, and (xi) except as may be set forth on Exhibit C, the Debtor has no rights, titles or interests in, or with respect to, any investment property, any letters of credit, any electronic chattel paper, any commercial tort claims, any instruments, including promissory notes, or any Deposit Accounts (as defined below).

(b) Debtor will (i) cause, at its expense, any and all UCC financing statements naming as secured party anyone other than Secured Party, which represent or evidence a Lien or potential Lien against any or all of the Collateral, to be terminated within thirty (30) days of the date hereof (except Permitted Liens, if any) and (ii) provide within forty-five (45) days of the date hereof, at its expense, to Secured Party one or more UCC search reports with respect to each office in which a UCC filing may be required in order for Secured Party to validly perfect its security interest in any or all of the Collateral, confirming that a UCC financing statement has been filed in such office in favor of Secured Party and that there are no other UCC financing statements in effect with respect to any of the Collateral except those in favor of Secured Party and Permitted Liens. The Debtor will not grant, create or permit to exist any Lien on any of the Collateral except for the Liens in favor of the Secured Party and Permitted Liens and except to the extent expressly permitted pursuant to Section 19 hereof. The Debtor, at the Secured Party's request, will defend the Collateral against the claims and demands of any other individual, unincorporated association, partnership, joint venture, trust, business trust, corporation, limited liability company, institution, entity or any governmental authority ("Persons") at any time claiming any interest in the Collateral.

(c) The Collateral will only be used by the Debtor in the operation of the Project. Until an Event of Default (as defined below) occurs, the Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with the Loan Documents and any policy of insurance thereon. The Debtor will not sell, assign, lease, or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party; however, the Debtor will have the right, without the Secured Party's consent, to transfer, sell or dispose of any Collateral which is (i) tangible personal property and (ii) obsolete or worn out ("Consumed Property") if the Debtor, concurrently with such transfer, sale or disposition, replaces the Consumed Property with replacement personal property which is free and clear of any Liens except for the Liens in favor of the Secured Party and has the same or greater value and utility as the Consumed Property originally had (any such replacement personal property will automatically become a part of the Collateral under this Agreement). The Secured Party's interests in the proceeds of the Collateral (or notification of its interests in the proceeds of the Collateral in financing statements

or otherwise) will not be construed as modifying this Agreement or as the Secured Party's consent to the disposition of any Collateral other than as provided in this Agreement.

(d) All tangible Collateral is to be located at the Project ("Collateral Location"), and no tangible Collateral may be removed therefrom without the prior consent of the Secured Party unless the Collateral is (i) Consumed Property under the terms of Section 2(c) above or (ii) being removed in accordance with the terms of Section 2(e) below. Immediately on demand therefor by the Secured Party, the Debtor will deliver to the Secured Party any and all evidences of ownership of the Collateral (including certificates of title and applications for title). The Debtor will give the Secured Party not less than 30 days prior written notice of any change of (A) Debtor's corporate, partnership, limited liability company, doing business, trade or legal name or (B) any Collateral Location.

(e) The Debtor will, at its own cost and expense, maintain all of the tangible Collateral in good working condition and make all necessary renewals, repairs, replacements, additions, betterments and improvements thereto, and, in this connection, the Debtor may temporarily remove the same, or any part thereof, from the Project if such removal is necessary or advisable in connection with the Debtor's fulfilling of its obligations under this Section 2(e), and does not affect the priority of the security interests created under this Agreement.

(f) The Debtor will, upon request of Secured Party, deliver to Secured Party copies of all reports, financial statements and other information which the Debtor is obligated to provide to HUD in connection with the Project and/or Collateral not later than the earlier of (i) the delivery of such reports, financial statements and other information to HUD or (ii) ten (10) days after Secured Party makes such request.

(g) The Debtor will not change (i) without thirty (30) days prior notice to the Secured Party, the location of its chief executive office or (ii) without the prior written consent of Secured Party, which shall not be unreasonably withheld, its jurisdiction of organization.

(h) The Debtor will not merge or consolidate with or into any other Person without the prior written consent of Secured Party.

(i) The provisions of this Section 2(i) shall only apply in the event that the Debtor operates the Project. As used in this Agreement, the capitalized term "Deposit Account" means (1) any deposit account into which payments to the Debtor with respect to the operation of the Project are initially deposited, as opposed to being transferred from another Project account, and (2) any deposit account into which Government Payments are directly transferred from a Government Account (defined below). The Debtor will not establish a Deposit Account unless (A) with respect to any such proposed Deposit Account (other than those set forth on Exhibit C) at least thirty (30) days prior written notice of the name and address of the depository bank, the type of account and any other information reasonably requested by the Secured Party is provided to Secured Party and (B) contemporaneously therewith, if requested by the Secured Party consistent with the Debtor's obligations under Section 14, a control agreement in form and substance acceptable to the Secured Party is entered into among the Debtor, the Secured Party and the depository bank where the Deposit Account would be maintained (any such depository bank is referred to herein as a "Depository Bank" and any such control agreement is referred to

herein as a "DACA"), unless the Deposit Account is a Government Account. A DACA may not be changed or terminated without the prior written consent of the Secured Party. Upon the Secured Party's written request (which request need be made only once and not on a recurring basis), the Debtor will take all reasonable steps to cause each Depository Bank to provide to the Secured Party (I) whether by Internet access or otherwise, on-line screen access to daily activity in the Deposit Accounts, and (II) a copy of each periodic account statement relating to the Deposit Accounts ordinarily furnished by such Depository Bank to the Debtor. The Debtor authorizes and approves of the Secured Party communicating directly with each Depository Bank. Unless the Debtor receives no Government Payments, the Debtor will maintain one or more separate Deposit Account(s) into which only Government Payments (defined below) are deposited (collectively, the "Government Accounts"), and the Debtor will not commingle in any Government Account proceeds of accounts from non-governmental payors with proceeds of accounts owing from governmental authorities, including Government Payments. The Debtor shall cause all Government Payments related to the operation of the Project to be paid directly into the Government Accounts. Prior to establishing a Government Account, the Debtor shall cause the Depository Bank that maintains such Government Account to enter into a deposit account instruction services agreement with the Secured Party and the Debtor in form and substance acceptable to the Secured Party with respect to such Government Account (each, a "DAISA"), which requires initiation of a funds transfer each business day, unless the Secured Party approves otherwise, of all available funds in the applicable Government Account to a Deposit Account of Debtor that is subject to a DACA and is not a Government Account. Not less than thirty (30) days prior to the effective date thereof, the Debtor will provide to the Secured Party a copy of (i) any change to any DAISA, or (ii) any new directions with respect to a Government Account issued to a Depository Bank maintaining such Government Account, in each case contemporaneously with providing the change or directions to the Depository Bank. Without limiting the generality of the foregoing, without the prior written consent of the Secured Party, neither a change to any DAISA nor any such new directions shall instruct a Depository Bank to transfer funds from the Government Account to a Deposit Account that is not then subject to a DACA. No change to or termination of a DAISA, nor any such new directions with respect to a Government Account, shall be made without the prior written consent of the Secured Party. Also, the Debtor shall not close a Government Account subject to a DAISA without the prior written consent of the Secured Party. Failure of Debtor to comply with any of the provisions of this Section 2(i) shall constitute an "Event of Default." As used herein, "Government Payment" means a payment from a governmental entity and shall include, without limitation, payments governed under the Social Security Act (42 U.S.C. §§ 1395 et seq.), including payments under Medicare, Medicaid and TRICARE/CHAMPUS, and payments administered or regulated by the Centers for Medicare and Medicaid Services of Department of Health and Human Services.

3. COMPLIANCE WITH LAWS. The Debtor will comply with the requirements of all valid and applicable federal, state and local laws.

4. TAXES; EXPENSES. The Debtor will pay, when due, all taxes, assessments and other charges lawfully and validly levied or assessed on the Collateral or any part thereof. The Debtor will pay and, as applicable, reimburse the Secured Party for (i) any and all fees, costs and expenses, of whatever kind and nature, including the fees, expenses and disbursements of the Secured Party's counsel (including, but not limited to, fees, expenses and disbursements for

preparation of documents, making title examinations and rendering opinion letters) which the Secured Party may incur in connection with filing any financing statements or other public notices to protect its interests hereunder, the enforcement, preservation and/or protection of the Secured Party's rights and/or remedies under the Loan Documents, whether incurred through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to the Loan, and (ii) all filing and recording fees and taxes payable in connection with the transactions contemplated by the Loan Documents. All amounts payable by Debtor to Secured Party under this Section 4 will be paid by the Debtor upon the Secured Party's demand therefor.

5. INSPECTION; NOTICES. Subject to resident privacy rights, the Secured Party, or its agents, may enter on the Project and any other Collateral Location at any time during normal business hours, and from time to time, for the purpose of inspecting the Project and/or the Collateral and making copies or abstracts of all of the Debtor's records pertaining to the Collateral. The Debtor will keep accurate and complete records of the Collateral. The Debtor will give the Secured Party prompt notice of any Event of Default.

6. INSURANCE. The Debtor will purchase and maintain insurance at all times with respect to the Premises, all improvements now or hereafter located thereon, and all tangible Collateral against risks of fire (including so-called extended coverage), theft, vandalism, and such other risks as the Secured Party may require, in such form, for such periods, and written by such companies as may be satisfactory to the Secured Party, such insurance to include "law and ordinance" coverage, and to be payable to the Secured Party as its interests may appear. In addition, the Debtor will purchase and maintain at all times liability insurance and business interruption insurance in such amounts and issued by such companies as may be required from time to time by the Secured Party. The Debtor covenants to pay to the Secured Party, together with monthly payments under the Note, installments on account of the premiums that will next become due and payable on such liability and business interruption insurance, the payment amounts to be determined in the same manner and the payments to be applied in the same priority as specified in the Mortgage with respect to payments of property insurance premiums. All policies of insurance will provide for thirty (30) days advance written notice to the Secured Party of cancellation or any material change in coverages of such insurance. The Debtor will furnish the Secured Party with certificates or other evidence satisfactory to the Secured Party of compliance with the foregoing insurance provisions.

7. DISCHARGE OF LIENS. At its option but without any obligation to do so, the Secured Party may (a) discharge any taxes or other Liens at any time levied or placed on the Collateral, (b) pay for insurance on the Collateral, and/or (c) pay for the maintenance and preservation of the Collateral. The Debtor will reimburse the Secured Party on its demand for any payment made, or any expense incurred, by the Secured Party pursuant to this Section 7. All of the foregoing sums paid or advanced by the Secured Party will constitute part of the Obligations and will be secured by the Collateral.

8. EVENTS OF DEFAULT. Each of the following events or circumstances, whether or not caused by or within the control of the Debtor, will be an "Event of Default" under this Agreement:

(a) The Debtor does not pay when due any of the Obligations, subject to any grace period provided under the Note;

(b) The Debtor does not observe, perform or comply with any of the terms or conditions of this Agreement;

(c) A default or breach under any of the Loan Documents (exclusive of this Agreement, which is covered by the other subsections of this Section 8) has occurred, which default or breach is not cured within any applicable grace period;

(d) Any warranty, representation or statement made or furnished to the Secured Party by, or on behalf of, the Debtor proves to have been false in any material respect when made or furnished or when treated as being made or furnished to the Secured Party;

(e) The Secured Party does not have, for any reason, a perfected, first priority security interest in all of the Collateral except to the extent expressly permitted pursuant to Section 19 hereof;

(f) There occurs any actual or threatened demolition of or injury or waste to the Project premises, not covered by insurance, or not replaced or restored by the Debtor, which may materially impair the value of the Collateral or the Project;

(g) Filing by or against the Debtor of a petition in bankruptcy, for a reorganization, arrangement or debt adjustment, or for a receiver, trustee, or similar creditors' representative for Debtor's property or any part thereof, or of any other proceeding under any federal or state insolvency or similar law (and if such petition or proceeding is an involuntary petition or proceeding filed against the Debtor without its acquiescence therein or thereto at any time, the same is not promptly contested and, within 60 days of the filing of such involuntary petition or proceeding, dismissed or discharged), or the making of any general assignment by the Debtor for the benefit of creditors, or the Debtor dissolves or is the subject of any dissolution, winding up or liquidation;

(h) The Debtor is dissolved and liquidation of the Debtor is commenced in accordance with the Debtor's organizational documents and/or the law of the jurisdiction of organization; or

(i) The Debtor changes its name or the jurisdiction in which it is organized or merges or consolidates with or into another Person without the prior written consent of the Secured Party.

9. REMEDIES ON DEFAULT.

(a) If an Event of Default occurs, the Secured Party may then, or at any time after the occurrence of an Event of Default, (A) declare all Obligations immediately due and payable, and whereupon the Obligations will be due and payable automatically and immediately, without notice or demand, which the Debtor expressly waives, and proceed to enforce payment of the Obligations; (B) exercise all of the rights and remedies afforded to the Secured Party under (i) the terms of this Agreement and/or any of the other Loan Documents, (ii) under the UCC (as

defined in Section 12 below), and/or (iii) by law and/or in equity (subject, however, to any limitations imposed by applicable law with respect to Healthcare Assets); (C) collect and receive the proceeds of all Awards (as defined in Exhibit B), the rights of Debtor thereto and shares of Debtor therein being hereby assigned to the Secured Party, and give proper receipts and acquittances therefor and apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured Party, of the Obligations; (D) require the Debtor to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties, and (E) without limiting the provisions of Section 1(b), apply (or instruct another Person to apply) to the Obligations the balance of any deposit account that is part of the Collateral.

(b) Without limitation of those rights and remedies, the Secured Party may, upon written notice to the Debtor, take, and publicly or privately sell or convey, full right, title and interest in and to the Collateral, or any part of it, in the name of the Secured Party and/or its designees. To the extent not prohibited by applicable law with respect to Healthcare Assets, the Debtor hereby constitutes and appoints the Secured Party as its true and lawful attorney in fact to assign and transfer its interest in any or all of the Collateral if an Event of Default occurs.

(c) If any notice is required by law for the Secured Party to make a sale or other disposition of the Collateral, the Secured Party and the Debtor agree that notice will not be unreasonable as to time if given in compliance with this Agreement ten (10) days before any sale or other disposition of the Collateral. All reasonable attorneys' and paralegal fees and other legal expenses incurred by the Secured Party to collect the Obligations, to retake, hold, prepare for sale, and to dispose of the Collateral will be (i) payable to the Secured Party on its demand for payment, (ii) part of the Obligations, and (iii) secured by the Collateral.

(d) The Debtor further specifically agrees that, in any exercise of the rights of the Secured Party under this Agreement or under any other Loan Document, (i) any combination of the Collateral and/or other security for the Obligations may be offered for sale and (ii) all of the Collateral and/or other security for the Obligations may be sold for one total price, and the proceeds of any such sale accounted for in one account without distinction among the items of security or without assigning to them any proportion of such proceeds, the Debtor hereby waiving the application of any doctrine of marshaling.

(e) The Debtor shall cooperate in any legal and lawful manner necessary or required to permit the Secured Party or its successors and assigns to continue to operate and maintain the Project for its Approved Use in Debtor's name, place and stead. For this purpose and to the extent not prohibited by applicable law with respect to Healthcare Assets, Debtor irrevocably appoints the Secured Party, its successors and assigns, as Debtor's true and lawful attorney-in-fact, to do all things necessary or required by the state in which the Project is located or any other government entity with jurisdiction over the Project, including, but not limited to, the provision of any and all information and data, the payment of fees and other charges, and the execution of documents, all in the name of the Debtor. This power is coupled with an interest.

10. NO WAIVER BY SECURED PARTY; CUMULATIVE RIGHTS.

(a) No waiver by the Secured Party of any Event of Default or default under this Agreement or any of the other Loan Documents will be effective unless such waiver is in writing and signed by duly authorized representatives of the Secured Party. No waiver by the Secured Party of any Event of Default or default under this Agreement or any of the other Loan Documents will operate as a waiver of any other Event of Default or default or of the same Event of Default or default on a future occasion. The Secured Party may delay in exercising or omit to exercise any right or remedy under this Agreement, any other Loan Document or by law or equity provided without waiving that or any past, present or future right or remedy. All rights and remedies of the Secured Party in this Agreement and the other Loan Documents will be cumulative, and none of these rights or remedies will be exclusive of any other right or remedy allowed at law or in equity or in any other Loan Document, and all of these rights and remedies may be exercised and enforced concurrently.

(b) Neither the Debtor nor any other Persons interested in the Collateral or the proceeds of the Collateral shall have any right to require the Secured Party first to resort to or proceed personally against any other Person or to proceed against any other collateral security, or to give priority or preference to any item of Collateral, or to proceed upon any guaranty, prior to exercising its rights hereunder. No renewal or extension of the Loan, no release or surrender of the Collateral and/or other security for the Obligations, no release of any obligor with respect to the Obligations, and no delay by the Secured Party in enforcing the Obligations or exercising any right or power with respect to the Obligations shall affect the Secured Party's rights with respect to the Collateral.

11. BINDING EFFECT; JOINT OBLIGATIONS. All rights and remedies of the Secured Party under this Agreement will inure to the benefit of the Secured Party's successors and assigns; and all agreements, obligations, and duties of the Debtor will bind its heirs, personal representatives and permitted successors and assigns; however, the Debtor may not assign this Agreement or any of its rights under this Agreement or delegate any of its duties or obligations under this Agreement without the consent of the Secured Party. If there be more than one Debtor, their obligations, agreements and duties under this Agreement are made jointly and severally.

12. GOVERNING LAW; CONSTRUCTION; WAIVER OF TRIAL BY JURY.

(a) This Agreement and all rights and obligations under this Agreement, including matters of construction, validity and performance, will be governed by the laws of the state in which the Project is located (the "State") except as to the existence, validity, perfection or priority (and the effect of perfection or non-perfection or invalidity) of any Lien of the Secured Party on any deposit account which will be governed by the laws of the state in which the applicable deposit account is maintained at the applicable bank, savings and loan association, credit union or like organization. If any term of this Agreement is found to be invalid by a court with jurisdiction under the laws of the State or laws of mandatory application, then the invalid term will be considered excluded from this Agreement and will not invalidate the remaining terms of this Agreement. All uncapitalized terms used herein which are now or hereafter defined in the Uniform Commercial Code, as now enacted in the State or as hereafter amended or superseded (the "UCC"), will have the same meaning herein as in the UCC unless the context indicates otherwise. Every power given herein is coupled with an interest and is irrevocable by

death, dissolution or otherwise. The definition of any document includes all schedules, attachments and exhibits to that document, and all renewals, extensions, supplements, amendments, modifications, restatements and consolidations of that document, and any document given in substitution for or replacement of that document. The term "including" is used by way of example only and not by way of limitation, and the singular includes the plural and conversely. The captions or headings contained in this Agreement are for reference purposes only and will not affect or relate to the interpretation of this Agreement.

(b) AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE SECURED PARTY TO ENTER INTO THE AGREEMENT AND EXTEND CREDIT TO DEBTOR, SECURED PARTY AND DEBTOR EACH HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT(S) TO A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM OR DEFENSE RELATING TO, RESULTING FROM OR ARISING OUT OF ANY OF THE LOAN AND/OR ANY TRANSACTIONS, RIGHTS AND/OR OBLIGATIONS CONTEMPLATED BY THIS AGREEMENT AND/OR ANY OF THE OTHER LOAN DOCUMENTS. DEBTOR FURTHER ACKNOWLEDGES THAT SUCH WAIVER OF THE RIGHT TO A TRIAL BY JURY IS MADE AFTER CONSULTATION WITH COUNSEL.

13. TERM OF AGREEMENT. The term of this Agreement will begin on the date of this Agreement and continue in full force and effect and be binding on the Debtor until the date that all of the Obligations are fully and finally paid and satisfied.

14. PERFECTION; FURTHER ASSURANCES. The Debtor agrees to comply with all applicable laws and requirements in order to grant to the Secured Party a valid, perfected first Lien on the Collateral except to the extent expressly permitted pursuant to Section 19 hereof. At any time and from time to time, the Debtor, on request of the Secured Party, will give, execute, file and/or record any notice, financing statement, instrument, document or agreement that the Secured Party may consider necessary or desirable to create, preserve, continue, perfect or validate any security interest or other Lien granted under this Agreement or which the Secured Party may consider necessary or desirable to exercise or enforce its rights under this Agreement. Without limiting the generality of the foregoing, the Secured Party is authorized to file with respect to the Collateral one or more financing statements or other documents without the signature of the Debtor and to name therein the Debtor as debtor and the Secured Party and/or HUD as secured parties; and correct or complete, or cause to be corrected or completed, any financing statements or other such documents as have been filed naming the Debtor as debtor and the Secured Party and/or HUD as secured parties. The Debtor hereby appoints the Secured Party as its attorney-in-fact and authorizes the Secured Party, acting alone on behalf of the Debtor, to execute, acknowledge, deliver, file and/or record any and all documents requiring execution by the Debtor and necessary or desirable to effectuate or facilitate the purposes of this Agreement and/or the obligations or covenants of the Debtor under this Agreement. The power of attorney granted hereby is coupled with an interest and is irrevocable. The Secured Party is also authorized by the Debtor to give notice to any Person that the Secured Party may consider necessary or desirable under applicable law to preserve, perfect or protect the Secured Party's and/or HUD's interests in the Collateral. Without limiting the generality of the foregoing, with respect to any of the Collateral for which control of such Collateral is a method of perfection under the UCC, including all of the Debtor's rights, titles and interests in deposit

accounts, investment property, electronic chattel paper and letter-of-credit rights, the Debtor will, on Secured Party's request, cause to be executed by each Person that the Secured Party determines is appropriate, a control agreement in a form acceptable to the Secured Party.

15. INTEREST. Any amounts payable by the Debtor under this Agreement will bear interest at the rate of interest provided in the Note from the date on which such amounts are payable under this Agreement until the date on which such payments are made by the Debtor to the Secured Party; however, nothing in this Agreement will be deemed to give to the Debtor the right to withhold payment in consideration of the payment of such interest.

16. DELIVERY OF NOTICES. All notices must be in writing and sent (a) in person, (b) by certified or registered mail, or (c) by overnight delivery carrier for next day delivery, in each case to the address listed in the opening paragraph of this Agreement (or if notice of a new address is given in accordance with this Agreement, to the new address). Notice given in any other manner will not be considered delivered or given unless and until actually received. A notice period will start (i) if mailed, three business days after notice was sent by certified or registered mail, (ii) the next business day after being sent by overnight delivery, and (iii) the day the notice was delivered in person.

17. REVIVAL OF SECURITY INTEREST. If the Debtor makes a payment or payments to the Secured Party (or the Secured Party receives any payment or proceeds of the Collateral) that are subsequently voided, avoided, set aside, annulled, or disregarded under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of the payment or proceeds received, the Obligations or part intended to be satisfied will be revived and will continue in full force and effect as if these payment(s) or proceeds had not been received by the Secured Party, and the security interest granted herein shall be enforceable as to such Obligations as fully as if such payments had never been made.

18. CLAIMS AGAINST SECURED PARTY.

(a) Notification. The Secured Party shall not be in default under this Agreement, or under any of the other Loan Documents, unless a written notice specifically setting forth the claim of the Debtor shall have been given to Secured Party within one hundred eighty (180) days after the occurrence of the event which the Debtor alleges gave rise to such claim and the Secured Party does not remedy or cure the default, if any, with reasonable promptness thereafter.

(b) Remedies. If it is determined by the final, non-appealable order of a court of competent jurisdiction that the Secured Party has breached any of its obligations under the Loan Documents and has not remedied or cured same with reasonable promptness following receipt of notice thereof, the Secured Party's responsibilities shall be limited to the following: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of any of the Loan Documents, the obligation to grant such consent or give such approval; and (ii) where the breach involves any other violation of the Loan Documents, or where the Secured Party is determined to have acted in bad faith, the payment of any actual, direct, compensatory damages sustained by the Debtor as a result thereof.

(c) Limitations. In no event, however, shall the Secured Party be liable to the Debtor, or to any other party claiming through the Debtor, for any other damages, including, without limitation, indirect, speculative, or punitive damages, whatever the nature of the breach by the Secured Party of its obligations under any of the Loan Documents. In no event shall the Secured Party be liable to the Debtor, or to any other party claiming through the Debtor, unless a written notice specifically setting forth the nature of the claim shall have been given to the Secured Party within the time period specified above.

19. PROVISIONS REGARDING ACCOUNTS RECEIVABLE LOANS. This Section 19 shall apply when the Debtor operates the Project, and there is no lease of the Premises. In all other instances, there shall be no accounts receivable financing under this Section.

(a) Definitions. The following words and terms shall have the meanings hereinafter set forth:

"Accounts" shall mean all right, title and interest of the Debtor in and to the following, in each case arising from the Debtor's operation of the Project in the ordinary course of the Debtor's business: (a) all rights to payment of a monetary obligation, whether or not earned by performance, including, but not limited to, accounts (including, but not limited to accounts receivable, health-care insurance receivables, Medicaid and Medicare receivables, Veterans Administration receivables, or other governmental receivables, private patient receivables, and HMO receivables), (b) payment intangibles, (c) guaranties, letter-of-credit rights and other supporting obligations relating to the property described in clauses (a) and (b), and (d) all of the proceeds of the property described in clauses (a), (b) and (c). Notwithstanding the foregoing, "Accounts" do not include accounts rising from the sale of the Debtor's equipment, inventory or other goods, other than accounts arising from the sale of Debtor's inventory in the ordinary course of the Debtor's business.

"Eligible AR Lender" means a bank, financial institution or other institutional lender which is in the business of making loans to provide working capital to businesses and which is not affiliated with the Debtor.

"Eligible AR Loan" means a loan or line of credit obtained by the Debtor from an Eligible AR Lender (a) for the sole purpose of providing working capital for the operation of the Project and, with the approval of HUD and Secured Party, other projects that are encumbered by mortgage loans insured or held by HUD and (b) which satisfies all of the requirements of this Section 19.

"Required Intercreditor Agreement" means an Intercreditor Agreement (including any HUD-required Rider) executed by the Secured Party, the Eligible AR Lender and the Debtor, in form and substance satisfactory to Secured Party and approved by HUD.

(b) Eligible AR Loan. Subject to the written approval of the Secured Party and HUD, the Debtor may obtain and maintain at any time one, and only one, Eligible AR Loan, which Eligible AR Loan may be secured by a first lien on the "AR Lender Priority Collateral"

(composed of Accounts and as further defined in the Required Intercreditor Agreement), subject to the following limitations and requirements:

(i) in no event shall the principal amount of the Eligible AR Loan ever exceed such amount as may be approved in writing by Secured Party and HUD;

(ii) without the written approval of the Secured Party, none of the Collateral, except the AR Lender Priority Collateral, shall be given as security for any Eligible AR Loan;

(iii) with respect to any existing Eligible AR Loan, the Eligible AR Lender, Debtor and Secured Party shall have executed, and HUD shall have approved, the Required Intercreditor Agreement prior to closing of the Loan;

(iv) with respect to any other Eligible AR Loan, the Eligible AR Lender, Debtor and Secured Party shall have executed, and HUD shall have approved, the Required Intercreditor Agreement before such Eligible AR Loan is closed, any funds are disbursed thereunder, any UCC financing statements are filed in connection therewith or any security interest in connection therewith is granted or perfected;

(v) the Eligible AR Loan, the collateral therefor and all of the terms and conditions thereof shall at all times comply with all of the terms and conditions of the applicable Required Intercreditor Agreement; and

(vi) until the Eligible AR Loan is paid in full, the written approval of the Secured Party and HUD is required for any proposed modifications, extensions, renewals, or amendments to a Material Term of the Eligible AR Loan or the related security agreement, prior to the effective date of such amendment(s). As used herein, "Material Term" means a term in a loan or security agreement that (1) extends the maturity date of the loan, (2) adds guarantors to the loan, (3) releases guarantors from the loan, (4) adds borrowers to the loan, (5) adds an interest reserve to the loan, (6) amends the interest rate payable on the outstanding principal balance of the loan, (7) increases or decreases the principal amount of the loan, (8) adds collateral as additional security for the loan, and/or (9) amends or expands the type of obligations secured by the loan.

(c) Required Intercreditor Agreement. Each Required Intercreditor Agreement shall be included in the definition of the Loan Documents while it is in effect. The Debtor shall comply at all times with the Required Intercreditor Agreement then in effect.

(d) Information. Debtor shall, from time to time, promptly following a request by Secured Party or HUD, provide to Secured Party and/or HUD (i) any and all information and documents available to Debtor regarding any Eligible AR Loan and/or AR Lender Priority Collateral (including, but not limited to histories of draws upon, payments on account of, and outstanding balances with respect to, the Eligible AR Loan) and (ii) copies of

any and all documents evidencing, securing and/or related to any Eligible AR Loan and/or any amendments thereto.

20. PROJECT CAPITAL NEEDS ASSESSMENTS. Debtor agrees to pay the cost of Project Capital Needs Assessments ("PCNA Reports") that may be required after the date hereof by HUD (for periodic ten (10) year re-evaluation of the amount of deposits to the reserve fund for replacements created under the Regulatory Agreement), the first such report to be obtained on or before October 1, 2018, pursuant to any HUD requirement (including, but not limited to, the commitment issued by HUD to insure the Loan). Without limiting the above obligation, Debtor authorizes Secured Party to make withdrawals for this purpose from the reserve fund for replacements created under the Regulatory Agreement. The Debtor shall cooperate in any legal and lawful manner necessary to obtain PCNA Reports, including, but not limited to, providing access to the Property and copies of all reports, documents relating to past capital expenditures and any other information reasonably requested by the party preparing the PCNA Reports, the Secured Party and/or HUD.

21. MISCELLANEOUS.

(a) This Agreement is intended to be supplemental to and not in substitution or in derogation of any security agreement contained in any other Loan Document.

(b) In any instance where the consent or approval of the Secured Party may be given or is required or any determination is to be rendered by the Secured Party hereunder, the granting, withholding or denial of such consent or approval and the rendering of such determination shall be made or exercised by the Secured Party at its sole and exclusive option.

(c) It is understood and agreed that no judgment or decree which may be entered on any debt secured or intended to be secured by the Mortgage shall operate to abrogate or lessen the effect of this Agreement, but that this Agreement shall continue in full force and effect until the payment and discharge of the Obligations.

(d) This Agreement, any Required Intercreditor Agreement and the other Loan Documents represent the entire agreement between the Secured Party and the Debtor with respect to the subject matter of this Agreement and supersede all previous agreements, negotiations, and understandings with respect to the subject matter of this Agreement. Neither this Agreement nor any of the other Loan Documents may be amended, altered or changed other than in a writing signed by the Secured Party and the Debtor. The Debtor's warranties and representations in this Agreement will be treated as being continuing warranties and representations, made by the Debtor with the same effect as though the representations and warranties had been made again on, and as of, each day of the term of this Agreement.

(e) This Agreement may be executed in several counterparts and each counterpart will be considered an original of this Agreement.

22. RIGHTS OF SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

(a) Debtor and Secured Party hereby agree that HUD shall be an additional

secured party under this Security Agreement together with Secured Party, as their interests may appear, and that HUD shall be listed on the Uniform Commercial Code Financing Statements to be filed contemporaneously herewith; provided, however, that nothing herein or in the Uniform Commercial Code Financing Statements shall require the execution, now or any future time, of any amendment, extension, or other document by HUD.

(b) To the extent any party herein is required or desires to give notice to HUD hereunder, such notice shall be delivered in accordance with the provisions hereof, as follows: U.S. Department of Housing and Urban Development, c/o Office of Healthcare Programs, 451 7th Street S.W., Washington, DC 20410.

IN WITNESS WHEREOF, the Debtor and the Secured Party have signed this Agreement as of the date in the first paragraph of this Agreement.

[SEE ATTACHED COUNTERPART SIGNATURE PAGES]

COUNTERPART SIGNATURE PAGE TO SECURITY AGREEMENT

DEBTOR:

WHITEHALL FIDUCIARY, LLC,
AS TRUSTEE OF WHITEHALL TRUST
u/t/a dated August 1, 2007

By: _____
Abraham R. Atiyeh, Manager

COUNTERPART SIGNATURE PAGE TO SECURITY AGREEMENT

SECURED PARTY:

M&T REALTY CAPITAL CORPORATION,
a Maryland corporation

By: _____
Christine R. Chandler, Vice President

EXHIBIT A TO SECURITY AGREEMENT

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-1

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

EXHIBIT B TO SECURITY AGREEMENT

All of the following described property and interests in property, whether now owned or existing or hereafter acquired, arising or created:

a. All fixtures, equipment and other goods and tangible personal property of every kind and description whatsoever now or hereafter located on, in or at the premises described in Exhibit A to this Security Agreement (the "Premises"), including, but not limited to, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all power generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment and fixtures, fans and switchboards; all telephone equipment (except that telephone equipment leased from a telephone company); all piping, tubing, and plumbing equipment and fixtures; all heating, refrigeration, air-conditioning, cooling, ventilating, sprinkling, water, power, waste disposal and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm, and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, kitchen and laundry fixtures, utensils, appliances and equipment, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture now or hereafter installed or used or usable in the operation of any part of the buildings, structures or improvements erected or to be erected in or upon the Premises and every replacement thereof, accession thereto, or substitution therefor, whether or not the same are now or hereafter attached to the Premises in any manner;

b. All articles of tangible personal property not otherwise described herein which are now or hereafter located in, attached to or used in, on or about the buildings, structures or improvements now or hereafter located, placed, erected, constructed or built on the Premises and all replacements thereof, accessions thereto, or substitution therefor, whether or not the same are, or will be, attached to such buildings, structures or improvements in any manner;

c. All rents, leases, lease contracts, lease agreements, income, revenues, issues, profits, royalties and other benefits arising or derived or to be derived from, or related to, directly or indirectly, the Premises, whether or not any of the property described in this item (c) constitutes accounts, chattel paper, documents, general intangibles, instruments, investment property, deposit accounts or money;

d. All awards now or hereafter made ("Awards") with respect to the Premises as a result of (i) the exercise of the power of condemnation or eminent domain, or the police power, (ii) the alteration of the grade of any street, or (iii) any other injury or decrease in the value of the Premises (including, but not limited to, any destruction or decrease in the value by fire or other casualty), whether or not any of the property described in this item (d) constitutes accounts, chattel paper, documents, general intangibles, instruments, investment property, deposit accounts or money;

e. All land surveys, plans and specifications, drawings, briefs and other work product of the Debtor or its employees, contractors or agents, and other papers and records now or hereafter used in the construction, reconstruction, alteration, repair or operation of the Premises;

f. All licenses, permits, certificates and agreements for the provision of property or services to or in connection with, or otherwise benefiting, the Premises, including, but not limited to, nursing home and/or assisted living facility licenses, certificates of need, "bed authority" and Medicare and Medicaid provider agreements; however, the Secured Party disclaims a security interest in such of the property described in this item (f) to the extent that a security interest in such property may not be granted to the Secured Party without the forfeiture of the rights of the Debtor (or any assignee of the Debtor) or a default resulting thereunder;

g. Any and all funds, monies, securities, and other property held in escrow or as reserves, and all rights to receive (or to have distributed to the Debtor) any funds, monies, securities, or other property held in escrow or as a reserve, including, but not limited to, all of Debtor's rights (if any) to any and all funds or amounts held in reserves or accounts created under the Regulatory Agreement, including, but not limited to, replacement reserve accounts and residual receipts accounts;

h. All of the Debtor's accounts (including, but not limited to, health-care-insurance receivables and other accounts receivable), general intangibles (including, but not limited to, payment intangibles, tax refunds, tax refund claims and low income housing tax credits, if any, applicable to the Premises), chattel paper (including, but not limited to, tangible chattel paper and electronic chattel paper), leases, lease contracts, lease agreements, instruments, documents, inventory, as-extracted collateral, cash, money, deposit accounts, lock boxes, blocked accounts, certificates of deposit, investment property, insurance policies, letter-of-credit rights, judgments, liens, causes of action, warranties, guaranties, supporting obligations, and all other properties and assets of the Debtor, tangible or intangible, whether or not similar to the property described in this item (h) or elsewhere in this Exhibit B;

i. All books, records and files of whatever type or nature relating to any or all of the property or interests in property described herein or the proceeds thereof, whether or not written, stored electronically, optically or electromagnetically or in any other form, and whether or not such books, records, or files constitute accounts, equipment or general intangibles;

j. All current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, waters, watercourses, and appurtenances related to or benefiting the Premises, and all rights-of-way, streets, alleys and roads which may have been or in the future may be vacated;

k. All contracts, options and other agreements for the sale of the Premises or the improvements thereon, entered into by the Debtor now or in the future, including cash or securities or other security deposited to secure performance by the parties of their obligations, and all construction contracts, architectural and engineering agreements and management

contracts now or in the future existing pertaining to the construction, rehabilitation, development, repair, operation, ownership, equipping or management of the Premises;

l. Any and all rights of Debtor in tenant security deposits which have not been forfeited by any tenant under any lease;

m. All names under or by which any part of the Premises may be operated or known, and all trademarks, trade names, and goodwill relating to any part of the Premises;

n. The interest of the Debtor in and to any and all funds and monies created or established and held pursuant to any indenture of trust or similar instrument authorizing the issuance of bonds or notes for the purpose of financing the Project located upon the Premises;

o. All rights, titles and interests of the Debtor under any and all security agreements now or hereafter entered into by the Debtor with any lessee of all or any portion of the Premises and all of the Debtor's rights, titles and interests in the collateral described therein; and

p. All products and proceeds of any and all of the property (and interests in property) described herein, including, but not limited to, proceeds of any insurance, whether or not in the form of original collateral, accounts, contract rights, chattel paper, general intangibles, equipment, fixtures, goods, investment property, letter-of-credit rights, leases, lease contracts, lease agreements, instruments, inventory, documents, deposit accounts, supporting obligations or cash proceeds.

EXHIBIT C TO SECURITY AGREEMENT

Other Names Used by Debtor in Previous Five Years (see Section 2(a) of Agreement)**: None**

Assets Acquired in Bulk Transfer in Previous Five Years (see Section 2(a) of Agreement)**: None**

Debtor's Rights in the Following (see Section 2(a) of Agreement):

Investment property: **None**

Letters of Credit: **None**

Electronic Chattel Paper: **None**

Commercial Tort Claims: **None**

Instruments (including promissory notes): **None**

Deposit Accounts:

Account Number	Depository Bank	Account Type (e.g., operating or payroll)	Government Accounts (see note below)

None

Note: Designate if Deposit Account receives deposits of proceeds of accounts from federal, state or local governments (e.g., Medicare and Medicaid), and if so, whether such Deposit Account is solely for such deposits or whether the Deposit Account commingles other non-governmental deposits. See Section 2(i) of the Agreement for the Debtor's obligations in this regard.

EXHIBIT J

WHITEHALL MANOR SENIOR LIVING
FHA Project No. 034-22084

LESSEE SECURITY AGREEMENT

THIS LESSEE SECURITY AGREEMENT (the "Agreement") is made, entered into and dated as of the 26th day of January, 2012, by and between **WHITEHALL MANOR, INC.**, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, whose principal place of business is located at 1177 Sixth Street, Whitehall, Pennsylvania 18052 (the "Lessee" or "Debtor"); and **M&T REALTY CAPITAL CORPORATION**, a corporation organized and existing under the laws of the State of Maryland and having an address at 25 South Charles Street, 17th Floor, Baltimore, Maryland 21201 (the "Secured Party"), as follows:

Recitals

A. Contemporaneously with this Agreement, the Secured Party has made a loan to Whitehall Fiduciary, LLC, as Trustee of Whitehall Trust u/t/a dated August 1, 2007 (the "Borrower") in the maximum principal amount of $15,788,700.00 (the "Loan"). The Loan is (i) evidenced by the Mortgage Note made by the Borrower in favor of the Secured Party, dated as of even date herewith (the "Note") and (ii) secured, in part, by an assisted living project known as Whitehall Manor Senior Living, FHA Project No. 034-22084 (the "Project") located at 1177 Sixth Street, Whitehall, Pennsylvania 18052, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Premises"). The Premises are leased to the Lessee by the Borrower pursuant to a Lease Agreement dated on or about August, 2008, as amended by a First Amendment to Lease Agreement dated as of January 1, 2010 and a Second Amendment to Lease Agreement dated as of January 1, 2012 (collectively, the "Lease"), and are the subject of the Regulatory Agreement Nursing Homes between the Lessee and the Federal Housing Commissioner, dated as of even date herewith (the "Regulatory Agreement Nursing Homes").

B. As security, in part, for the Obligations (as defined below), the Borrower (i) granted to the Secured Party the Mortgage, dated as of even date herewith, encumbering the Project, which has been or is concurrently herewith being recorded in the real estate records of the jurisdiction in which the Premises are located (the "Mortgage"), (ii) entered into a Security Agreement, dated as of even date herewith, with the Secured Party (the "Borrower Security Agreement") and (iii) entered into a Regulatory Agreement with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner ("HUD"), dated as of even date herewith (the "Borrower Regulatory Agreement"). As additional security, the Lessee has entered into this Agreement with the Secured Party. The Note, the Mortgage, the Borrower Security Agreement, the Borrower Regulatory Agreement, this Agreement, the Regulatory Agreement Nursing Homes and all other agreements, instruments, and documents which are now existing or are in the future signed or delivered by, or on behalf of, the Borrower to the Secured Party and/or HUD, or by or on behalf of the Lessee to the Secured Party and/or HUD, in connection with, or related to, the Lease, the Loan or the other Obligations are sometimes collectively referred to as the "Loan Documents."

C. The Lessee is affiliated with and/or shares common ownership with the Borrower, and shall benefit directly from the making of the Loan.

D. As used herein, "Healthcare Assets" means (i) any and all licenses, permits and/or approvals issued by any governmental authority with respect to the use or operation of the Project for its "Approved Use" (as defined in the Regulatory Agreement Nursing Homes), (ii) any and all Medicare and Medicaid provider agreements, and (iii) any and all "Government Accounts" and "Government Payments" (each as defined below).

Statement of Agreement

1. SECURITY INTEREST; SETOFF.

(a) To secure the full, prompt and complete payment and performance of all Obligations, the Lessee hereby, to the fullest extent permitted by applicable law with respect to Healthcare Assets, grants to, and creates in favor of, the Secured Party a continuing security interest in all of Lessee's right, title and interest in and to the property described on Exhibit B attached hereto and incorporated herein by reference (the "Collateral"). "Obligations" means, as of any date, the Loan and all other indebtedness, liabilities, obligations, covenants, debts and amounts owing from the Borrower and/or the Lessee to the Secured Party and/or HUD arising out of, in connection with, described in, or evidenced by the Loan Documents, whether direct or indirect, absolute or contingent, related or unrelated, now or in the future existing and whether consisting of principal, interest, fees, indemnities, expenses (including attorneys' fees), charges or other sums, however any of that indebtedness, obligations, or liabilities may be evidenced or acquired, all as now exist or may, after the date of this Agreement, be incurred, renewed, extended, consolidated, adjusted or amended.

(b) In addition to (and without limitation of) any right of setoff, lien or counterclaim the Secured Party may otherwise have, the Secured Party may, at its option, setoff and retain, and may refuse to allow withdrawals by, or for the benefit of the Borrower and/or Lessee of, any and all funds, monies, securities and other property held in escrow or for the account of the Borrower and/or the Lessee pursuant to the Loan Documents, against any amount payable by the Borrower and/or the Lessee under the Note, the Mortgage or any of the other Loan Documents which is not paid when due (whether or not any of the funds, monies, securities, or other property are then distributable to, or on behalf of, the Lessee).

(c) Notwithstanding any provisions to the contrary contained in this Agreement, nothing set forth in this Agreement shall be construed as granting to Secured Party a security interest, assigning receivables, giving dominion and control or designating an attorney-in-fact with respect to Healthcare Assets in violation of any applicable law.

2. REPRESENTATIONS; GENERAL COVENANTS.

(a) To induce the Secured Party to make the Loan, the Lessee promises to the Secured Party that the following statements are, and will continue throughout the term of this Agreement to be, true: (i) except to the extent expressly permitted pursuant to Section 19 hereof, the security interest granted to the Secured Party in the Collateral constitutes a valid, first priority security interest; (ii) the Lessee has good title to, and is the sole and lawful owner of, the

Collateral; (iii) the Lessee has full power and authority to enter into and perform its obligations under this Agreement; (iv) except to the extent expressly permitted pursuant to Section 19 hereof, rights granted to the Borrower under the Lease, if any, which are subordinate to the liens in favor of the Secured Party ("Subordinate Lease Rights") and taxes that are not yet due and payable, the Collateral is free and clear of any lien, security interest, claim, interest, pledge, assignment or other encumbrance (a "Lien") except (A) the security interest in favor of the Secured Party and (B) those Liens, if any, approved in writing by Secured Party (the "Permitted Liens"); (v) the Lessee keeps all tangible Collateral at the Premises; (vi) all trade names, assumed names, fictitious names and other names used by the Lessee during the five year period preceding the date of this Agreement are set forth on Exhibit C, and the Lessee has not, during the preceding five year period, except as may be set forth on Exhibit C, acquired any of its assets in any bulk transfer; (vii) Lessee's chief executive office is as set forth in the first paragraph of this Agreement; (viii) Lessee's jurisdiction of organization is as set forth in the first paragraph of this Agreement; (ix) Lessee's exact legal name is as set forth in the first paragraph of this Agreement; (x) Lessee's organizational number (if any) as assigned by the State in which Lessee is organized is the number identified as Lessee's organizational ID # on the financing statement(s) filed in connection with the closing of the Loan, and (xi) except as may be set forth on Exhibit C, the Lessee has no rights, titles or interests in, or with respect to, any investment property, any letters of credit, any electronic chattel paper, any commercial tort claims, any instruments, including promissory notes, or any Deposit Accounts (as defined below).

(b) The Lessee will (i) cause, at its expense, any and all UCC financing statements naming as secured party anyone other than Secured Party, which represent or evidence a Lien or potential Lien against any or all of the Collateral, to be terminated within thirty (30) days of the date hereof (except Permitted Liens, if any), and (ii) provide within forty-five (45) days of the date hereof, at its expense, to Secured Party one or more UCC search reports with respect to each office in which a UCC filing may be required in order for Secured Party to validly perfect its security interest in any or all of the Collateral, confirming that a UCC financing statement has been filed in such office in favor of Secured Party and that there are no other UCC financing statements in effect with respect to any of the Collateral except those in favor of Secured Party and Permitted Liens. The Lessee will not grant, create or permit to exist any Lien on any of the Collateral except for the Liens in favor of the Secured Party, Permitted Liens, and Subordinate Lease Rights, and except to the extent expressly permitted pursuant to Section 19 hereof. The Lessee, at the Secured Party's request, will defend the Collateral against the claims and demands of any other individual, unincorporated association, partnership, joint venture, trust, business trust, corporation, limited liability company, institution, entity or any governmental authority ("Persons") at any time claiming any interest in the Collateral.

(c) The Collateral will only be used by the Lessee in the operation of the Project. Until an Event of Default (as defined below) occurs, the Lessee may have possession of the Collateral and use it in any lawful manner not inconsistent with the Loan Documents and any policy of insurance thereon. The Lessee will not sell, assign, lease, or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party; however, the Lessee will have the right, without the Secured Party's consent, to transfer, sell or dispose of any Collateral which is (i) tangible personal property and (ii) obsolete or worn out ("Consumed Property") if the Lessee, concurrently with such transfer, sale or disposition, replaces the Consumed Property with replacement personal property which is free and clear of any Liens except for the Liens in

favor of the Secured Party and Subordinate Lease Rights and has the same or greater value and utility as the Consumed Property originally had (any such replacement personal property will automatically become a part of the Collateral under this Agreement). The Secured Party's interests in the proceeds of the Collateral (or notification of its interests in the proceeds of the Collateral in financing statements or otherwise) will not be construed as modifying this Agreement or as the Secured Party's consent to the disposition of any Collateral other than as provided in this Agreement.

(d) All tangible Collateral is to be located at the Project ("Collateral Location"), and no tangible Collateral may be removed therefrom without the prior consent of the Secured Party unless the Collateral is (i) Consumed Property under the terms of Section 2(c) above or (ii) being removed in accordance with the terms of Section 2(e) below. Immediately on demand therefor by the Secured Party, the Lessee will deliver to the Secured Party any and all evidences of ownership of the Collateral (including certificates of title and applications for title). The Lessee will give the Secured Party not less than 30 days prior written notice of any change of (A) Lessee's corporate, partnership, limited liability company, doing business, trade or legal name or (B) any Collateral Location.

(e) The Lessee will, at its own cost and expense, maintain all of the tangible Collateral in good working condition and make all necessary renewals, repairs, replacements, additions, betterments and improvements thereto, and, in this connection, the Lessee may temporarily remove the same, or any part thereof, from the Project if such removal is necessary or advisable in connection with the Lessee's fulfilling of its obligations under this Section 2(e), and does not affect the priority of the security interests created under this Agreement.

(f) The Lessee will, upon request of Secured Party, deliver to Secured Party copies of all reports, financial statements and other information which the Lessee is obligated to provide to HUD in connection with the Project and/or Collateral not later than the earlier of (i) the delivery of such reports, financial statements and other information to HUD or (ii) ten (10) days after Secured Party makes such request.

(g) The Lessee will not change (i) without thirty (30) days prior notice to the Secured Party, the location of its chief executive office or (ii) without the prior written consent of the Secured Party, which shall not be unreasonably withheld, its jurisdiction of organization.

(h) The Lessee will not merge or consolidate with or into any other Person without the prior written consent of the Secured Party.

(i) As used in this Agreement, the capitalized term "Deposit Account" means (1) any deposit account into which payments to the Lessee with respect to the operation of the Project are initially deposited, as opposed to being transferred from another Project account, and (2) any deposit account into which Government Payments are directly transferred from a Government Account (defined below). The Lessee will not establish a Deposit Account unless (A) with respect to any such proposed Deposit Account (other than those set forth on Exhibit C) at least thirty (30) days prior written notice of the name and address of the depository bank, the type of account and any other information reasonably requested by the Secured Party is provided to Secured Party and (B) contemporaneously therewith, if requested by the Secured Party

consistent with the Lessee's obligations under Section 14, a control agreement in form and substance acceptable to the Secured Party is entered into among the Lessee, the Secured Party and the depository bank where the Deposit Account would be maintained (any such depository bank is referred to herein as a "Depository Bank" and any such control agreement is referred to herein as a "DACA"), unless the Deposit Account is a Government Account. A DACA may not be changed or terminated without the prior written consent of the Secured Party. Upon the Secured Party's written request (which request need be made only once and not on a recurring basis), the Lessee will take all reasonable steps to cause each Depository Bank to provide to the Secured Party (I) whether by Internet access or otherwise, on-line screen access to daily activity in the Deposit Accounts, and (II) a copy of each periodic account statement relating to the Deposit Accounts ordinarily furnished by such Depository Bank to the Lessee. The Lessee authorizes and approves of the Secured Party communicating directly with each Depository Bank. Unless the Lessee receives no Government Payments, the Lessee will maintain one or more separate Deposit Account(s) into which only Government Payments (defined below) are deposited (collectively, the "Government Accounts"), and the Lessee will not commingle in any Government Account proceeds of accounts from non-governmental payors with proceeds of accounts owing from governmental authorities, including Government Payments. The Lessee shall cause all Government Payments related to the operation of the Project to be paid directly into the Government Accounts. Prior to establishing a Government Account, the Lessee shall cause the Depository Bank that maintains such Government Account to enter into a deposit account instruction services agreement with the Secured Party and the Lessee in form and substance acceptable to the Secured Party with respect to such Government Account (each, a "DAISA"), which requires initiation of a funds transfer each business day, unless the Secured Party approves otherwise, of all available funds in the applicable Government Account to a Deposit Account of Lessee that is subject to a DACA and is not a Government Account. Not less than thirty (30) days prior to the effective date thereof, the Lessee will provide to the Secured Party a copy of (i) any change to any DAISA, or (ii) any new directions with respect to a Government Account issued to a Depository Bank maintaining such Government Account, in each case contemporaneously with providing the change or directions to the Depository Bank. Without limiting the generality of the foregoing, without the prior written consent of the Secured Party, neither a change to any DAISA nor any such new directions shall instruct a Depository Bank to transfer funds from the Government Account to a Deposit Account that is not then subject to a DACA. No change to or termination of a DAISA, nor any such new directions with respect to a Government Account, shall be made without the prior written consent of the Secured Party. Also, the Lessee shall not close a Government Account subject to a DAISA without the prior written consent of the Secured Party. Failure of Lessee to comply with any of the provisions of this Section 2(i) shall constitute an "Event of Default." As used herein, "Government Payment" means a payment from a governmental entity and shall include, without limitation, payments governed under the Social Security Act (42 U.S.C. §§ 1395 et seq.), including payments under Medicare, Medicaid and TRICARE/CHAMPUS, and payments administered or regulated by the Centers for Medicare and Medicaid Services of Department of Health and Human Services.

3. COMPLIANCE WITH LAWS. The Lessee will comply with the requirements of all valid and applicable federal, state and local laws.

4. TAXES; EXPENSES. Lessee will pay, when due, all taxes, assessments and other charges lawfully and validly levied or assessed on the Collateral or any part thereof. The Lessee will pay and, as applicable, reimburse the Secured Party for (i) any and all fees, costs and expenses, of whatever kind and nature, including the fees, expenses and disbursements of the Secured Party's counsel (including, but not limited to, fees, expenses and disbursements for preparation of documents, making title examinations and rendering opinion letters) which the Secured Party may incur in connection with filing any financing statements or other public notices to protect its interests hereunder, the enforcement, preservation and/or protection of the Secured Party's rights and/or remedies under the Loan Documents, whether incurred through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to the Loan, and (ii) all filing and recording fees and taxes payable in connection with the transactions contemplated by the Loan Documents. All amounts payable by Lessee to Secured Party under this Section 4 will be paid by the Lessee upon the Secured Party's demand therefor.

5. INSPECTION; NOTICES. Subject to resident privacy rights, the Secured Party, or its agents, may enter on the Project and any other Collateral Location at any time during normal business hours, and from time to time, for the purpose of inspecting the Project and/or the Collateral and making copies or abstracts of all of the Lessee's records pertaining to the Collateral. The Lessee will keep accurate and complete records of the Collateral. The Lessee will give the Secured Party prompt notice of any Event of Default.

6. INSURANCE. The Lessee will purchase and maintain insurance at all times with respect to the Premises, all improvements now or hereafter located thereon, and all tangible Collateral against risks of fire (including so-called extended coverage), theft, vandalism, and such other risks as the Secured Party may require, in such form, for such periods, and written by such companies as may be satisfactory to the Secured Party, such insurance to include "law and ordinance" coverage, and to be payable to the Secured Party as its interests may appear. The Lessee will purchase and maintain at all times liability insurance and business interruption insurance in such amounts and issued by such companies as may be required from time to time by the Secured Party. All policies of insurance will provide for thirty (30) days advance written notice to the Secured Party of cancellation or any material change in coverages of such insurance. The Lessee will furnish the Secured Party with certificates or other evidence satisfactory to the Secured Party of compliance with the foregoing insurance provisions.

7. DISCHARGE OF LIENS. At its option but without any obligation to do so, the Secured Party may (a) discharge any taxes or other Liens at any time levied or placed on the Collateral, (b) pay for insurance on the Collateral, and/or (c) pay for the maintenance and preservation of the Collateral. The Lessee will reimburse the Secured Party on its demand for any payment made, or any expense incurred, by the Secured Party pursuant to this Section 7. All of the foregoing sums paid or advanced by the Secured Party will constitute part of the Obligations and will be secured by the Collateral.

8. EVENTS OF DEFAULT. Each of the following events or circumstances, whether or not caused by or within the control of the Lessee, will be an "Event of Default" under this Agreement:

(a) The Lessee does not pay when due any of the Obligations, subject to any grace period provided under the Note;

(b) The Lessee does not observe, perform or comply with any of the terms or conditions of this Agreement;

(c) A default or breach under the Lease or under any of the Loan Documents (exclusive of this Agreement which is covered by the other subsections of this Section 8) has occurred, which default or breach is not cured within any applicable grace period;

(d) Any warranty, representation or statement made or furnished to the Secured Party by, or on behalf of, the Lessee proves to have been false in any material respect when made or furnished or when treated as being made or furnished to the Secured Party;

(e) The Secured Party does not have, for any reason, a perfected, first priority security interest in all of the Collateral except to the extent expressly permitted pursuant to Section 19 hereof;

(f) There occurs any actual or threatened demolition of or injury or waste to the Project premises, not covered by insurance, or not replaced or restored by the Lessee or the Borrower, which may materially impair the value of the Collateral or the Project;

(g) Filing by or against the Lessee of a petition in bankruptcy, for a reorganization, arrangement or debt adjustment, or for a receiver, trustee, or similar creditors' representative for Lessee's property or any part thereof, or of any other proceeding under any federal or state insolvency or similar law (and if such petition or proceeding is an involuntary petition or proceeding filed against the Lessee without its acquiescence therein or thereto at any time, the same is not promptly contested and, within 60 days of the filing of such involuntary petition or proceeding, dismissed or discharged), or the making of any general assignment by the Lessee for the benefit of creditors, or the Lessee dissolves or is the subject of any dissolution, winding up or liquidation;

(h) The Lessee is dissolved and liquidation of the Lessee is commenced in accordance with the Lessee's organizational documents and/or the law of the jurisdiction of organization; or

(i) The Lessee changes its name or the jurisdiction in which it is organized or merges or consolidates with or into another Person without the prior written consent of the Secured Party.

9. REMEDIES ON DEFAULT.

(a) If an Event of Default occurs, the Secured Party may then, or at any time after the occurrence of an Event of Default, (A) declare all Obligations immediately due and payable, and whereupon the Obligations will be due and payable automatically and immediately, without notice or demand, which the Lessee expressly waives, and proceed to enforce payment of the Obligations; (B) exercise all of the rights and remedies afforded to the Secured Party under (i) the terms of this Agreement and/or any of the other Loan Documents, (ii) under the UCC (as

defined in Section 12 below), and/or (iii) by law and/or in equity (subject, however, to any limitations imposed by applicable law with respect to Healthcare Assets); (C) collect and receive the proceeds of all Awards (as defined in Exhibit B), the rights of Lessee thereto and shares of Lessee therein being hereby assigned to the Secured Party, and give proper receipts and acquittances therefor and apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured Party, of the Obligations; (D) require the Lessee to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties, and (E) without limiting the provisions of Section 1(b), apply (or instruct another Person to apply) to the Obligations the balance of any deposit account that is part of the Collateral.

(b) Without limitation of those rights and remedies, the Secured Party may, upon written notice to the Lessee, take, and publicly or privately sell or convey, full right, title and interest in and to the Collateral, or any part of it, in the name of the Secured Party and/or its designees. To the extent not prohibited by applicable law with respect to Healthcare Assets, the Lessee hereby constitutes and appoints the Secured Party as its true and lawful attorney in fact to assign and transfer its interest in any or all of the Collateral if an Event of Default occurs.

(c) If any notice is required by law for the Secured Party to make a sale or other disposition of the Collateral, the Secured Party and the Lessee agree that notice will not be unreasonable as to time if given in compliance with this Agreement ten (10) days before any sale or other disposition of the Collateral. All reasonable attorneys' and paralegal fees and other legal expenses incurred by the Secured Party to collect the Obligations, to retake, hold, prepare for sale, and to dispose of the Collateral will be (i) payable to the Secured Party on its demand for payment, (ii) part of the Obligations, and (iii) secured by the Collateral.

(d) The Lessee further specifically agrees that, in any exercise of the rights of the Secured Party under this Agreement or under any other Loan Document, (i) any combination of the Collateral and/or any other security for the Obligations may be offered for sale and (ii) all of the Collateral and/or any other security for the Obligations may be sold for one total price, and the proceeds of any such sale accounted for in one account without distinction among the items of security or without assigning to them any proportion of such proceeds, the Lessee hereby waiving the application of any doctrine of marshaling.

(e) The Lessee shall cooperate in any legal and lawful manner necessary or required, to permit the Secured Party or its successors and assigns to continue to operate and maintain the Project for its Approved Use in Lessee's name, place and stead. For this purpose, and to the extent not prohibited by applicable law with respect to Healthcare Assets, Lessee irrevocably appoints the Secured Party, its successors and assigns, as Lessee's true and lawful attorney-in-fact, to do all things necessary or required by the state in which the Project is located or any other government entity with jurisdiction over the Project, including, but not limited to, the provision of any and all information and data, the payment of fees and other charges, and the execution of documents, all in the name of the Lessee. This power is coupled with an interest.

10. NO WAIVER BY SECURED PARTY; CUMULATIVE RIGHTS.

(a) No waiver by the Secured Party of any Event of Default or default under this Agreement or any of the other Loan Documents will be effective unless such waiver is in writing and signed by duly authorized representatives of the Secured Party. No waiver by the Secured Party of any Event of Default or default under this Agreement or any of the other Loan Documents will operate as a waiver of any other Event of Default or default or of the same Event of Default or default on a future occasion. The Secured Party may delay in exercising or omit to exercise any right or remedy under this Agreement, any other Loan Document or by law or equity provided without waiving that or any past, present or future right or remedy. All rights and remedies of the Secured Party in this Agreement and the other Loan Documents will be cumulative, and none of these rights or remedies will be exclusive of any other right or remedy allowed at law or in equity or in any other Loan Document, and all of these rights and remedies may be exercised and enforced concurrently.

(b) Neither the Lessee nor any other Persons interested in the Collateral or the proceeds of the Collateral shall have any right to require the Secured Party first to resort to or proceed personally against any other Person or to proceed against any other collateral security, or to give priority or preference to any item of Collateral, or to proceed upon any guaranty, prior to exercising its rights hereunder. No renewal or extension of the Loan, no release or surrender of the Collateral and/or any other security for the Obligations, no release of any obligor with respect to the Obligations, and no delay by the Secured Party in enforcing the Obligations or exercising any right or power with respect to the Obligations shall affect the Secured Party's rights with respect to the Collateral.

11. BINDING EFFECT. All rights and remedies of the Secured Party under this Agreement will inure to the benefit of the Secured Party's successors and assigns; and all agreements, obligations, and duties of the Lessee will bind its heirs, personal representatives and permitted successors and assigns; however, the Lessee may not assign this Agreement or any of its rights under this Agreement or delegate any of its duties or obligations under this Agreement without the consent of the Secured Party.

12. GOVERNING LAW; CONSTRUCTION; WAIVER OF TRIAL BY JURY.

(a) This Agreement and all rights and obligations under this Agreement, including matters of construction, validity and performance, will be governed by the laws of the state in which the Project is located (the "State") except as to the existence, validity, perfection or priority (and the effect of perfection or non-perfection or invalidity) of any Lien of the Secured Party on any deposit account which will be governed by the laws of the state in which the applicable deposit account is maintained at the applicable bank, savings and loan association, credit union or like organization. If any term of this Agreement is found to be invalid by a court with jurisdiction under the laws of the State or laws of mandatory application, then the invalid term will be considered excluded from this Agreement and will not invalidate the remaining terms of this Agreement. All uncapitalized terms used herein which are now or hereafter defined in the Uniform Commercial Code, as now enacted in the State or as hereafter amended or superseded (the "UCC"), will have the same meaning herein as in the UCC unless the context indicates otherwise. Every power given herein is coupled with an interest and is irrevocable by death, dissolution or otherwise. The definition of any document includes all schedules, attachments and exhibits to that document, and all renewals, extensions, supplements,

amendments, modifications, restatements and consolidations of that document, and any document given in substitution for or replacement of that document. The term "including" is used by way of example only and not by way of limitation, and the singular includes the plural and conversely. The captions or headings contained in this Agreement are for reference purposes only and will not affect or relate to the interpretation of this Agreement.

(b) AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE SECURED PARTY TO ENTER INTO THE AGREEMENT AND EXTEND CREDIT TO BORROWER, SECURED PARTY AND LESSEE EACH HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT(S) TO A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM OR DEFENSE RELATING TO, RESULTING FROM OR ARISING OUT OF ANY OF THE LOAN AND/OR ANY TRANSACTIONS, RIGHTS AND/OR OBLIGATIONS CONTEMPLATED BY THIS AGREEMENT AND/OR ANY OF THE OTHER LOAN DOCUMENTS. LESSEE FURTHER ACKNOWLEDGES THAT SUCH WAIVER OF THE RIGHT TO A TRIAL BY JURY IS MADE AFTER CONSULTATION WITH COUNSEL.

13. TERM OF AGREEMENT. The term of this Agreement will begin on the date of this Agreement and continue in full force and effect and be binding on the Lessee until the date that all of the Obligations are fully and finally paid and satisfied.

14. PERFECTION; FURTHER ASSURANCES. The Lessee agrees to comply with all applicable laws and requirements in order to grant to the Secured Party a valid, perfected first Lien on the Collateral except to the extent expressly permitted pursuant to Section 19 hereof. At any time and from time to time, the Lessee, on request of the Secured Party, will give, execute, file and/or record any notice, financing statement, instrument, document or agreement that the Secured Party may consider necessary or desirable to create, preserve, continue, perfect or validate any security interest or other Lien granted under this Agreement or which the Secured Party may consider necessary or desirable to exercise or enforce its rights under this Agreement. Without limiting the generality of the foregoing, the Secured Party is authorized to file with respect to the Collateral one or more financing statements or other documents without the signature of the Lessee and to name therein the Lessee as debtor and the Secured Party and/or HUD as secured parties; and correct or complete, or cause to be corrected or completed, any financing statements or other such documents as have been filed naming the Lessee as debtor and the Secured Party and/or HUD as secured parties. The Lessee hereby appoints the Secured Party as its attorney-in-fact and authorizes the Secured Party, acting alone on behalf of the Lessee, to execute, acknowledge, deliver, file and/or record any and all documents requiring execution by the Lessee and necessary or desirable to effectuate or facilitate the purposes of this Agreement and/or the obligations or covenants of the Lessee under this Agreement. The power of attorney granted hereby is coupled with an interest and is irrevocable. The Secured Party is also authorized by the Lessee to give notice to any Person that the Secured Party may consider necessary or desirable under applicable law to preserve, perfect or protect the Secured Party's and or HUD's interests in the Collateral. Without limiting the generality of the foregoing, with respect to any of the Collateral for which control of such Collateral is a method of perfection under the UCC, including all of the Lessee's rights, titles and interests in deposit accounts, investment property, electronic chattel paper and letter-of-credit rights, the Lessee will, on

Secured Party's request, cause to be executed by each Person that the Secured Party determines is appropriate, a control agreement in a form acceptable to the Secured Party.

15. INTEREST. Any amounts payable by the Lessee under this Agreement will bear interest at the rate of interest provided in the Note from the date on which such amounts are payable under this Agreement until the date on which such payments are made by the Lessee to the Secured Party; however, nothing in this Agreement will be deemed to give to the Lessee the right to withhold payment in consideration of the payment of such interest.

16. DELIVERY OF NOTICES. All notices must be in writing and sent (a) in person, (b) by certified or registered mail, or (c) by overnight delivery carrier for next day delivery, in each case to the address listed in the opening paragraph of this Agreement (or if notice of a new address is given in accordance with this Agreement, to the new address). Notice given in any other manner will not be considered delivered or given unless and until actually received. A notice period will start (i) if mailed, three business days after notice was sent by certified or registered mail, (ii) the next business day after being sent by overnight delivery, and (iii) the day the notice was delivered in person.

17. REVIVAL OF SECURITY INTEREST. If the Lessee makes a payment or payments to the Secured Party (or the Secured Party receives any payment or proceeds of the Collateral) that are subsequently voided, avoided, set aside, annulled, or disregarded under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of the payment or proceeds received, the Obligations or part intended to be satisfied will be revived and will continue in full force and effect as if these payment(s) or proceeds had not been received by the Secured Party, and the security interest granted herein shall be enforceable as to such Obligations as fully as if such payments had never been made.

18. CLAIMS AGAINST SECURED PARTY.

(a) Notification. The Secured Party shall not be in default under this Agreement, or under any of the other Loan Documents, unless a written notice specifically setting forth the claim of the Lessee shall have been given to Secured Party within one hundred eighty (180) days after the occurrence of the event which the Lessee alleges gave rise to such claim and the Secured Party does not remedy or cure the default, if any, with reasonable promptness thereafter.

(b) Remedies. If it is determined by the final, non-appealable order of a court of competent jurisdiction that the Secured Party has breached any of its obligations under the Loan Documents and has not remedied or cured same with reasonable promptness following receipt of notice thereof, the Secured Party's responsibilities shall be limited to the following: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of any of the Loan Documents, the obligation to grant such consent or give such approval; and (ii) where the breach involves any other violation of the Loan Documents, or where the Secured Party is determined to have acted in bad faith, the payment of any actual, direct, compensatory damages sustained by the Lessee as a result thereof.

(c) Limitations. In no event, however, shall the Secured Party be liable to the Lessee, or to any other party claiming through the Lessee, for any other damages, including, without

limitation, indirect, speculative, or punitive damages, whatever the nature of the breach by the Secured Party of its obligations under any of the Loan Documents. In no event shall the Secured Party be liable to the Lessee, or to any other party claiming through the Lessee, unless a written notice specifically setting forth the nature of the claim shall have been given to the Secured Party within the time period specified above.

19. PROVISIONS REGARDING ACCOUNTS RECEIVABLE LOANS.

(a) Definitions. The following words and terms shall have the meanings hereinafter set forth:

"Accounts" shall mean all right, title and interest of the Lessee in and to the following, in each case arising from the Lessee's operation of the Project in the ordinary course of the Lessee's business: (a) all rights to payment of a monetary obligation, whether or not earned by performance, including, but not limited to, accounts (including, but not limited to accounts receivable, health-care insurance receivables, Medicaid and Medicare receivables, Veterans Administration receivables, or other governmental receivables, private patient receivables, and HMO receivables), (b) payment intangibles, (c) guaranties, letter-of-credit rights and other supporting obligations relating to the property described in clauses (a) and (b), and (d) all of the proceeds of the property described in clauses (a), (b) and (c). Notwithstanding the foregoing, "Accounts" do not include accounts rising from the sale of the Lessee's equipment, inventory or other goods, other than accounts arising from the sale of Lessee's inventory in the ordinary course of the Lessee's business.

"Eligible AR Lender" means a bank, financial institution or other institutional lender which is in the business of making loans to provide working capital to businesses and which is not affiliated with the Lessee.

"Eligible AR Loan" means a loan or line of credit obtained by the Lessee from an Eligible AR Lender (a) for the sole purpose of providing working capital for the operation of the Project and, with the approval of HUD and Secured Party, other projects that are encumbered by mortgage loans insured or held by HUD and (b) which satisfies all of the requirements of this Section 19.

"Required Intercreditor Agreement" means an Intercreditor Agreement (including any HUD-required Rider) executed by the Secured Party, the Eligible AR Lender, the Lessee and the Borrower, in form and substance satisfactory to Secured Party and approved by HUD.

(b) Eligible AR Loan. Subject to the written approval of Secured Party and HUD, the Lessee may obtain and maintain at any time one, and only one, Eligible AR Loan, which Eligible AR Loan may be secured by a first lien on the "AR Lender Priority Collateral" (composed of Accounts and as further defined in the Required Intercreditor Agreement), subject to the following limitations and requirements:

(i) in no event shall the principal amount of the Eligible AR Loan ever exceed such amount as may be approved in writing by Secured Party and HUD;

(ii) without the written approval of the Secured Party, none of the Collateral, except the AR Lender Priority Collateral, shall be given as security for any Eligible AR Loan;

(iii) with respect to any existing Eligible AR Loan, the Eligible AR Lender, Lessee and Secured Party shall have executed, and HUD shall have approved, the Required Intercreditor Agreement prior to closing of the Loan;

(iv) with respect to any other Eligible AR Loan, the Eligible AR Lender, Lessee and Secured Party shall have executed, and HUD shall have approved, the Required Intercreditor Agreement before such Eligible AR Loan is closed, any funds are disbursed thereunder, any UCC financing statements are filed in connection therewith or any security interest in connection therewith is granted or perfected;

(v) the Eligible AR Loan, the collateral therefor and all of the terms and conditions thereof shall at all times comply with all of the terms and conditions of the applicable Required Intercreditor Agreement; and

(vi) until the Eligible AR Loan is paid in full, the written approval of the Secured Party and HUD is required for any proposed modifications, extensions, renewals, or amendments to a Material Term of the Eligible AR Loan or the related security agreement, prior to the effective date of such amendment(s). As used herein, "Material Term" means a term in a loan or security agreement that (1) extends the maturity date of the loan, (2) adds guarantors to the loan, (3) releases guarantors from the loan, (4) adds borrowers to the loan, (5) adds an interest reserve to the loan, (6) amends the interest rate payable on the outstanding principal balance of the loan, (7) increases or decreases the principal amount of the loan, (8) adds collateral as additional security for the loan, and/or (9) amends or expands the type of obligations secured by the loan.

(c) Required Intercreditor Agreement. Each Required Intercreditor Agreement shall be included in the definition of the Loan Documents while it is in effect. The Lessee shall comply at all times with the Required Intercreditor Agreement then in effect.

(d) Information. Lessee shall, from time to time, promptly following a request by Secured Party or HUD, provide to Secured Party and/or HUD (i) any and all information and documents available to Lessee regarding any Eligible AR Loan and/or AR Lender Priority Collateral (including, but not limited to histories of draws upon, payments on account of, and outstanding balances with respect to, the Eligible AR Loan) and (ii) copies of any and all documents evidencing, securing and/or related to any Eligible AR Loan and/or any amendments thereto.

20. WAIVERS.

(a) No act or thing need occur to establish the liability of the Lessee hereunder, and no act or thing, except full payment and discharge of all of the Obligations, shall

in any way exonerate the Lessee or modify, reduce, limit or release the liability of the Lessee hereunder.

(b) The Lessee will not exercise or enforce any right of contribution, reimbursement, recourse or subrogation available to the Lessee against any Person liable for payment of the Obligations, or as to any collateral security therefor, unless and until all of the Obligations shall have been fully paid and discharged.

(c) Whether or not any existing relationship between the Lessee and the Borrower has been changed or ended and whether or not this Agreement has been terminated, the Secured Party may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Obligations without any consent or approval by the Lessee and without any notice to the Lessee. The liability of the Lessee shall not be affected or impaired by any of the following acts or things (which the Secured Party is expressly authorized to do, omit or suffer from time to time, both before and after termination of this Agreement, without notice to or consent or approval by the Lessee): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Obligations; (ii) any one or more extensions or renewals of Obligations (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Obligations; (iii) any waiver or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Obligations, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Obligations; (iv) any full or partial release of, settlement with, or agreement not to sue Borrower or any other Person liable in respect of any Obligations; (v) any discharge of any evidence of Obligations or the acceptance of any instrument in renewal thereof of substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Obligations, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any modification, substitution, discharge, impairment, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Obligations or any evidence thereof; (ix) any order of application of any payments of credits upon Obligations; (x) any election by Secured Party under §1111(b)(2) of the United States Bankruptcy Code.

(d) The Lessee waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Obligations, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Lessee will not assert, plead or enforce against Secured Party any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other Person liable in respect of any indebtedness, or any setoff available against Secured Party to Borrower or any such other Person, whether or not on account of a related transaction. The Lessee expressly agrees that the Lessee shall be and remain liable, to the extent of the Collateral, for any deficiency remaining after foreclosure of any security interest securing the Obligations, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

(e) The Lessee waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing the Obligations. To the extent of the Collateral, this Agreement constitutes an absolute, unlimited, unconditional and continuing guaranty of payment, not collection. The Secured Party shall not be required first to resort for payment of the Obligations to Borrower, or any other Persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Obligations, before enforcing this Agreement.

(f) The liability of the Lessee under this Agreement is in addition to and shall be cumulative with all other liabilities of the Lessee to Secured Party as obligor or otherwise, without any limitation as to amount, and all other liabilities of any other Person who guarantees all or any portion of the Obligations, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

(g) This Agreement shall be effective upon delivery to Secured Party, without further act, condition or acceptance by Secured Party. Any invalidity or unenforceability of any provision of application of this Agreement shall not affect other lawful provisions and application hereof, and to this end the provisions of this Agreement are declared to be severable.

(h) Lessee hereby covenants that this Agreement will not be discharged except by complete performance of the obligations contained in this Agreement. Lessee waives all setoffs and counterclaims and all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of, and reliance on, this Agreement. Lessee further waives all (i) notices of the existence, creation or incurring of new or additional indebtedness, arising either from additional loans extended to Lessee or Borrower, or otherwise, (ii) notices that the principal amount, or any portion thereof (and any interest thereon), of the Loan or any of the other Obligations is due, (iii) notices of any and all proceedings to collect from Lessee and/or Borrower of all or any part of the Obligations, or from anyone else, (iv), to the extent permitted by law, notices of exchange, sale, surrender or other handling of any security or collateral given to Secured Party to secure payment of all or any part of the Obligations, and (v) defenses based on suretyship or impairment of collateral.

21. MISCELLANEOUS.

(a) This Agreement is intended to be supplemental to and not in substitution or in derogation of any security agreement contained in any other Loan Document.

(b) In any instance where the consent or approval of the Secured Party may be given or is required or any determination is to be rendered by the Secured Party hereunder, the granting, withholding or denial of such consent or approval and the rendering of such determination shall be made or exercised by the Secured Party at its sole and exclusive option.

(c) It is understood and agreed that no judgment or decree which may be entered on any debt secured or intended to be secured by the Mortgage shall operate to abrogate or lessen the effect of this Agreement, but that this Agreement shall continue in full force and effect until the payment and discharge of the Obligations.

(d) This Agreement, any Required Intercreditor Agreement and the other Loan Documents represent the entire agreement between the Secured Party and the Lessee with respect to the subject matter of this Agreement and supersede all previous agreements, negotiations, and understandings with respect to the subject matter of this Agreement. Neither this Agreement nor any of the other Loan Documents to which Lessee is a party may be amended, altered or changed other than in a writing signed by the Secured Party and the Lessee. The Lessee's warranties and representations in this Agreement will be treated as being continuing warranties and representations, made by the Lessee with the same effect as though the representations and warranties had been made again on, and as of, each day of the term of this Agreement.

(e) This Agreement may be executed in several counterparts and each counterpart will be considered an original of this Agreement.

22. RIGHTS OF SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

(a) Lessee and Secured Party hereby agree that HUD shall be an additional secured party under this Security Agreement together with Secured Party, as their interests may appear, and that HUD shall be listed on the Uniform Commercial Code Financing Statements to be filed contemporaneously herewith; provided, however, that nothing herein or in the Uniform Commercial Code Financing Statements shall require the execution, now or any future time, of any amendment, extension, or other document by HUD.

(b) To the extent any party herein is required or desires to give notice to HUD hereunder, such notice shall be delivered in accordance with the provisions hereof, as follows: U.S. Department of Housing and Urban Development, c/o Office of Healthcare Programs, 451 7th Street S.W., Washington, DC 20410.

IN WITNESS WHEREOF, the Lessee and the Secured Party have signed this Agreement as of the date in the first paragraph of this Agreement.

[SEE ATTACHED COUNTERPART SIGNATURE PAGES]

COUNTERPART SIGNATURE PAGE TO LESSEE SECURITY AGREEMENT

THE LESSEE:

WHITEHALL MANOR, INC.,
a Pennsylvania corporation

By: _____
Nimita Kapoor Atiyeh, President

COUNTERPART SIGNATURE PAGE TO LESSEE SECURITY AGREEMENT

THE SECURED PARTY:

M&T REALTY CAPITAL CORPORATION,
a Maryland corporation

By: _____
Christine R. Chandler, Vice President

EXHIBIT A TO LESSEE SECURITY AGREEMENT

UNIT 1 OF WHITEHALL MANOR CONDOMINIUM, according to the Declaration of Condominium of Whitehall Manor Condominium dated August 13, 2008 recorded in the Office of the Recorder of Deeds of Lehigh County, Pennsylvania as its Document ID # 7494518.

PARCEL ID NO. 5498 9378 8632-1

Together with an undivided interest of 50% of, in and to the Common Elements of the said WHITEHALL MANOR CONDOMINIUM.

EXHIBIT B TO LESSEE SECURITY AGREEMENT

All of the following described property and interests in property, whether now in existence or hereafter arising, and relating to, situated or located on or used or usable in connection with the maintenance and/or operation of the property described in Exhibit A (hereafter referred to as the "Premises").

(a) All fixtures, furniture, equipment and other goods and tangible personal property of every kind and description whatsoever now or hereafter located on, in or at the Premises, including, but not limited to, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, radiators, motors, furnaces, compressors and transformers; all power generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment, and fixtures, fans and switchboards; all telephone equipment; all piping, tubing and plumbing equipment and fixtures; all heating, refrigeration, air-conditioning, cooling, ventilating, sprinkling, water, power, waste disposal and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, kitchen and laundry fixtures, utensils, appliances and equipment, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture now or hereafter installed or used or usable in the operation of any part of the buildings, structures or improvements erected or to be erected in or upon the Premises and every replacement thereof, accession thereto, or substitution therefor, whether or not all of the above are now or hereafter acquired or attached to the Premises in any manner;

(b) All articles of tangible personal property not otherwise described herein which are now or hereafter located in, attached to or used in, on or about the buildings, structures or improvements now or hereafter located, placed, erected, constructed or built on the Premises and all replacements thereof, accessions thereto, or substitution therefor, whether or not the same are, or will be, attached to such buildings, structures or improvements in any manner;

(c) All rents, leases, income, revenues, issues, profits, royalties and other benefits arising or derived or to be derived from, or related to, directly or indirectly, the Premises, whether or not any of the property described in this item (c) constitutes accounts, chattel paper, documents, general intangibles, instruments or money;

(d) All awards now or hereafter made ("Awards") with respect to the Premises as a result of (i) the exercise of the power of condemnation or eminent domain, or the police power, (ii) the alteration of the grade of any street, or (iii) any other injury or decrease in the value of the Premises (including, but not limited to, any destruction or decrease in the value by fire or other casualty), whether or not any of the property described in this item (d) constitutes accounts, chattel paper, documents, general intangibles, instruments, investment property, deposit accounts, or money;

(e) All land surveys, plans and specifications, drawings, briefs and other work product and other papers and records now or hereafter used in the construction, reconstruction, alteration, repair or operation of the Premises;

(f) All licenses, permits, certificates and agreements for the provision of property or services to or in connection with, or otherwise benefiting, the Premises, any nursing home license, assisted living facility license, any and all Medicaid/Medicare Provider Agreements, and any other license necessary for the provision of services at the Premises; however, the Secured Party disclaims a security interest in such of the property described in this item (f) to the extent that a security interest in such property may not be granted to the Secured Party without the forfeiture of the rights of the Debtor (or any assignee of the Debtor) or a default resulting thereunder.

(g) All funds, monies, securities and other property held in escrow, lock boxes, depository or blocked accounts or as reserves and all rights to receive (or to have distributed to the Debtor) any funds, monies, securities or property held in escrow, lock boxes, depository or blocked accounts or as reserves, including, but not limited to, all of Debtor's rights (if any) to any funds or amounts in that certain reserve funds and/or residual receipts accounts created under the Regulatory Agreement required by the Secretary of Housing and Urban Development or the Federal Housing Administration Commissioner;

(h) All accounts, accounts receivable, general intangibles, chattel paper, instruments, documents, inventory, goods, cash, bank accounts, certificates of deposits, securities, insurance policies, letters of credit, deposits, judgments, liens, causes of action, warranties, guaranties and all other properties and assets of the Debtor, tangible or intangible, whether or not similar to the property described in this item (h). As used herein, the term "accounts receivable" shall include (i) all healthcare insurance receivables, including, but not limited to Medicaid and Medicare receivables, Veterans Administration or other governmental receivables, private patient receivables, and HMO 10 receivables; (ii) any payments due or to be made to the Debtor relating to the Premises or (iii) all other rights of the Debtor to receive payment of any kind with respect to the Premises;

(i) All books, records and files of whatever type or nature relating to any or all of the property or interests in property described herein or the proceeds thereof, whether or not written, stored electronically or electromagnetically or in any other form, and whether or not such books, records, or files constitute accounts, equipment or general intangibles.

(j) Any and all security or other deposits which have not been forfeited by any tenant under any lease; and

(k) All products and proceeds of any and all of the property (and interests in property) described herein, including, but not limited to, proceeds of any insurance, whether or not in the form of original collateral, accounts, contract rights, chattel paper, general intangibles, equipment, fixtures, goods, securities, leases, instruments, inventory, documents, deposit accounts or cash.

EXHIBIT C TO LESSEE SECURITY AGREEMENT

Other Names Used by Lessee in Previous Five Years (see Section 2(a) of Agreement)**: None**

Assets Acquired in Bulk Transfer in Previous Five Years (see Section 2(a) of Agreement)**: None**

Lessee's Rights in the Following (see Section 2(a) of Agreement):

Investment property: None

Letters of Credit: None

Electronic Chattel Paper: None

Commercial Tort Claims: None

Instruments (including promissory notes): None

Deposit Accounts:

Account Number	Depository Bank	Account Type (e.g., operating or payroll)	Government Accounts (see note below)
8172587	National Penn Bank	Operating	None

Note: Designate if Deposit Account receives deposits of proceeds of accounts from federal, state or local governments (e.g., Medicare and Medicaid), and if so, whether such Deposit Account is solely for such deposits or whether the Deposit Account commingles other non-governmental deposits. See Section 2(i) of the Agreement for the Lessee's obligations in this regard.

EXHIBIT K

COUNTY OF NORTHAMPTON

RECORDER OF DEEDS
NORTHAMPTON COUNTY GOVERNMENT CENTER
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042-7486
Area Code (610) 559-3077
Andrea F. Suter - Recorder
Dorothy J. Edelman - Deputy

Book - 2012-1 Starting Page - 300709
***Total Pages - 11**

Instrument Number - 2012040239
Recorded On 12/13/2012 At 1:05:05 PM
* Instrument Type - MORTGAGE
Invoice Number - 727362
* Mortgagor - SAUCON TRUST
* Mortgagee - M&T REALTY CAPITAL CORPORATION
User - BLM
* Customer - SIMPLIFILE LC E-RECORDING

NCGIS Registry UPI Certification
On December 13, 2012 By HG

*FEES	
STATE WRIT TAX	$0.50
JCS/ACCESS TO JUSTICE	$23.50
RECORDING FEES	$25.00
AFFORDABLE HOUSING	$14.02
AFFORDABLE HOUSING - ADMIN FEE	$2.48
COUNTY RECORDS IMPROVEMENT FEE	$2.00
DEEDS RECORDS IMPROVEMENT FEE	$3.00
UPI CERTIFICATION FEE	$10.00
TOTAL PAID	$80.50

***RECORDED BY:**
OMEGA ABSTRACT
512 W HAMILTON STREET
ALLENTOWN, PA 18101

I hereby CERTIFY that this document is recorded in the Recorder's Office Of Northampton County, Pennsylvania

Andrea F. Suter
Recorder of Deeds

THIS IS A CERTIFICATION PAGE

Do Not Detach

THIS PAGE IS NOW THE FIRST PAGE
OF THIS LEGAL DOCUMENT

00AE99

Book: 2012-1 Page: 300709

* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

Return to:
Donald B. Lewis
Vorys, Sater, Seymour and Pease LLP
301 East Fourth Street
Suite 3500, Great American Tower
Cincinnati, Ohio 45202

UPI: Q7SW2A-1-3-0715

FHA Form No. 4171-b
(CORPORATE)
Rev. March 1971

MORTGAGE

THIS MORTGAGE made as of the 1st day of December, ~~19~~2012, between SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007, a trust formed under the laws of Pennsylvania, the Mortgagor and M&T REALTY CAPITAL CORPORATION, a corporation organized and existing under the laws of the state of Maryland and having its principal place of business at 25 South Charles Street, 17th Floor, Baltimore, Maryland 21201, the Mortgagee

In order to secure the payment of an indebtedness in the principal sum of Nineteen Million Four Hundred Sixty-Two Thousand Eight Hundred and No/100 Dollars ($19,462,800.00), lawful money of the United States, which sum or so much thereof as may be advanced with interest thereon at Two and one half percent (2.50%) per annum, is payable in accordance with the terms of a certain note bearing even date herewith as follows:

Interest only payable on the first day of January, 2013. Commencing on the first day of February, 2013, monthly installments of interest and principal shall be paid in the sum of Sixty-Nine Thousand Five Hundred Seventy-Eight and 58/100 Dollars ($69,578.58) each, such payments to continue monthly thereafter on the first day of each succeeding month until the entire indebtedness has been paid in full. In any event, the balance of the principal (if any) remaining unpaid, plus accrued interest, shall be due and payable on January 1, 2048. The installments of interest and principal shall be applied first to interest at the rate of two and one half percent (2.50%) per annum upon the principal sum or so much thereof as shall from time to time remain unpaid and the balance thereof shall be applied on account of principal.

which note provides: (1) ~~that privilege is reserved to pay the debt in whole or in an amount equal to one or more monthly payments on principal next due, on the first day of any month prior to maturity upon at least thirty (30) days prior written notice to the holder; (2)~~ that if the debt is paid in full prior to maturity and while insured under the National Housing Act, all parties liable for payment thereof hereby agree to be jointly and severally bound to pay to the holder hereof any adjusted premium charge required by the applicable Regulations; ~~(3) that notwithstanding any provision for a prepayment charge or premium, prepayments of principal made as aforesaid, which do not exceed an aggregate of fifteen per centum (15%) of the original principal sum of the note in any one calendar year, may be made without any prepayment charge or premium; and (4) that no default shall exist by reason of nonpayment of any required installment of principal so long as the amount of optional additional prepayments of principal made pursuant to the privilege of prepayment equals or exceeds the amount of such required installment of principal;~~ **and (2) that in the event any installment or part of any installment due under the Note becomes delinquent for more than fifteen (15) days, there shall be due, at the option of the holder of the Note, in addition to other sums due, a late charge in an amount equal to two percent (2%) of the amount of principal and/or interest so delinquent, as further provided in the Note.**

1

And also to secure payment by the Mortgagor to the Mortgagee of all sums expended or advanced by the Mortgagee pursuant to any term or provision of this mortgage;

And also to secure performance of each covenant, term, condition and agreement of the Mortgagor herein contained and in a certain ~~Building Loan Agreement and~~ Regulatory Agreement hereinafter referred to;

The Mortgagor for valuable consideration, the receipt of which is hereby acknowledged, hath granted, bargained, sold, aliened, enfeoffed, released and confirmed, and by these presents doth grant, bargain, sell, alien, enfeoff, release and confirm unto the said Mortgagee, all the following-described real estate situate in the **Borough** of **Hellertown**, County of **Northampton**, and Commonwealth of Pennsylvania; to wit:

See Exhibit A, attached hereto and incorporated herein by reference.

TOGETHER with all and singular the buildings and improvements on said premises, as well as all alterations, additions, or improvements now or hereafter made to said premises, and any and all appliances, machinery, furniture, and equipment (whether fixtures or not) of any nature whatsoever now or hereafter installed in or upon said premises, streets, alleys, passages, ways, waters, water courses, rights, liberties, privileges, hereditaments, and appurtenances whatsoever thereunto belonging, or in anywise appertaining, and the reversions and remainders, rents, issues and profits thereof; and

TOGETHER with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein; and

TOGETHER with all fixtures and articles of personal property now or hereafter attached to or in and about the building or buildings now erected or hereafter to be erected on the lands herein described which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all goods, chattels, and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner.

And the said Mortgagor, for itself, its successors and assigns does hereby covenant, promise, and agree with said Mortgagee, its successors and assigns, that all furnaces, heaters, ranges, mantels, cabinets, gas and electric light fixtures, elevators, laundry equipment, refrigerator, air-conditioning equipment, including all operating equipment, Murphy beds and all apparatus, appliances, and fixtures for the creation and distribution of light, heat, power, and water, including all pipes, wires, faucets, bathroom and kitchen fixtures of whatever kind and nature at present contained or hereafter placed in the building or hereafter standing upon the mortgaged premises and all structures, gas and oil tanks, screens, shades, awnings and Venetian blinds, storm doors and windows and equipment erected or placed in or upon the mortgaged premises are to be considered as annexed to and forming part of the freehold.

TO HAVE AND TO HOLD the said lot or piece of ground described, with the buildings and improvements thereon erected, the hereditaments and premises hereby granted or mentioned and intended so to be, with the appurtenances unto the said Mortgagee, its successors or assigns, to and for the only proper use and behoof of the said Mortgagee, its successors or assign forever;

Provided however that if said Mortgagor does and shall well and truly pay or cause to be paid unto the said Mortgagee, the aforesaid debt or principal sum secured by this mortgage, on the day and

time and in the manner hereinbefore mentioned and appointed for payment of the same, together with interest and all sums advanced for payment of any ground rents, taxes, water rents, charges, claims or insurance premiums and any other advance hereunder as aforesaid, without any fraud or further delay and without any deduction, defalcation or abatement to be made of anything, for or in respect of any ground rents, taxes or water rents or charges or claims or advances whatsoever, then this mortgage and the estate hereby granted, shall cease and become void.

The Mortgagor covenants with the Mortgagee as follows:

1. That the Mortgagor will deposit with the Mortgagee concurrently with payments of interest or of interest and principal, on the first day of each month after the date hereof until the said note is fully paid, the following sums:

(a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this mortgage and the note secured hereby are insured, or a monthly service charge, if they are held by the Secretary of Housing and Urban Development, as follows:

(i) if and so long as said note of even date and this mortgage are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one month prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, or

(ii) Beginning with the first day of the month following an assignment of this mortgage and the note secured hereby to the Secretary of Housing and Urban Development, a monthly service charge which shall be an amount equal to one-twelfth of one-half per centum of the average outstanding principal balance due on the note computed for each successive year, beginning with the first of the month following such assignment, without taking into account delinquencies or prepayments.

(b) A sum equal to the ground rents, if any, next due, plus the premium that will next become due and payable on policies of fire and other ~~hazard~~ insurance covering the mortgaged property, plus water rents, taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, water rents, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, water rents, taxes, and special assessments.

(c) All monthly installments of interest or of principal and interest and all payments mentioned in paragraphs (a) and (b) above shall be added together, and the aggregate amount thereof shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:

(i) Premium charges under the contract of insurance with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner or service charge;

(ii) Ground rents, taxes, water rents, assessments, fire and other ~~hazard~~ insurance premiums;

(iii) Interest on the debt secured hereby; and

(iv) Amortization of the principal of the debt secured hereby.

Provided that any excess funds accumulated under paragraph (b) above remaining after payment of the items therein mentioned shall be credited to subsequent monthly payments of the same nature required thereunder; but if any such item shall exceed the estimate therefor, the Mortgagor shall without demand forthwith make good the deficiency. Failure to do so before the due date of such item shall be a default hereunder. In case of termination of the contract of mortgage insurance by prepayment of the mortgage in full, or otherwise (except as hereinafter provided), accumulations under paragraph (a) above not required to meet payments due under the contract of mortgage insurance, shall be credited to the Mortgagor. If the property is sold under foreclosure or is otherwise acquired by the Mortgagee after default, any remaining balance of the accumulations under paragraph (b) above shall be credited to the principal of the debt as of the date of commencement of foreclosure proceedings or as of the date the property is otherwise acquired; and accumulations under paragraph (a) above shall be similarly applied unless required to pay sums due to the Secretary of Housing and Urban Development, acting by and through the Commissioner under the contract of mortgage insurance.

2. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Secretary of Housing and Urban Development, acting by and through the Commissioner upon the insurance of the mortgage and other hazards **and liabilities** as may be required from time to time by the Mortgagee, and all such insurance shall be carried in such companies and be for such periods as may be required by the Mortgagee, and be in an amount which will comply with the coinsurance clause applicable to the location and character of the property but not less than eighty per centum (80%) of the actual cash value of the insurable improvements and equipment of the property and will pay when due any insurance premiums not provided for by monthly payments hereunder and in default thereof the Mortgagee may effect such insurance. Such policies shall be in standard form and endorsed with standard mortgagee clause with loss payable to the Mortgagee ~~and the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner as interest may appear,~~ and shall be deposited with the Mortgagee; **the insurance carrier shall be selected by the Mortgagor, subject to approval by the Mortgagee, which shall not be unreasonably withheld.** If the premises covered hereby, or any part thereof, shall be destroyed or damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company or companies by reason of such damage, in pursuance of the contract or contracts of such fire or other hazard insurance, to the extent of the indebtedness secured hereby remaining unpaid, shall be paid to the Mortgagee, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the premises.

3. That the Mortgagor will keep said premises in as good order and condition as they now are, and will not commit or permit any waste of said premises, reasonable wear and tear excepted. If the Mortgagor shall refuse or neglect to make or cause to be made all necessary repairs to the mortgaged property, then at the option of the Mortgagee, such repairs may be made at the expense of the Mortgagee, and the cost thereof, with interest at the rate provided in the note secured hereby shall be added to and made a part of the principal debt secured hereby and shall be payable on demand.

4. The Mortgagee shall have the right to advance and pay any ground rents, taxes, assessments, water rents, and all other charges and claims which are provided to be made by the Mortgagor in paragraphs 1(a) and (b) above, and to advance and pay any sums of money that in its or their judgment may be necessary to perfect or preserve the title of the premises covered hereby. Any amount or amounts so paid by the Mortgagee shall be added to the principal debt secured hereby, shall bear interest at the rate provided in the note secured hereby from the date of payment, and shall be payable on demand. The Mortgagee, at its option, shall be entitled to be subrogated to any lien, claim or demand paid by it, or discharged with money advanced by it and secured by this mortgage.

5. That so long as this mortgage and the said note secured hereby are insured under the provisions of the National Housing Act, or held by the Secretary of Housing and Urban Development, the Mortgagor will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color or creed.

6. That so long as this mortgage and the note secured hereby are insured under the provisions of the National Housing Act, or held by the Secretary of Housing and Urban Development, the Mortgagor will not rent dwelling accommodations in the mortgaged premises at rental rates in excess of the rates permitted by the Secretary of Housing and Urban Development, acting by, and through the Federal Housing Commissioner or for periods of less than one (1) month or in excess of three (3) years, nor rent the premises as an entirety.

~~7. That the indebtedness secured by this mortgage represents funds to be used in the construction of certain improvements on the lands herein described, in accordance with a building loan agreement between the Mortgagor and the Mortgagee dated _____, 19__, a copy of which is attached hereto and made a part hereof (provided, however, that if and to the extent that said building loan agreement is inconsistent herewith, this mortgage shall govern). If the construction of the improvements to be made pursuant to said building loan agreement shall not be carried on with reasonable diligence, or shall be discontinued at any time for any reason other than strikes or lock outs, the Mortgagee, after due notice to the Mortgagor, or any subsequent owner, is hereby vested with full and complete authority to enter upon the said premises to employ watchmen to protect such improvements from depredation or injury and to preserve and protect the personal property therein, to continue any and all outstanding contracts for the erection and completion of said building or buildings, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the Mortgagor, or other owner, and to pay and discharge all debts, obligations, and liabilities incurred thereby. All such sums so advanced by the Mortgagee (exclusive of advances of the principal of the indebtedness secured hereby) shall be added to the principal of the indebtedness secured hereby and all shall be secured by this mortgage and shall be due and payable on demand with interest at the rate provided in the note secured hereby, but no such advances shall be insured unless same are specifically approved by the Federal Housing Commissioner prior to the making thereof. The principal sum and the other charges provided for herein shall, at the option of the Mortgagee or holder of this mortgage and the note secured hereby become due and payable on the failure of the Mortgagor, or other owner, to keep and perform any of the covenants, conditions and agreements of said building loan agreement. This covenant shall be terminated upon the completion of the improvement to the satisfaction of the Mortgagee and the making of the final advance as provided in said building loan agreement.~~

8. That the Mortgagor will not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage; and further, that it will keep and maintain said property free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said property.

9. That the improvements ~~about to be made~~ upon the premises above described ~~and all plans and specifications~~ comply with all municipal ordinances and regulations made or promulgated by lawful authority, and that the same ~~will upon completion~~ comply with all such municipal ordinances and regulations and with the rules of the Board of Fire Underwriters having jurisdiction.

10. That the Mortgagor will not permit or suffer the use of any of the property for any purpose other than that for which the same is now agreed upon to be used; nor will it permit or suffer any alteration of or addition to the buildings or improvements ~~hereafter constructed~~ in or upon said property without the consent of the Mortgagee.

11. That the Regulatory Agreement, if any, executed by the Mortgagor and the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, which is being recorded simultaneously herewith, is incorporated in and made a part of this Mortgage. Upon default under the Regulatory Agreement and upon the request of the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, the Mortgagee, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.

It is agreed that if at any time, a Writ of Fieri Facias or other execution is properly issued upon a judgment obtained upon the note secured hereby, or if an Action of Mortgage Foreclosure is brought or a Writ of Scire Facias is issued or other foreclosure proceedings instituted upon this mortgage, an attorney's **fee** ~~commission~~ for collection, viz: **five** per centum (**5.0%**) of said principal debt or sum shall be payable, and shall be recovered in addition to all principal and interest and all other recoverable sums then due, besides costs of suit. The Mortgagor does hereby expressly waive and relinquish all benefit that may accrue to him by virtue of any and every law, civil or military, made or to be made hereafter exempting the mortgaged premises from attachment, levy and sale under execution.

It is further agreed that the holder of this mortgage, in any action to foreclose, shall be entitled to the appointment of a Receiver of the rents and profits of the mortgaged premises as a matter of right and *without notice, with power to collect the rents, issues, and profits of said mortgaged premises, due and* becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by this mortgage, without regard to the value of the mortgaged premises or the solvency of any person or persons liable for the payment of the mortgage indebtedness. The Mortgagor for itself and any subsequent owner hereby waives any and all defenses to the application for a Receiver and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the mortgage of any other right, remedy, or privilege it may now have under the law to have a Receiver appointed. The provision for the appointment of a Receiver of the rents and profits, and the assignment of such rents and profits, is made an express condition upon which the loan hereby secured is made. The rights and remedies herein provided for shall be deemed to be cumulative and in addition to, and not in limitation of, those provided by law.

It is also agreed that, for the purpose of procuring possession of said mortgaged premises to the Mortgagee, its successors and assigns, in the event of any default as defined below, the Mortgagor, for the Mortgagor and for the successors and assigns of the Mortgagor, does hereby authorize and empower any attorney of any court as attorney for the Mortgagor, and for the successors or assigns of the Mortgagor, to sign an agreement for entering in any competent court an amicable action or judgment in ejectment, without any stay of execution, against the Mortgagor, or the successors or assigns of the Mortgagor and against all persons claiming under the Mortgagor, or the successors or assigns of the Mortgagor and for the recovery by the Mortgagee, its successors or assigns, of possession of the mortgaged premises. In any such action, this mortgage or a copy thereof, verified by affidavit, shall be a sufficient warrant of attorney. Thereupon a Writ of Habere Facias Possessionem may issue forthwith without any prior writ or proceeding whatsoever. It is hereby expressly agreed that if for any reason after such action has been commenced the same shall be discontinued, marked satisfied of record or be determined, or possession of the mortgaged premises shall remain in or be restored to the Mortgagor, or the successors or assigns of *the Mortgagor, the Mortgagee, its successors and assigns, shall have the right for the same default or in* the event of any subsequent defaults, to bring on or more further amicable actions in the manner hereinbefore set forth to recover possession of the mortgaged premises. The Mortgagee, its successors and assigns, shall have the right to bring such amicable action in ejectment after an Action of Mortgage Foreclosure is brought or after the issuance of a Scire Facias sur Mortgage or other foreclosure

proceedings are instituted upon this mortgage and after judgment thereon or therein, and after a sale of the mortgaged premises by the sheriff.

It is also expressly agreed that if the Mortgagor should fail to pay any installment of principal and interest or payment due pursuant to covenant one above within thirty (30) days after the due date of such installment or payment, or if the Mortgagor should fail to perform any of the terms, conditions or covenants of the mortgage, the note, ~~the building loan agreement~~, or the regulatory agreement, such failure shall constitute a default and in every such case, the whole principal debt shall, at the option of the Mortgagee, become due and payable immediately, and it shall and may be lawful for said Mortgagee forthwith to bring an Action of Mortgage Foreclosure, to sue out of a Writ of Scire Facias, or to institute other foreclosure proceedings upon this mortgage, and to proceed to judgment and execution for recovery of said principal debt, all interest thereon, all sums advanced for payment of any ground rent, taxes, water rents, charges, claims or insurance premiums as aforesaid, and all other recoverable sums, together with an attorney's commission for collection, without further stay of execution or other process, any law, usage or custom to the contrary notwithstanding. The Mortgagor hereby waives and relinquishes unto and in favor of the Mortgagee, all benefit under the laws now in effect or hereafter passed to relieve the Mortgagor in any manner, or to reduce the amount of the note to any greater extent than the amount actually paid for the premises hereby mortgaged at the sale thereof in any judicial proceedings upon the said note or upon this mortgage.

Notwithstanding any other provision contained herein or in the Note, it is agreed that the execution of the Note shall impose no personal liability upon the Mortgagor for payment of the indebtedness evidenced thereby and in the event of a default, the holder of the Note shall look solely to the "Collateral" (defined below) in satisfaction of the indebtedness evidenced by the Note and *will not seek or obtain any deficiency or personal judgment against the Mortgagor except such* judgment or decree as may be necessary to foreclose and/or bar its interest in the Collateral, provided, that nothing in this condition and no action so taken shall operate to impair any obligation of the Mortgagor under the Regulatory Agreement herein referred to and made a part hereof. As used herein, "Collateral" shall mean and include (i) the property subject to this Mortgage, including, but not limited to, the land, improvements, equipment, personal property, and appurtenances thereto and the rents, issues and profits thereof, as set forth in this Mortgage and (ii) the collateral described in the Security Agreement of even date herewith given to further secure the Note between the Mortgagor and Mortgagee.

This mortgage and every covenant and agreement herein contained shall be binding upon and inure to the benefit of the Mortgagor and the Mortgagee and their respective successors and assigns and to the extent permitted by law shall bind every subsequent owner of the mortgaged premises.

[Signatures appear on following page]

IN WITNESS WHEREOF, **the Mortgagor has caused this instrument to be duly executed in its behalf by the Manager of its Sole Trustee as of the date first set forth above.**

SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007,
a trust formed under the laws of Pennsylvania

By: SAUCON MANAGEMENT LLC,
a Pennsylvania limited liability company,
Trustee

By: _____
Name: Abraham R. Atiyeh
Title: Manager

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF Lehigh

On this 12 day of December, 2012, before me, the undersigned officer, personally appeared Abraham R. Atiyeh who acknowledged himself to be the Manager of the Sole Trustee of Saucon Trust, u/t/a dated October 1, 2007, a trust formed under the laws of Pennsylvania, and that he, as Manager of the Sole Trustee, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the names of the limited liability company and such trust.

_____
Notary Public in and for said County and State

~~(To be executed, witnessed and acknowledged as required by the laws of the State of Pennsylvania)~~

NOTARIAL SEAL
TARA S PALETSKI
Notary Public
ALLENTOWN CITY, LEHIGH COUNTY
My Commission Expires Jun 20, 2016

CERTIFICATE OF RESIDENCE

I, **Christine R. Chandler**, do hereby certify that the correct address of the within-named Mortgagee is **25 South Charles Street, 17th Floor, Baltimore, Maryland 21201**, witness my hand this _____ day of **December, 2012** ~~19~~.

_____
Christine R. Chandler, Vice President
(On behalf of the Mortgagee)

COMMONWEALTH OF PENNSYLVANIA

Loan No. 034-22096

Mortgage

SAUCON TRUST, U/T/A OCTOBER 1, 2007
TO
M&T REALTY CAPITAL CORPORATION

COMMONWEALTH OF PENNSYLVANIA,
COUNTY OF

RECORDED on this _____ day of _____ A.D. _____, in the Recorder's Office of said County, in Mortgage Book, Vol. ___, Page ___.

Given under my hand and seal of the said office, the day and year aforesaid.

_____
Recorder.

EXHIBIT A

LEGAL DESCRIPTION

UNIT I of Condos at Saucon Valley Manor, also known as Saucon Valley Condominium, according to the Declaration of Condominium of Saucon Valley Condominium, also known as Condos at Saucon Valley Manor, as recorded on December 8, 2006 in the Office of the Recorder of Deeds in and for Northampton County, Pennsylvania in Record Book 2006-1 at page 507467

Together with an undivided interest of 40% of, in and to the Common Elements of the said CONDOS AT SAUCON VALLEY MANOR.

Together with an easement upon Unit 2 for encroachment of improvements and entry facilities, and dedicated parking, as provided in the Declaration of Condominium of CONDOS AT SAUCON VALLEY MANOR (see Exhibit B, page 3 of the Declaration)

BEING Northampton County, Pennsylvania Tax Parcel Q7SW2A-1-3-0715

Being more fully bounded as set forth on attached page

DESCRIPTION OF 1050 MAIN STREET

ALL THAT CERTAIN lot or tract of land situated on the west side of Main Street (S.R. 412) in the Borough of Hellertown, County of Northampton, and Commonwealth of Pennsylvania, being known as 1050 Main Street, also being Unit One on the Condominium Declaration Plan for Condos at Saucon Valley Manor, said plan recorded in the Northampton County Recorder of Deeds Office in Map Book Volume 20065 Page 759, bounded and described as follows to wit:

BEGINNING at the intersection formed by the westerly right of way line of Main Street with the northerly curb line of Sycamore Avenue; thence along the said northerly curb line of Sycamore Avenue

1. South 86'47'33" West 266.09 feet; thence-in and through land now or formerly of Abraham R. Atiyeh D.B.V. 2000-1 Page 14351 the following three courses and distances;
2. North 03' 14'23" West 59.03 feet;
3. North 86' 41'33" East 18.00 feet;
4. North 03' 13'52" West 411.34 feet to the southerly right of way line of Thomas Avenue; thence along the same
5. North 86' 48'59" East 247.48 feet to the westerly right of way line of Main Street; thence along the same
6. South 03' 18'24" East 470.30 feet to the place of beginning.

CONTAINS: 117,610.588 Sq. Ft. 2.7000 Acres

12/07/2012 14916670 V 4

MAY 09 2022

I hereby CERTIFY that this document is recorded in the Recorder's Office Of Northampton County, Pennsylvania

RECORDER OF DEEDS OF NORTHAMPTON COUNTY PENNSYLVANIA

Andrea F. Suter

Andrea F. Suter
Recorder of Deeds

Dorothy J. Edelman
Lead Deputy Recorder of Deeds

COUNTY OF NORTHAMPTON

RECORDER OF DEEDS
NORTHAMPTON COUNTY GOVERNMENT CENTER
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042-7486
Area Code (610) 829-6210

Andrea F. Suter - Recorder
Dorothy J. Edelman - Lead Deputy
Barbara L. Manieri - Deputy

Book - 2022-1 Starting Page - 306345
***Total Pages - 7**

Instrument Number - 2022036070
Recorded On 11/21/2022 At 11:33:26 AM

NCGIS Registry UPI Certification
On November 18, 2022 By SRM

* Instrument Type - ASSIGNMENT OF MORTGAGE
Invoice Number - 1047996
* Grantor - M&T REALTY CAPITAL CORPORATION
* Grantee - UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT
User - KABE
* Customer - FIDELITY NATIONAL TITLE - WESTERVILLE (10043)

*FEES	
STATE WRIT TAX	$0.50
JCS/ACCESS TO JUSTICE	$40.25
RECORDING FEES	$19.00
COUNTY RECORDS IMPROVEMENT FEE	$2.00
DEEDS RECORDS IMPROVEMENT FEE	$3.00
UPI CERTIFICATION FEE	$10.00
TOTAL PAID	$74.75

*RECORDED BY:
FIDELITY NATIONAL TITLE - WESTERVILLE (10043)
4111 EXECUTIVE PKWY, SUITE 30
WESTERVILLE, OH 43081

I hereby CERTIFY that this document is recorded in the Recorder's Office Of Northampton County, Pennsylvania

Andrea F. Suter
Recorder of Deeds

THIS IS A CERTIFICATION PAGE

Do Not Detach

THIS PAGE IS NOW THE FIRST PAGE
OF THIS LEGAL DOCUMENT

00IPI9

Book: 2022-1 Page: 306345

* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

1050 main St. Unit #1 Hellertown PA 18055
Borrough Hellertown

Project No.: **034-22096**
Project Name: **Saucon Valley Manor**
Location: **Northampton County, Pennsylvania**
Q 7Sw 24 -1-3- 0715

ASSIGNMENT OF MORTGAGE

Dated November 8, 2022, Effective as of November 16, 2022

KNOW ALL MEN BY THESE PRESENTS:

THAT, M&T REALTY CAPITAL CORPORATION, a corporation organized and existing under the laws of the State of Maryland, hereinafter referred to as the "Assignor", having offices at One Light Street, 12th Floor, Baltimore, Maryland 21202, for value received, does by these presents, without recourse, representation or warranty, except as hereinafter set forth, grant, bargain, sell, assign, transfer and set over unto the UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, his/her successors and assigns, hereinafter referred to as "Assignee", having offices at 451 7th Street, SW, Washington D.C., 20410, all right, title and interest in and to that certain:

> Mortgage Note dated December 1, 2012, and Mortgage dated December 1, 2012, each executed by Saucon Trust, U/T/A Dated October 1, 2007, each being in the original principal amount of Nineteen Million Four Hundred Sixty-Two Thousand Eight Hundred and No/100 Dollars ($19,462,800.00), which Mortgage Note was made payable to M&T Realty Capital Corporation and which Mortgage Note is secured by a Mortgage recorded December 13, 2012, in Book 2012-1, at Page 300709 in the Office of the Recorder of Deeds of Northampton County, Pennsylvania.

SEE ATTACHED EXHIBIT "A" FOR A DESCRIPTION OF THE REAL PROPERTY.

TO HAVE AND TO HOLD the same unto said UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT, HIS/HER SUCCESSORS AND ASSIGNS.

THIS Assignment is without recourse or warranty, except that the undersigned hereby warrants that no act or omission of the undersigned has impaired the validity or priority of said Mortgage. The undersigned also warrants that said Mortgage is prior to all mechanics' and materialmen's liens filed of record subsequent to the recording of such Mortgage regardless of whether such liens attached prior to such recording date, and prior to all liens and encumbrances which may have attached or defects which may have arisen subsequent to the recording of such

Mortgage (except such liens or other matters as have been approved by the Assignee hereunder). The undersigned also warrants that, as of the execution of this Assignment, the sum of Sixteen Million Two Hundred Thirty-Eight Thousand Eight Hundred Sixty-Two and 47/100 Dollars ($16,238,862.47), together with the interest accruing at the rate of 2.50% per annum, as provided in the said Mortgage Note and Mortgage, is actually due and owing under said Mortgage Note and Mortgage, that there are no offsets or counterclaims thereto, and that the undersigned has a good right to assign the said Mortgage Note and Mortgage.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Assignor has caused this instrument to be executed on its behalf as of the date first above written.

M&T REALTY CAPITAL CORPORATION, a Maryland corporation

By:_____
Name: Michael Angles
Title: Senior Vice President

STATE OF MARYLAND }
} ss.
CITY OF BALTIMORE }

Before me, Melissa L. First, a Notary Public, in and for said City and State, on this day personally appeared **Michael Angles**, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the **Senior Vice President** of M&T Realty Capital Corporation, a Maryland corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed and as the authorized act of said corporation.

Given under my hand and seal of office, this the 8th day of November, 2022.

_____
Notary Public
My Commission Expires:

MELISSA L FIRST
Notary Public - State of Maryland
Baltimore County
My Commission Expires Apr 6, 2026

This instrument prepared by: Ariel A. Mullin
Vorys, Sater, Seymour and Pease LLP
301 E. Fourth Street, Suite 3500
Cincinnati, Ohio 45202

EXHIBIT A

Legal Description

UNIT I of Condos at Saucon Valley Manor, also known as Saucon Valley Condominium, according to the Declaration of Condominium of Saucon Valley Condominium, also known as Condos at Saucon Valley Manor, as recorded on December 8, 2006 in the Office of the Recorder of Deeds in and for Northampton County, Pennsylvania in Record Book 2006-1 at page 507467

Together with an undivided interest of 40% of, in and to the Common Elements of the said CONDOS AT SAUCON VALLEY MANOR.

Together with an easement upon Unit 2 for encroachment of improvements and entry facilities, and dedicated parking, as provided in the Declaration of Condominium of CONDOS AT SAUCON VALLEY MANOR (see Exhibit B, page 3 of the Declaration)

BEING Northampton County, Pennsylvania Tax Parcel Q7SW2A-1-3-0715

Being more fully bounded as set forth on attached page

Borrough Hellertown
1050 main St. unit #1
Hellertown, PA
18055

DESCRIPTION OF 1050 MAIN STREET

ALL THAT CERTAIN lot or tract of land situated on the west side of Main Street (S.R. 412) in the Borough of Hellertown, County of Northampton, and Commonwealth of Pennsylvania, being known as 1050 Main Street, also being Unit One on the Condominium Declaration Plan for Condos at Saucon Valley Manor, said plan recorded in the Northampton County Recorder of Deeds Office in Map Book Volume 20065 Page 759, bounded and described as follows to wit:

BEGINNING at the intersection formed by the westerly right of way line of Main Street with the northerly curb line of Sycamore Avenue; thence along the said northerly curb line of Sycamore Avenue

1. South 86'47'33" West 266.09 feet; thence-in and through land now or formerly of Abraham R. Atiyeh D.B.V. 2000-1 Page 14351 the following three courses and distances;
2. North 03' 14'23" West 59.03 feet;
3. North 86' 41'33" East 18.00 feet;
4. North 03' 13'52" West 411.34 feet to the southerly right of way line of Thomas Avenue; thence along the same
5. North 86' 48'59" East 247.48 feet to the westerly right of way line of Main Street; thence along the same
6. South 03' 18'24" East 470.30 feet to the place of beginning.

CONTAINS: 117,610.588 Sq. Ft. 2.7000 Acres

Certificate of Residence

I do hereby certify that the correct address of the within-named Assignee is:

offices at 451 7th St. SW.
Washington, PA 20410

Cory Yadlon

SAUCON VALLEY MANOR
FHA PROJECT NO. **034-22096**

DOCUMENT CERTIFICATION

The document attached hereto is certified to be a true and correct copy of the original of the following document:

ASSIGNMENT OF MORTGAGE

Naming the **United States Secretary of Housing and Urban Development, his/her successors and assigns as Assignee**
Dated November 8, Effective November 16, 2022

Was submitted to the Office of the Recorder of Northampton County, Pennsylvania (the "Recorder's Office") on November 16, 2022, but due to delays in processing for recording in the Recorder's Office, such was ultimately recorded on November 21, 2022, in Book 2022-1 at Page 306345.

Commonwealth Land Title Insurance Company

By: _____
Name: Christina M. Gyda
Title: Authorized Agent

EXHIBIT L

SAUCON VALLEY MANOR
FHA Project No. 034-22096

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made, entered into and dated as of the 1st day of December 2012, by and between **SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007**, a trust formed under the laws of the State of Pennsylvania, whose principal place of business is located at 1050 Main Street, Hellertown, Pennsylvania 18055 ("Debtor"); and **M&T REALTY CAPITAL CORPORATION,** a corporation organized and existing under the laws of the State of Maryland and having an address at 25 South Charles Street, 17th Floor, Baltimore, Maryland 21201 (the "Secured Party"), as follows:

Recitals

A. Contemporaneously with this Agreement, the Secured Party has made a loan to the Debtor in the maximum principal amount of $19,462,800.00 (the "Loan"). The Loan is (i) evidenced by the Mortgage Note made by the Debtor in favor of the Secured Party, dated as of even date herewith (the "Note") and (ii) secured, in part, by an assisted living project known as Saucon Valley Manor, FHA Project No. 034-22096 (the "Project") located at 1050 Main Street, Hellertown, Pennsylvania 18055, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Premises"). The Project is the subject of the Regulatory Agreement between the Debtor and the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner ("HUD"), dated as of even date herewith (the "Regulatory Agreement").

B. As security, in part, for the Obligations (as defined below), the Debtor (i) granted to the Secured Party the Mortgage, dated as of even date herewith, encumbering the Project, which has been or is concurrently herewith being recorded in the real estate records of the jurisdiction in which the Premises are located (the "Mortgage") and (ii) is entering into this Agreement with the Secured Party. The Note, the Mortgage, this Agreement, the Regulatory Agreement and all other agreements, instruments, and documents which are now existing or are in the future signed or delivered by, or on behalf of, the Debtor to the Secured Party and/or HUD in connection with, or related to, the Loan or the other Obligations are sometimes collectively referred to as the "Loan Documents."

C. As used herein, "Healthcare Assets" means (i) any and all licenses, permits, and/or approvals issued by any governmental authority with respect to the use or operation of the Project for its "Approved Use" (as defined in the Regulatory Agreement), (ii) any and all Medicare and Medicaid provider agreements and (iii) any and all "Government Accounts" and "Government Payments" (each as defined below).

Statement of Agreement

1. SECURITY INTEREST; SETOFF.

(a) To secure the full, prompt and complete payment and performance of all Obligations, the Debtor hereby, to the fullest extent permitted by applicable law with respect to Healthcare Assets, grants to, and creates in favor of, the Secured Party a continuing security interest in all of Debtor's right, title and interest in and to the property described on Exhibit B attached hereto and incorporated herein by reference (the "Collateral"). "Obligations" means, as of any date, the Loan and all other indebtedness, liabilities, obligations, covenants, debts and amounts owing from the Debtor to the Secured Party and/or HUD arising out of, in connection with, described in, or evidenced by the Loan Documents, whether direct or indirect, absolute or contingent, related or unrelated, now or in the future existing and whether consisting of principal, interest, fees, indemnities, expenses (including attorneys' fees), charges or other sums, however any of that indebtedness, obligations, or liabilities may be evidenced or acquired, all as now exist or may, after the date of this Agreement, be incurred, renewed, extended, consolidated, adjusted or amended.

(b) In addition to (and without limitation of) any right of setoff, lien or counterclaim the Secured Party may otherwise have, the Secured Party may, at its option, setoff and retain, and may refuse to allow withdrawals by, or for the benefit of the Debtor of, any and all funds, monies, securities and other property held in escrow or for the account of the Debtor pursuant to the Loan Documents, against any amount payable by the Debtor under the Note, the Mortgage or any of the other Loan Documents which is not paid when due (whether or not any of the funds, monies, securities, or other property are then distributable to, or on behalf of, the Debtor).

(c) Notwithstanding any provisions to the contrary contained in this Agreement, nothing set forth in this Agreement shall be construed as granting to Secured Party a security interest, assigning receivables, giving dominion and control or designating an attorney-in-fact with respect to Healthcare Assets in violation of any applicable law.

(d) The Debtor hereby assigns and transfers to Secured Party all of Debtor's rights, titles and interests in, to and under any and all security agreements now or hereafter entered into by the Debtor with any lessee of all or any portion of the Project and all of Debtor's rights, titles and interests in the collateral described therein.

2. REPRESENTATIONS; GENERAL COVENANTS.

(a) To induce the Secured Party to make the Loan, the Debtor promises to the Secured Party that the following statements are, and will continue throughout the term of this Agreement to be, true: (i) except to the extent expressly permitted pursuant to Section 19 hereof, the security interest granted to the Secured Party in the Collateral constitutes a valid, first priority security interest; (ii) the Debtor has good title to, and is the sole and lawful owner of, the Collateral; (iii) the Debtor has full power and authority to enter into and perform its obligations under this Agreement; (iv) except to the extent expressly permitted pursuant to Section 19 hereof and taxes that are not yet due and payable, the Collateral is free and clear of any lien, security

interest, claim, interest, pledge, assignment or other encumbrance (a "Lien") except (A) the security interest in favor of the Secured Party and (B) those Liens, if any, approved in writing by Secured Party (the "Permitted Liens"); (v) the Debtor keeps all tangible Collateral at the Property; (vi) all trade names, assumed names, fictitious names and other names used by the Debtor during the five year period preceding the date of this Agreement are set forth on Exhibit C, and the Debtor has not, during the preceding five year period, except as may be set forth on Exhibit C, acquired any of its assets in any bulk transfer; (vii) Debtor's chief executive office is as set forth in the first paragraph of this Agreement; (viii) Debtor's jurisdiction of organization is as set forth in the first paragraph of this Agreement; (ix) Debtor's exact legal name is as set forth in the first paragraph of this Agreement; (x) Debtor's organizational number (if any) as assigned by the State in which Debtor is organized is the number identified as Debtor's organizational ID # on the financing statement(s) filed in connection with the closing of the Loan, and (xi) except as may be set forth on Exhibit C, the Debtor has no rights, titles or interests in, or with respect to, any investment property, any letters of credit, any electronic chattel paper, any commercial tort claims, any instruments, including promissory notes, or any Deposit Accounts (as defined below).

(b) Debtor will (i) cause, at its expense, any and all UCC financing statements naming as secured party anyone other than Secured Party, which represent or evidence a Lien or potential Lien against any or all of the Collateral, to be terminated within thirty (30) days of the date hereof (except Permitted Liens, if any) and (ii) provide within forty-five (45) days of the date hereof, at its expense, to Secured Party one or more UCC search reports with respect to each office in which a UCC filing may be required in order for Secured Party to validly perfect its security interest in any or all of the Collateral, confirming that a UCC financing statement has been filed in such office in favor of Secured Party and that there are no other UCC financing statements in effect with respect to any of the Collateral except those in favor of Secured Party and Permitted Liens. The Debtor will not grant, create or permit to exist any Lien on any of the Collateral except for the Liens in favor of the Secured Party and Permitted Liens and except to the extent expressly permitted pursuant to Section 19 hereof. The Debtor, at the Secured Party's request, will defend the Collateral against the claims and demands of any other individual, unincorporated association, partnership, joint venture, trust, business trust, corporation, limited liability company, institution, entity or any governmental authority ("Persons") at any time claiming any interest in the Collateral.

(c) The Collateral will only be used by the Debtor in the operation of the Project. Until an Event of Default (as defined below) occurs, the Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with the Loan Documents and any policy of insurance thereon. The Debtor will not sell, assign, lease, or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party; however, the Debtor will have the right, without the Secured Party's consent, to transfer, sell or dispose of any Collateral which is (i) tangible personal property and (ii) obsolete or worn out ("Consumed Property") if the Debtor, concurrently with such transfer, sale or disposition, replaces the Consumed Property with replacement personal property which is free and clear of any Liens except for the Liens in favor of the Secured Party and has the same or greater value and utility as the Consumed Property originally had (any such replacement personal property will automatically become a part of the Collateral under this Agreement). The Secured Party's interests in the proceeds of the Collateral (or notification of its interests in the proceeds of the Collateral in financing statements

or otherwise) will not be construed as modifying this Agreement or as the Secured Party's consent to the disposition of any Collateral other than as provided in this Agreement.

(d) All tangible Collateral is to be located at the Project ("Collateral Location"), and no tangible Collateral may be removed therefrom without the prior consent of the Secured Party unless the Collateral is (i) Consumed Property under the terms of Section 2(c) above or (ii) being removed in accordance with the terms of Section 2(e) below. Immediately on demand therefor by the Secured Party, the Debtor will deliver to the Secured Party any and all evidences of ownership of the Collateral (including certificates of title and applications for title). The Debtor will give the Secured Party not less than 30 days prior written notice of any change of (A) Debtor's corporate, partnership, limited liability company, doing business, trade or legal name or (B) any Collateral Location.

(e) The Debtor will, at its own cost and expense, maintain all of the tangible Collateral in good working condition and make all necessary renewals, repairs, replacements, additions, betterments and improvements thereto, and, in this connection, the Debtor may temporarily remove the same, or any part thereof, from the Project if such removal is necessary or advisable in connection with the Debtor's fulfilling of its obligations under this Section 2(e), and does not affect the priority of the security interests created under this Agreement.

(f) The Debtor will, upon request of Secured Party, deliver to Secured Party copies of all reports, financial statements and other information which the Debtor is obligated to provide to HUD in connection with the Project and/or Collateral not later than the earlier of (i) the delivery of such reports, financial statements and other information to HUD or (ii) ten (10) days after Secured Party makes such request.

(g) The Debtor will not change (i) without thirty (30) days prior notice to the Secured Party, the location of its chief executive office or (ii) without the prior written consent of Secured Party, which shall not be unreasonably withheld, its jurisdiction of organization.

(h) The Debtor will not merge or consolidate with or into any other Person without the prior written consent of Secured Party.

(i) The provisions of this Section 2(i) shall only apply in the event that the Debtor operates the Project. As used in this Agreement, the capitalized term "Deposit Account" means (1) any deposit account into which payments to the Debtor with respect to the operation of the Project are initially deposited, as opposed to being transferred from another Project account, and (2) any deposit account into which Government Payments are directly transferred from a Government Account (defined below). The Debtor will not establish a Deposit Account unless (A) with respect to any such proposed Deposit Account (other than those set forth on Exhibit C) at least thirty (30) days prior written notice of the name and address of the depository bank, the type of account and any other information reasonably requested by the Secured Party is provided to Secured Party and (B) contemporaneously therewith, if requested by the Secured Party consistent with the Debtor's obligations under Section 14, a control agreement in form and substance acceptable to the Secured Party is entered into among the Debtor, the Secured Party and the depository bank where the Deposit Account would be maintained (any such depository bank is referred to herein as a "Depository Bank" and any such control agreement is referred to

herein as a "DACA"), unless the Deposit Account is a Government Account. A DACA may not be changed or terminated without the prior written consent of the Secured Party. Upon the Secured Party's written request (which request need be made only once and not on a recurring basis), the Debtor will take all reasonable steps to cause each Depository Bank to provide to the Secured Party (I) whether by Internet access or otherwise, on-line screen access to daily activity in the Deposit Accounts, and (II) a copy of each periodic account statement relating to the Deposit Accounts ordinarily furnished by such Depository Bank to the Debtor. The Debtor authorizes and approves of the Secured Party communicating directly with each Depository Bank. Unless the Debtor receives no Government Payments, the Debtor will maintain one or more separate Deposit Account(s) into which only Government Payments (defined below) are deposited (collectively, the "Government Accounts"), and the Debtor will not commingle in any Government Account proceeds of accounts from non-governmental payors with proceeds of accounts owing from governmental authorities, including Government Payments. The Debtor shall cause all Government Payments related to the operation of the Project to be paid directly into the Government Accounts. Prior to establishing a Government Account, the Debtor shall cause the Depository Bank that maintains such Government Account to enter into a deposit account instruction services agreement with the Secured Party and the Debtor in form and substance acceptable to the Secured Party with respect to such Government Account (each, a "DAISA"), which requires initiation of a funds transfer each business day, unless the Secured Party approves otherwise, of all available funds in the applicable Government Account to a Deposit Account of Debtor that is subject to a DACA and is not a Government Account. Not less than thirty (30) days prior to the effective date thereof, the Debtor will provide to the Secured Party a copy of (i) any change to any DAISA, or (ii) any new directions with respect to a Government Account issued to a Depository Bank maintaining such Government Account, in each case contemporaneously with providing the change or directions to the Depository Bank. Without limiting the generality of the foregoing, without the prior written consent of the Secured Party, neither a change to any DAISA nor any such new directions shall instruct a Depository Bank to transfer funds from the Government Account to a Deposit Account that is not then subject to a DACA. No change to or termination of a DAISA, nor any such new directions with respect to a Government Account, shall be made without the prior written consent of the Secured Party. Also, the Debtor shall not close a Government Account subject to a DAISA without the prior written consent of the Secured Party. Failure of Debtor to comply with any of the provisions of this Section 2(i) shall constitute an "Event of Default." As used herein, "Government Payment" means a payment from a governmental entity and shall include, without limitation, payments governed under the Social Security Act (42 U.S.C. §§ 1395 et seq.), including payments under Medicare, Medicaid and TRICARE/CHAMPUS, and payments administered or regulated by the Centers for Medicare and Medicaid Services of Department of Health and Human Services.

3. COMPLIANCE WITH LAWS. The Debtor will comply with the requirements of all valid and applicable federal, state and local laws.

4. TAXES; EXPENSES. The Debtor will pay, when due, all taxes, assessments and other charges lawfully and validly levied or assessed on the Collateral or any part thereof. The Debtor will pay and, as applicable, reimburse the Secured Party for (i) any and all fees, costs and expenses, of whatever kind and nature, including the fees, expenses and disbursements of the Secured Party's counsel (including, but not limited to, fees, expenses and disbursements for

preparation of documents, making title examinations and rendering opinion letters) which the Secured Party may incur in connection with filing any financing statements or other public notices to protect its interests hereunder, the enforcement, preservation and/or protection of the Secured Party's rights and/or remedies under the Loan Documents, whether incurred through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to the Loan, and (ii) all filing and recording fees and taxes payable in connection with the transactions contemplated by the Loan Documents. All amounts payable by Debtor to Secured Party under this Section 4 will be paid by the Debtor upon the Secured Party's demand therefor.

5. INSPECTION; NOTICES. Subject to resident privacy rights, the Secured Party, or its agents, may enter on the Project and any other Collateral Location at any time during normal business hours, and from time to time, for the purpose of inspecting the Project and/or the Collateral and making copies or abstracts of all of the Debtor's records pertaining to the Collateral. The Debtor will keep accurate and complete records of the Collateral. The Debtor will give the Secured Party prompt notice of any Event of Default.

6. INSURANCE. The Debtor will purchase and maintain insurance at all times with respect to the Premises, all improvements now or hereafter located thereon, and all tangible Collateral against risks of fire (including so-called extended coverage), theft, vandalism, and such other risks as the Secured Party may require, in such form, for such periods, and written by such companies as may be satisfactory to the Secured Party, such insurance to include "law and ordinance" coverage, and to be payable to the Secured Party as its interests may appear. In addition, the Debtor will purchase and maintain at all times liability insurance and business interruption insurance in such amounts and issued by such companies as may be required from time to time by the Secured Party. The Debtor covenants to pay to the Secured Party, together with monthly payments under the Note, installments on account of the premiums that will next become due and payable on such liability and business interruption insurance, the payment amounts to be determined in the same manner and the payments to be applied in the same priority as specified in the Mortgage with respect to payments of property insurance premiums. All policies of insurance will provide for thirty (30) days advance written notice to the Secured Party of cancellation or any material change in coverages of such insurance. The Debtor will furnish the Secured Party with certificates or other evidence satisfactory to the Secured Party of compliance with the foregoing insurance provisions.

7. DISCHARGE OF LIENS. At its option but without any obligation to do so, the Secured Party may (a) discharge any taxes or other Liens at any time levied or placed on the Collateral, (b) pay for insurance on the Collateral, and/or (c) pay for the maintenance and preservation of the Collateral. The Debtor will reimburse the Secured Party on its demand for any payment made, or any expense incurred, by the Secured Party pursuant to this Section 7. All of the foregoing sums paid or advanced by the Secured Party will constitute part of the Obligations and will be secured by the Collateral.

8. EVENTS OF DEFAULT. Each of the following events or circumstances, whether or not caused by or within the control of the Debtor, will be an "Event of Default" under this Agreement:

(a) The Debtor does not pay when due any of the Obligations, subject to any grace period provided under the Note;

(b) The Debtor does not observe, perform or comply with any of the terms or conditions of this Agreement;

(c) A default or breach under any of the Loan Documents (exclusive of this Agreement, which is covered by the other subsections of this Section 8) has occurred, which default or breach is not cured within any applicable grace period;

(d) Any warranty, representation or statement made or furnished to the Secured Party by, or on behalf of, the Debtor proves to have been false in any material respect when made or furnished or when treated as being made or furnished to the Secured Party;

(e) The Secured Party does not have, for any reason, a perfected, first priority security interest in all of the Collateral except to the extent expressly permitted pursuant to Section 19 hereof;

(f) There occurs any actual or threatened demolition of or injury or waste to the Project premises, not covered by insurance, or not replaced or restored by the Debtor, which may materially impair the value of the Collateral or the Project;

(g) Filing by or against the Debtor of a petition in bankruptcy, for a reorganization, arrangement or debt adjustment, or for a receiver, trustee, or similar creditors' representative for Debtor's property or any part thereof, or of any other proceeding under any federal or state insolvency or similar law (and if such petition or proceeding is an involuntary petition or proceeding filed against the Debtor without its acquiescence therein or thereto at any time, the same is not promptly contested and, within 60 days of the filing of such involuntary petition or proceeding, dismissed or discharged), or the making of any general assignment by the Debtor for the benefit of creditors, or the Debtor dissolves or is the subject of any dissolution, winding up or liquidation;

(h) The Debtor is dissolved and liquidation of the Debtor is commenced in accordance with the Debtor's organizational documents and/or the law of the jurisdiction of organization; or

(i) The Debtor changes its name or the jurisdiction in which it is organized or merges or consolidates with or into another Person without the prior written consent of the Secured Party.

9. REMEDIES ON DEFAULT.

(a) If an Event of Default occurs, the Secured Party may then, or at any time after the occurrence of an Event of Default, (A) declare all Obligations immediately due and payable, and whereupon the Obligations will be due and payable automatically and immediately, without notice or demand, which the Debtor expressly waives, and proceed to enforce payment of the Obligations; (B) exercise all of the rights and remedies afforded to the Secured Party under (i) the terms of this Agreement and/or any of the other Loan Documents, (ii) under the UCC (as

defined in Section 12 below), and/or (iii) by law and/or in equity (subject, however, to any limitations imposed by applicable law with respect to Healthcare Assets); (C) collect and receive the proceeds of all Awards (as defined in Exhibit B), the rights of Debtor thereto and shares of Debtor therein being hereby assigned to the Secured Party, and give proper receipts and acquittances therefor and apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured Party, of the Obligations; (D) require the Debtor to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties, and (E) without limiting the provisions of Section 1(b), apply (or instruct another Person to apply) to the Obligations the balance of any deposit account that is part of the Collateral.

(b) Without limitation of those rights and remedies, the Secured Party may, upon written notice to the Debtor, take, and publicly or privately sell or convey, full right, title and interest in and to the Collateral, or any part of it, in the name of the Secured Party and/or its designees. To the extent not prohibited by applicable law with respect to Healthcare Assets, the Debtor hereby constitutes and appoints the Secured Party as its true and lawful attorney in fact to assign and transfer its interest in any or all of the Collateral if an Event of Default occurs.

(c) If any notice is required by law for the Secured Party to make a sale or other disposition of the Collateral, the Secured Party and the Debtor agree that notice will not be unreasonable as to time if given in compliance with this Agreement ten (10) days before any sale or other disposition of the Collateral. All reasonable attorneys' and paralegal fees and other legal expenses incurred by the Secured Party to collect the Obligations, to retake, hold, prepare for sale, and to dispose of the Collateral will be (i) payable to the Secured Party on its demand for payment, (ii) part of the Obligations, and (iii) secured by the Collateral.

(d) The Debtor further specifically agrees that, in any exercise of the rights of the Secured Party under this Agreement or under any other Loan Document, (i) any combination of the Collateral and/or other security for the Obligations may be offered for sale and (ii) all of the Collateral and/or other security for the Obligations may be sold for one total price, and the proceeds of any such sale accounted for in one account without distinction among the items of security or without assigning to them any proportion of such proceeds, the Debtor hereby waiving the application of any doctrine of marshaling.

(e) The Debtor shall cooperate in any legal and lawful manner necessary or required to permit the Secured Party or its successors and assigns to continue to operate and maintain the Project for its Approved Use in Debtor's name, place and stead. For this purpose and to the extent not prohibited by applicable law with respect to Healthcare Assets, Debtor irrevocably appoints the Secured Party, its successors and assigns, as Debtor's true and lawful attorney-in-fact, to do all things necessary or required by the state in which the Project is located or any other government entity with jurisdiction over the Project, including, but not limited to, the provision of any and all information and data, the payment of fees and other charges, and the execution of documents, all in the name of the Debtor. This power is coupled with an interest.

10. NO WAIVER BY SECURED PARTY; CUMULATIVE RIGHTS.

(a) No waiver by the Secured Party of any Event of Default or default under this Agreement or any of the other Loan Documents will be effective unless such waiver is in writing and signed by duly authorized representatives of the Secured Party. No waiver by the Secured Party of any Event of Default or default under this Agreement or any of the other Loan Documents will operate as a waiver of any other Event of Default or default or of the same Event of Default or default on a future occasion. The Secured Party may delay in exercising or omit to exercise any right or remedy under this Agreement, any other Loan Document or by law or equity provided without waiving that or any past, present or future right or remedy. All rights and remedies of the Secured Party in this Agreement and the other Loan Documents will be cumulative, and none of these rights or remedies will be exclusive of any other right or remedy allowed at law or in equity or in any other Loan Document, and all of these rights and remedies may be exercised and enforced concurrently.

(b) Neither the Debtor nor any other Persons interested in the Collateral or the proceeds of the Collateral shall have any right to require the Secured Party first to resort to or proceed personally against any other Person or to proceed against any other collateral security, or to give priority or preference to any item of Collateral, or to proceed upon any guaranty, prior to exercising its rights hereunder. No renewal or extension of the Loan, no release or surrender of the Collateral and/or other security for the Obligations, no release of any obligor with respect to the Obligations, and no delay by the Secured Party in enforcing the Obligations or exercising any right or power with respect to the Obligations shall affect the Secured Party's rights with respect to the Collateral.

11. BINDING EFFECT; JOINT OBLIGATIONS. All rights and remedies of the Secured Party under this Agreement will inure to the benefit of the Secured Party's successors and assigns; and all agreements, obligations, and duties of the Debtor will bind its heirs, personal representatives and permitted successors and assigns; however, the Debtor may not assign this Agreement or any of its rights under this Agreement or delegate any of its duties or obligations under this Agreement without the consent of the Secured Party. If there be more than one Debtor, their obligations, agreements and duties under this Agreement are made jointly and severally.

12. GOVERNING LAW; CONSTRUCTION; WAIVER OF TRIAL BY JURY.

(a) This Agreement and all rights and obligations under this Agreement, including matters of construction, validity and performance, will be governed by the laws of the state in which the Project is located (the "State") except as to the existence, validity, perfection or priority (and the effect of perfection or non-perfection or invalidity) of any Lien of the Secured Party on any deposit account which will be governed by the laws of the state in which the applicable deposit account is maintained at the applicable bank, savings and loan association, credit union or like organization. If any term of this Agreement is found to be invalid by a court with jurisdiction under the laws of the State or laws of mandatory application, then the invalid term will be considered excluded from this Agreement and will not invalidate the remaining terms of this Agreement. All uncapitalized terms used herein which are now or hereafter defined in the Uniform Commercial Code, as now enacted in the State or as hereafter amended or

superseded (the "UCC"), will have the same meaning herein as in the UCC unless the context indicates otherwise. Every power given herein is coupled with an interest and is irrevocable by death, dissolution or otherwise. The definition of any document includes all schedules, attachments and exhibits to that document, and all renewals, extensions, supplements, amendments, modifications, restatements and consolidations of that document, and any document given in substitution for or replacement of that document. The term "including" is used by way of example only and not by way of limitation, and the singular includes the plural and conversely. The captions or headings contained in this Agreement are for reference purposes only and will not affect or relate to the interpretation of this Agreement.

(b) AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE SECURED PARTY TO ENTER INTO THE AGREEMENT AND EXTEND CREDIT TO DEBTOR, SECURED PARTY AND DEBTOR EACH HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT(S) TO A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM OR DEFENSE RELATING TO, RESULTING FROM OR ARISING OUT OF ANY OF THE LOAN AND/OR ANY TRANSACTIONS, RIGHTS AND/OR OBLIGATIONS CONTEMPLATED BY THIS AGREEMENT AND/OR ANY OF THE OTHER LOAN DOCUMENTS. DEBTOR FURTHER ACKNOWLEDGES THAT SUCH WAIVER OF THE RIGHT TO A TRIAL BY JURY IS MADE AFTER CONSULTATION WITH COUNSEL.

13. TERM OF AGREEMENT. The term of this Agreement will begin on the date of this Agreement and continue in full force and effect and be binding on the Debtor until the date that all of the Obligations are fully and finally paid and satisfied.

14. PERFECTION; FURTHER ASSURANCES. The Debtor agrees to comply with all applicable laws and requirements in order to grant to the Secured Party a valid, perfected first Lien on the Collateral except to the extent expressly permitted pursuant to Section 19 hereof. At any time and from time to time, the Debtor, on request of the Secured Party, will give, execute, file and/or record any notice, financing statement, instrument, document or agreement that the Secured Party may consider necessary or desirable to create, preserve, continue, perfect or validate any security interest or other Lien granted under this Agreement or which the Secured Party may consider necessary or desirable to exercise or enforce its rights under this Agreement. Without limiting the generality of the foregoing, the Secured Party is authorized to file with respect to the Collateral one or more financing statements or other documents without the signature of the Debtor and to name therein the Debtor as debtor and the Secured Party and/or HUD as secured parties; and correct or complete, or cause to be corrected or completed, any financing statements or other such documents as have been filed naming the Debtor as debtor and the Secured Party and/or HUD as secured parties. The Debtor hereby appoints the Secured Party as its attorney-in-fact and authorizes the Secured Party, acting alone on behalf of the Debtor, to execute, acknowledge, deliver, file and/or record any and all documents requiring execution by the Debtor and necessary or desirable to effectuate or facilitate the purposes of this Agreement and/or the obligations or covenants of the Debtor under this Agreement. The power of attorney granted hereby is coupled with an interest and is irrevocable. The Secured Party is also authorized by the Debtor to give notice to any Person that the Secured Party may consider necessary or desirable under applicable law to preserve, perfect or protect the Secured Party's and/or HUD's interests in the Collateral. Without limiting the generality of the

foregoing, with respect to any of the Collateral for which control of such Collateral is a method of perfection under the UCC, including all of the Debtor's rights, titles and interests in deposit accounts, investment property, electronic chattel paper and letter-of-credit rights, the Debtor will, on Secured Party's request, cause to be executed by each Person that the Secured Party determines is appropriate, a control agreement in a form acceptable to the Secured Party.

15. INTEREST. Any amounts payable by the Debtor under this Agreement will bear interest at the rate of interest provided in the Note from the date on which such amounts are payable under this Agreement until the date on which such payments are made by the Debtor to the Secured Party; however, nothing in this Agreement will be deemed to give to the Debtor the right to withhold payment in consideration of the payment of such interest.

16. DELIVERY OF NOTICES. All notices must be in writing and sent (a) in person, (b) by certified or registered mail, or (c) by overnight delivery carrier for next day delivery, in each case to the address listed in the opening paragraph of this Agreement (or if notice of a new address is given in accordance with this Agreement, to the new address). Notice given in any other manner will not be considered delivered or given unless and until actually received. A notice period will start (i) if mailed, three business days after notice was sent by certified or registered mail, (ii) the next business day after being sent by overnight delivery, and (iii) the day the notice was delivered in person.

17. REVIVAL OF SECURITY INTEREST. If the Debtor makes a payment or payments to the Secured Party (or the Secured Party receives any payment or proceeds of the Collateral) that are subsequently voided, avoided, set aside, annulled, or disregarded under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of the payment or proceeds received, the Obligations or part intended to be satisfied will be revived and will continue in full force and effect as if these payment(s) or proceeds had not been received by the Secured Party, and the security interest granted herein shall be enforceable as to such Obligations as fully as if such payments had never been made.

18. CLAIMS AGAINST SECURED PARTY.

(a) Notification. The Secured Party shall not be in default under this Agreement, or under any of the other Loan Documents, unless a written notice specifically setting forth the claim of the Debtor shall have been given to Secured Party within one hundred eighty (180) days after the occurrence of the event which the Debtor alleges gave rise to such claim and the Secured Party does not remedy or cure the default, if any, with reasonable promptness thereafter.

(b) Remedies. If it is determined by the final, non-appealable order of a court of competent jurisdiction that the Secured Party has breached any of its obligations under the Loan Documents and has not remedied or cured same with reasonable promptness following receipt of notice thereof, the Secured Party's responsibilities shall be limited to the following: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of any of the Loan Documents, the obligation to grant such consent or give such approval; and (ii) where the breach involves any other violation of the Loan Documents, or where the Secured Party is determined to have acted in bad faith, the payment of any actual, direct, compensatory damages sustained by the Debtor as a result thereof.

(c) Limitations. In no event, however, shall the Secured Party be liable to the Debtor, or to any other party claiming through the Debtor, for any other damages, including, without limitation, indirect, speculative, or punitive damages, whatever the nature of the breach by the Secured Party of its obligations under any of the Loan Documents. In no event shall the Secured Party be liable to the Debtor, or to any other party claiming through the Debtor, unless a written notice specifically setting forth the nature of the claim shall have been given to the Secured Party within the time period specified above.

19. PROVISIONS REGARDING ACCOUNTS RECEIVABLE LOANS. This Section 19 shall apply when the Debtor operates the Project, and there is no lease of the Premises. In all other instances, there shall be no accounts receivable financing under this Section.

(a) Definitions. The following words and terms shall have the meanings hereinafter set forth:

"Accounts" shall mean all right, title and interest of the Debtor in and to the following, in each case arising from the Debtor's operation of the Project in the ordinary course of the Debtor's business: (a) all rights to payment of a monetary obligation, whether or not earned by performance, including, but not limited to, accounts (including, but not limited to accounts receivable, health-care insurance receivables, Medicaid and Medicare receivables, Veterans Administration receivables, or other governmental receivables, private patient receivables, and HMO receivables), (b) payment intangibles, (c) guaranties, letter-of-credit rights and other supporting obligations relating to the property described in clauses (a) and (b), and (d) all of the proceeds of the property described in clauses (a), (b) and (c). Notwithstanding the foregoing, "Accounts" do not include accounts rising from the sale of the Debtor's equipment, inventory or other goods, other than accounts arising from the sale of Debtor's inventory in the ordinary course of the Debtor's business.

"Eligible AR Lender" means a bank, financial institution or other institutional lender which is in the business of making loans to provide working capital to businesses and which is not affiliated with the Debtor.

"Eligible AR Loan" means a loan or line of credit obtained by the Debtor from an Eligible AR Lender (a) for the sole purpose of providing working capital for the operation of the Project and, with the approval of HUD and Secured Party, other projects that are encumbered by mortgage loans insured or held by HUD and (b) which satisfies all of the requirements of this Section 19.

"Required Intercreditor Agreement" means an Intercreditor Agreement (including any HUD-required Rider) executed by the Secured Party, the Eligible AR Lender and the Debtor, in form and substance satisfactory to Secured Party and approved by HUD.

(b) Eligible AR Loan. Subject to the written approval of the Secured Party and HUD, the Debtor may obtain and maintain at any time one, and only one, Eligible AR Loan, which Eligible AR Loan may be secured by a first lien on the "AR Lender Priority Collateral"

(composed of Accounts and as further defined in the Required Intercreditor Agreement), subject to the following limitations and requirements:

(i) in no event shall the principal amount of the Eligible AR Loan ever exceed such amount as may be approved in writing by Secured Party and HUD;

(ii) without the written approval of the Secured Party, none of the Collateral, except the AR Lender Priority Collateral, shall be given as security for any Eligible AR Loan;

(iii) with respect to any existing Eligible AR Loan, the Eligible AR Lender, Debtor and Secured Party shall have executed, and HUD shall have approved, the Required Intercreditor Agreement prior to closing of the Loan;

(iv) with respect to any other Eligible AR Loan, the Eligible AR Lender, Debtor and Secured Party shall have executed, and HUD shall have approved, the Required Intercreditor Agreement before such Eligible AR Loan is closed, any funds are disbursed thereunder, any UCC financing statements are filed in connection therewith or any security interest in connection therewith is granted or perfected;

(v) the Eligible AR Loan, the collateral therefor and all of the terms and conditions thereof shall at all times comply with all of the terms and conditions of the applicable Required Intercreditor Agreement; and

(vi) until the Eligible AR Loan is paid in full, the written approval of the Secured Party and HUD is required for any proposed modifications, extensions, renewals, or amendments to a Material Term of the Eligible AR Loan or the related security agreement, prior to the effective date of such amendment(s). As used herein, "Material Term" means a term in a loan or security agreement that (1) extends the maturity date of the loan, (2) adds guarantors to the loan, (3) releases guarantors from the loan, (4) adds borrowers to the loan, (5) adds an interest reserve to the loan, (6) amends the interest rate payable on the outstanding principal balance of the loan, (7) increases or decreases the principal amount of the loan, (8) adds collateral as additional security for the loan, and/or (9) amends or expands the type of obligations secured by the loan.

(c) Required Intercreditor Agreement. Each Required Intercreditor Agreement shall be included in the definition of the Loan Documents while it is in effect. The Debtor shall comply at all times with the Required Intercreditor Agreement then in effect.

(d) Information. Debtor shall, from time to time, promptly following a request by Secured Party or HUD, provide to Secured Party and/or HUD (i) any and all information and documents available to Debtor regarding any Eligible AR Loan and/or AR Lender Priority Collateral (including, but not limited to histories of draws upon, payments on account of, and outstanding balances with respect to, the Eligible AR Loan) and (ii) copies of

any and all documents evidencing, securing and/or related to any Eligible AR Loan and/or any amendments thereto.

20. PROJECT CAPITAL NEEDS ASSESSMENTS. Debtor agrees to pay the cost of Project Capital Needs Assessments ("PCNA Reports") that may be required after the date hereof by HUD (for periodic ten (10) year re-evaluation of the amount of deposits to the reserve fund for replacements created under the Regulatory Agreement), pursuant to any HUD requirement (including, but not limited to, the commitment issued by HUD to insure the Loan). Without limiting the above obligation, Debtor authorizes Secured Party to make withdrawals for this purpose from the reserve fund for replacements created under the Regulatory Agreement. The Debtor shall cooperate in any legal and lawful manner necessary to obtain PCNA Reports, including, but not limited to, providing access to the Property and copies of all reports, documents relating to past capital expenditures and any other information reasonably requested by the party preparing the PCNA Reports, the Secured Party and/or HUD.

21. MISCELLANEOUS.

(a) This Agreement is intended to be supplemental to and not in substitution or in derogation of any security agreement contained in any other Loan Document.

(b) In any instance where the consent or approval of the Secured Party may be given or is required or any determination is to be rendered by the Secured Party hereunder, the granting, withholding or denial of such consent or approval and the rendering of such determination shall be made or exercised by the Secured Party at its sole and exclusive option.

(c) It is understood and agreed that no judgment or decree which may be entered on any debt secured or intended to be secured by the Mortgage shall operate to abrogate or lessen the effect of this Agreement, but that this Agreement shall continue in full force and effect until the payment and discharge of the Obligations.

(d) This Agreement, any Required Intercreditor Agreement and the other Loan Documents represent the entire agreement between the Secured Party and the Debtor with respect to the subject matter of this Agreement and supersede all previous agreements, negotiations, and understandings with respect to the subject matter of this Agreement. Neither this Agreement nor any of the other Loan Documents may be amended, altered or changed other than in a writing signed by the Secured Party and the Debtor. The Debtor's warranties and representations in this Agreement will be treated as being continuing warranties and representations, made by the Debtor with the same effect as though the representations and warranties had been made again on, and as of, each day of the term of this Agreement.

(e) This Agreement may be executed in several counterparts and each counterpart will be considered an original of this Agreement.

22. RIGHTS OF SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

(a) Debtor and Secured Party hereby agree that HUD shall be an additional

secured party under this Security Agreement together with Secured Party, as their interests may appear, and that HUD shall be listed on the Uniform Commercial Code Financing Statements to be filed contemporaneously herewith; provided, however, that nothing herein or in the Uniform Commercial Code Financing Statements shall require the execution, now or any future time, of any amendment, extension, or other document by HUD.

(b) To the extent any party herein is required or desires to give notice to HUD hereunder, such notice shall be delivered in accordance with the provisions hereof, as follows: U.S. Department of Housing and Urban Development, c/o Office of Healthcare Programs, 451 7th Street S.W., Washington, DC 20410.

IN WITNESS WHEREOF, the Debtor and the Secured Party have signed this Agreement as of the date in the first paragraph of this Agreement.

[SEE ATTACHED COUNTERPART SIGNATURE PAGES]

COUNTERPART SIGNATURE PAGE TO SECURITY AGREEMENT

DEBTOR:

SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007,
a trust formed under the laws of Pennsylvania

By: **SAUCON MANAGEMENT LLC,**
a Pennsylvania limited liability company,
Trustee

By: _____
Name: Abraham R. Atiyeh
Title: Manager

COUNTERPART SIGNATURE PAGE TO SECURITY AGREEMENT

SECURED PARTY:

M&T REALTY CAPITAL CORPORATION,
a Maryland corporation

By: _____
Name: Christine R. Chandler
Title: Vice President

EXHIBIT A TO SECURITY AGREEMENT

LEGAL DESCRIPTION

UNIT I of Condos at Saucon Valley Manor, also known as Saucon Valley Condominium, according to the Declaration of Condominium of Saucon Valley Condominium, also known as Condos at Saucon Valley Manor, as recorded on December 8, 2006 in the Office of the Recorder of Deeds in and for Northampton County, Pennsylvania in Record Book 2006-1 at page 507467

Together with an undivided interest of 40% of, in and to the Common Elements of the said CONDOS AT SAUCON VALLEY MANOR.

Together with an easement upon Unit 2 for encroachment of improvements and entry facilities, and dedicated parking, as provided in the Declaration of Condominium of CONDOS AT SAUCON VALLEY MANOR (see Exhibit B, page 3 of the Declaration)

BEING Northampton County, Pennsylvania Tax Parcel Q7SW2A-1-3-0715
Being more fully bounded as set forth on attached page

DESCRIPTION OF 1050 MAIN STREET

ALL THAT CERTAIN lot or tract of land situated on the west side of Main Street (S.R. 412) in the Borough of Hellertown, County of Northampton, and Commonwealth of Pennsylvania, being known as 1050 Main Street, also being Unit One on the Condominium Declaration Plan for Condos at Saucon Valley Manor, said plan recorded in the Northampton County Recorder of Deeds Office in Map Book Volume 20065 Page 759, bounded and described as follows to wit:

BEGINNING at the intersection formed by the westerly right of way line of Main Street with the northerly curb line of Sycamore Avenue; thence along the said northerly curb line of Sycamore Avenue

1. South 86'47'33" West 266.09 feet; thence-in and through land now or formerly of Abraham R. Atiyeh D.B.V. 2000-1 Page 14351 the following three courses and distances;
2. North 03' 14'23" West 59.03 feet;
3. North 86' 41'33" East 18.00 feet;
4. North 03' 13'52" West 411.34 feet to the southerly right of way line of Thomas Avenue; thence along the same
5. North 86' 48'59" East 247.48 feet to the westerly right of way line of Main Street; thence along the same
6. South 03' 18'24" East 470.30 feet to the place of beginning.

CONTAINS: 117,610.588 Sq. Ft. 2.7000 Acres

EXHIBIT B TO SECURITY AGREEMENT

All of the following described property and interests in property, whether now owned or existing or hereafter acquired, arising or created:

a. All fixtures, equipment and other goods and tangible personal property of every kind and description whatsoever now or hereafter located on, in or at the premises described in Exhibit A to this Security Agreement (the "Premises"), including, but not limited to, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all power generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment and fixtures, fans and switchboards; all telephone equipment (except that telephone equipment leased from a telephone company); all piping, tubing, and plumbing equipment and fixtures; all heating, refrigeration, air-conditioning, cooling, ventilating, sprinkling, water, power, waste disposal and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm, and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, kitchen and laundry fixtures, utensils, appliances and equipment, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture now or hereafter installed or used or usable in the operation of any part of the buildings, structures or improvements erected or to be erected in or upon the Premises and every replacement thereof, accession thereto, or substitution therefor, whether or not the same are now or hereafter attached to the Premises in any manner;

b. All articles of tangible personal property not otherwise described herein which are now or hereafter located in, attached to or used in, on or about the buildings, structures or improvements now or hereafter located, placed, erected, constructed or built on the Premises and all replacements thereof, accessions thereto, or substitution therefor, whether or not the same are, or will be, attached to such buildings, structures or improvements in any manner;

c. All rents, leases, lease contracts, lease agreements, income, revenues, issues, profits, royalties and other benefits arising or derived or to be derived from, or related to, directly or indirectly, the Premises, whether or not any of the property described in this item (c) constitutes accounts, chattel paper, documents, general intangibles, instruments, investment property, deposit accounts or money;

d. All awards now or hereafter made ("Awards") with respect to the Premises as a result of (i) the exercise of the power of condemnation or eminent domain, or the police power, (ii) the alteration of the grade of any street, or (iii) any other injury or decrease in the value of the Premises (including, but not limited to, any destruction or decrease in the value by fire or other casualty), whether or not any of the property described in this item (d) constitutes accounts, chattel paper, documents, general intangibles, instruments, investment property, deposit accounts or money;

e. All land surveys, plans and specifications, drawings, briefs and other work product of the Debtor or its employees, contractors or agents, and other papers and records now or hereafter used in the construction, reconstruction, alteration, repair or operation of the Premises;

f. All licenses, permits, certificates and agreements for the provision of property or services to or in connection with, or otherwise benefiting, the Premises, including, but not limited to, nursing home and/or assisted living facility licenses, certificates of need, "bed authority" and Medicare and Medicaid provider agreements; however, the Secured Party disclaims a security interest in such of the property described in this item (f) to the extent that a security interest in such property may not be granted to the Secured Party without the forfeiture of the rights of the Debtor (or any assignee of the Debtor) or a default resulting thereunder;

g. Any and all funds, monies, securities, and other property held in escrow or as reserves, and all rights to receive (or to have distributed to the Debtor) any funds, monies, securities, or other property held in escrow or as a reserve, including, but not limited to, all of Debtor's rights (if any) to any and all funds or amounts held in reserves or accounts created under the Regulatory Agreement, including, but not limited to, replacement reserve accounts and residual receipts accounts;

h. All of the Debtor's accounts (including, but not limited to, health-care-insurance receivables and other accounts receivable), general intangibles (including, but not limited to, payment intangibles, tax refunds, tax refund claims and low income housing tax credits, if any, applicable to the Premises), chattel paper (including, but not limited to, tangible chattel paper and electronic chattel paper), leases, lease contracts, lease agreements, instruments, documents, inventory, as-extracted collateral, cash, money, deposit accounts, lock boxes, blocked accounts, certificates of deposit, investment property, insurance policies, letter-of-credit rights, judgments, liens, causes of action, warranties, guaranties, supporting obligations, and all other properties and assets of the Debtor, tangible or intangible, whether or not similar to the property described in this item (h) or elsewhere in this Exhibit B;

i. All books, records and files of whatever type or nature relating to any or all of the property or interests in property described herein or the proceeds thereof, whether or not written, stored electronically, optically or electromagnetically or in any other form, and whether or not such books, records, or files constitute accounts, equipment or general intangibles;

j. All current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, waters, watercourses, and appurtenances related to or benefiting the Premises, and all rights-of-way, streets, alleys and roads which may have been or in the future may be vacated;

k. All contracts, options and other agreements for the sale of the Premises or the improvements thereon, entered into by the Debtor now or in the future, including cash or securities or other security deposited to secure performance by the parties of their obligations, and all construction contracts, architectural and engineering agreements and management

contracts now or in the future existing pertaining to the construction, rehabilitation, development, repair, operation, ownership, equipping or management of the Premises;

l. Any and all rights of Debtor in tenant security deposits which have not been forfeited by any tenant under any lease;

m. All names under or by which any part of the Premises may be operated or known, and all trademarks, trade names, and goodwill relating to any part of the Premises;

n. The interest of the Debtor in and to any and all funds and monies created or established and held pursuant to any indenture of trust or similar instrument authorizing the issuance of bonds or notes for the purpose of financing the Project located upon the Premises;

o. All rights, titles and interests of the Debtor under any and all security agreements now or hereafter entered into by the Debtor with any lessee of all or any portion of the Premises and all of the Debtor's rights, titles and interests in the collateral described therein; and

p. All products and proceeds of any and all of the property (and interests in property) described herein, including, but not limited to, proceeds of any insurance, whether or not in the form of original collateral, accounts, contract rights, chattel paper, general intangibles, equipment, fixtures, goods, investment property, letter-of-credit rights, leases, lease contracts, lease agreements, instruments, inventory, documents, deposit accounts, supporting obligations or cash proceeds.

EXHIBIT C TO SECURITY AGREEMENT

Other Names Used by Debtor in Previous Five Years (see Section 2(a) of Agreement)**: None**

Assets Acquired in Bulk Transfer in Previous Five Years (see Section 2(a) of Agreement)**: None**

Debtor's Rights in the Following (see Section 2(a) of Agreement):

Investment property: **None**

Letters of Credit: **None**

Electronic Chattel Paper: **None**

Commercial Tort Claims: **None**

Instruments (including promissory notes): **None**

Deposit Accounts:

Account Number	Depository Bank	Account Type (e.g., operating or payroll)	Government Accounts (see note below)
N/A			

Note: Designate if Deposit Account receives deposits of proceeds of accounts from federal, state or local governments (e.g., Medicare and Medicaid), and if so, whether such Deposit Account is solely for such deposits or whether the Deposit Account commingles other non-governmental deposits. See Section 2(i) of the Agreement for the Debtor's obligations in this regard.

EXHIBIT M

SAUCON VALLEY MANOR
FHA Project No. 034-22096

LESSEE SECURITY AGREEMENT

THIS LESSEE SECURITY AGREEMENT (the "Agreement") is made, entered into and dated as of the 1st day of December, 2012, by and between **SAUCON VALLEY MANOR, INC.**, a corporation organized and existing under the laws of the state of Pennsylvania, whose principal place of business is located at 1050 Main Street, Hellertown, Pennsylvania 18055 (the "Lessee" or "Debtor"); and **M&T REALTY CAPITAL CORPORATION**, a corporation organized and existing under the laws of the State of Maryland and having an address at 25 South Charles Street, 17th Floor, Baltimore, Maryland 21201 (the "Secured Party"), as follows:

Recitals

A. Contemporaneously with this Agreement, the Secured Party has made a loan to **SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007** (the "Borrower") in the maximum principal amount of $19,462,800.00 (the "Loan"). The Loan is (i) evidenced by the Mortgage Note made by the Borrower in favor of the Secured Party, dated as of even date herewith (the "Note") and (ii) secured, in part, by an assisted living project known as Saucon Valley Manor, FHA Project No. 034-22096 (the "Project") located at 1050 Main Street, Hellertown, Pennsylvania 18055, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Premises"). The Premises are leased to the Lessee by the Borrower pursuant to a Lease dated January 1, 2006, as amended (the "Lease"), and are the subject of the Regulatory Agreement Nursing Homes between the Lessee and the Federal Housing Commissioner, dated as of even date herewith (the "Regulatory Agreement Nursing Homes").

B. As security, in part, for the Obligations (as defined below), the Borrower (i) granted to the Secured Party the Mortgage, dated as of even date herewith, encumbering the Project, which has been or is concurrently herewith being recorded in the real estate records of the jurisdiction in which the Premises are located (the "Mortgage"), (ii) entered into a Security Agreement, dated as of even date herewith, with the Secured Party (the "Borrower Security Agreement") and (iii) entered into a Regulatory Agreement with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner ("HUD"), dated as of even date herewith (the "Borrower Regulatory Agreement"). As additional security, the Lessee has entered into this Agreement with the Secured Party. The Note, the Mortgage, the Borrower Security Agreement, the Borrower Regulatory Agreement, this Agreement, the Regulatory Agreement Nursing Homes and all other agreements, instruments, and documents which are now existing or are in the future signed or delivered by, or on behalf of, the Borrower to the Secured Party and/or HUD, or by or on behalf of the Lessee to the Secured Party and/or HUD, in connection with, or related to, the Lease, the Loan or the other Obligations are sometimes collectively referred to as the "Loan Documents."

C. The Lessee is affiliated with and/or shares common ownership with the Borrower, and shall benefit directly from the making of the Loan.

D. As used herein, "Healthcare Assets" means (i) any and all licenses, permits and/or approvals issued by any governmental authority with respect to the use or operation of the Project for its "Approved Use" (as defined in the Regulatory Agreement Nursing Homes), (ii) any and all Medicare and Medicaid provider agreements, and (iii) any and all "Government Accounts" and "Government Payments" (each as defined below).

Statement of Agreement

1. SECURITY INTEREST; SETOFF.

(a) To secure the full, prompt and complete payment and performance of all Obligations, the Lessee hereby, to the fullest extent permitted by applicable law with respect to Healthcare Assets, grants to, and creates in favor of, the Secured Party a continuing security interest in all of Lessee's right, title and interest in and to the property described on Exhibit B attached hereto and incorporated herein by reference (the "Collateral"). "Obligations" means, as of any date, the Loan and all other indebtedness, liabilities, obligations, covenants, debts and amounts owing from the Borrower and/or the Lessee to the Secured Party and/or HUD arising out of, in connection with, described in, or evidenced by the Loan Documents, whether direct or indirect, absolute or contingent, related or unrelated, now or in the future existing and whether consisting of principal, interest, fees, indemnities, expenses (including attorneys' fees), charges or other sums, however any of that indebtedness, obligations, or liabilities may be evidenced or acquired, all as now exist or may, after the date of this Agreement, be incurred, renewed, extended, consolidated, adjusted or amended.

(b) In addition to (and without limitation of) any right of setoff, lien or counterclaim the Secured Party may otherwise have, the Secured Party may, at its option, setoff and retain, and may refuse to allow withdrawals by, or for the benefit of the Borrower and/or Lessee of, any and all funds, monies, securities and other property held in escrow or for the account of the Borrower and/or the Lessee pursuant to the Loan Documents, against any amount payable by the Borrower and/or the Lessee under the Note, the Mortgage or any of the other Loan Documents which is not paid when due (whether or not any of the funds, monies, securities, or other property are then distributable to, or on behalf of, the Lessee).

(c) Notwithstanding any provisions to the contrary contained in this Agreement, nothing set forth in this Agreement shall be construed as granting to Secured Party a security interest, assigning receivables, giving dominion and control or designating an attorney-in-fact with respect to Healthcare Assets in violation of any applicable law.

2. REPRESENTATIONS; GENERAL COVENANTS.

(a) To induce the Secured Party to make the Loan, the Lessee promises to the Secured Party that the following statements are, and will continue throughout the term of this Agreement to be, true: (i) except to the extent expressly permitted pursuant to Section 19 hereof, the security interest granted to the Secured Party in the Collateral constitutes a valid, first priority security interest; (ii) the Lessee has good title to, and is the sole and lawful owner of, the Collateral; (iii) the Lessee has full power and authority to enter into and perform its obligations under this Agreement; (iv) except to the extent expressly permitted pursuant to Section 19

hereof, rights granted to the Borrower under the Lease, if any, which are subordinate to the liens in favor of the Secured Party ("Subordinate Lease Rights") and taxes that are not yet due and payable, the Collateral is free and clear of any lien, security interest, claim, interest, pledge, assignment or other encumbrance (a "Lien") except (A) the security interest in favor of the Secured Party and (B) those Liens, if any, approved in writing by Secured Party (the "Permitted Liens"); (v) the Lessee keeps all tangible Collateral at the Premises; (vi) all trade names, assumed names, fictitious names and other names used by the Lessee during the five year period preceding the date of this Agreement are set forth on Exhibit C, and the Lessee has not, during the preceding five year period, except as may be set forth on Exhibit C, acquired any of its assets in any bulk transfer; (vii) Lessee's chief executive office is as set forth in the first paragraph of this Agreement; (viii) Lessee's jurisdiction of organization is as set forth in the first paragraph of this Agreement; (ix) Lessee's exact legal name is as set forth in the first paragraph of this Agreement; (x) Lessee's organizational number (if any) as assigned by the State in which Lessee is organized is the number identified as Lessee's organizational ID # on the financing statement(s) filed in connection with the closing of the Loan, and (xi) except as may be set forth on Exhibit C, the Lessee has no rights, titles or interests in, or with respect to, any investment property, any letters of credit, any electronic chattel paper, any commercial tort claims, any instruments, including promissory notes, or any Deposit Accounts (as defined below).

(b) The Lessee will (i) cause, at its expense, any and all UCC financing statements naming as secured party anyone other than Secured Party, which represent or evidence a Lien or potential Lien against any or all of the Collateral, to be terminated within thirty (30) days of the date hereof (except Permitted Liens, if any), and (ii) provide within forty-five (45) days of the date hereof, at its expense, to Secured Party one or more UCC search reports with respect to each office in which a UCC filing may be required in order for Secured Party to validly perfect its security interest in any or all of the Collateral, confirming that a UCC financing statement has been filed in such office in favor of Secured Party and that there are no other UCC financing statements in effect with respect to any of the Collateral except those in favor of Secured Party and Permitted Liens. The Lessee will not grant, create or permit to exist any Lien on any of the Collateral except for the Liens in favor of the Secured Party, Permitted Liens, and Subordinate Lease Rights, and except to the extent expressly permitted pursuant to Section 19 hereof. The Lessee, at the Secured Party's request, will defend the Collateral against the claims and demands of any other individual, unincorporated association, partnership, joint venture, trust, business trust, corporation, limited liability company, institution, entity or any governmental authority ("Persons") at any time claiming any interest in the Collateral.

(c) The Collateral will only be used by the Lessee in the operation of the Project. Until an Event of Default (as defined below) occurs, the Lessee may have possession of the Collateral and use it in any lawful manner not inconsistent with the Loan Documents and any policy of insurance thereon. The Lessee will not sell, assign, lease, or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party; however, the Lessee will have the right, without the Secured Party's consent, to transfer, sell or dispose of any Collateral which is (i) tangible personal property and (ii) obsolete or worn out ("Consumed Property") if the Lessee, concurrently with such transfer, sale or disposition, replaces the Consumed Property with replacement personal property which is free and clear of any Liens except for the Liens in favor of the Secured Party and Subordinate Lease Rights and has the same or greater value and utility as the Consumed Property originally had (any such replacement personal property will

automatically become a part of the Collateral under this Agreement). The Secured Party's interests in the proceeds of the Collateral (or notification of its interests in the proceeds of the Collateral in financing statements or otherwise) will not be construed as modifying this Agreement or as the Secured Party's consent to the disposition of any Collateral other than as provided in this Agreement.

(d) All tangible Collateral is to be located at the Project ("Collateral Location"), and no tangible Collateral may be removed therefrom without the prior consent of the Secured Party unless the Collateral is (i) Consumed Property under the terms of Section 2(c) above or (ii) being removed in accordance with the terms of Section 2(e) below. Immediately on demand therefor by the Secured Party, the Lessee will deliver to the Secured Party any and all evidences of ownership of the Collateral (including certificates of title and applications for title). The Lessee will give the Secured Party not less than 30 days prior written notice of any change of (A) Lessee's corporate, partnership, limited liability company, doing business, trade or legal name or (B) any Collateral Location.

(e) The Lessee will, at its own cost and expense, maintain all of the tangible Collateral in good working condition and make all necessary renewals, repairs, replacements, additions, betterments and improvements thereto, and, in this connection, the Lessee may temporarily remove the same, or any part thereof, from the Project if such removal is necessary or advisable in connection with the Lessee's fulfilling of its obligations under this Section 2(e), and does not affect the priority of the security interests created under this Agreement.

(f) The Lessee will, upon request of Secured Party, deliver to Secured Party copies of all reports, financial statements and other information which the Lessee is obligated to provide to HUD in connection with the Project and/or Collateral not later than the earlier of (i) the delivery of such reports, financial statements and other information to HUD or (ii) ten (10) days after Secured Party makes such request.

(g) The Lessee will not change (i) without thirty (30) days prior notice to the Secured Party, the location of its chief executive office or (ii) without the prior written consent of the Secured Party, which shall not be unreasonably withheld, its jurisdiction of organization.

(h) The Lessee will not merge or consolidate with or into any other Person without the prior written consent of the Secured Party.

(i) As used in this Agreement, the capitalized term "Deposit Account" means (1) any deposit account into which payments to the Lessee with respect to the operation of the Project are initially deposited, as opposed to being transferred from another Project account, and (2) any deposit account into which Government Payments are directly transferred from a Government Account (defined below). The Lessee will not establish a Deposit Account unless (A) with respect to any such proposed Deposit Account (other than those set forth on Exhibit C) at least thirty (30) days prior written notice of the name and address of the depository bank, the type of account and any other information reasonably requested by the Secured Party is provided to Secured Party and (B) contemporaneously therewith, if requested by the Secured Party consistent with the Lessee's obligations under Section 14, a control agreement in form and substance acceptable to the Secured Party is entered into among the Lessee, the Secured Party

and the depository bank where the Deposit Account would be maintained (any such depository bank is referred to herein as a "Depository Bank" and any such control agreement is referred to herein as a "DACA"), unless the Deposit Account is a Government Account. A DACA may not be changed or terminated without the prior written consent of the Secured Party. Upon the Secured Party's written request (which request need be made only once and not on a recurring basis), the Lessee will take all reasonable steps to cause each Depository Bank to provide to the Secured Party (I) whether by Internet access or otherwise, on-line screen access to daily activity in the Deposit Accounts, and (II) a copy of each periodic account statement relating to the Deposit Accounts ordinarily furnished by such Depository Bank to the Lessee. The Lessee authorizes and approves of the Secured Party communicating directly with each Depository Bank. Unless the Lessee receives no Government Payments, the Lessee will maintain one or more separate Deposit Account(s) into which only Government Payments (defined below) are deposited (collectively, the "Government Accounts"), and the Lessee will not commingle in any Government Account proceeds of accounts from non-governmental payors with proceeds of accounts owing from governmental authorities, including Government Payments. The Lessee shall cause all Government Payments related to the operation of the Project to be paid directly into the Government Accounts. Prior to establishing a Government Account, the Lessee shall cause the Depository Bank that maintains such Government Account to enter into a deposit account instruction services agreement with the Secured Party and the Lessee in form and substance acceptable to the Secured Party with respect to such Government Account (each, a "DAISA"), which requires initiation of a funds transfer each business day, unless the Secured Party approves otherwise, of all available funds in the applicable Government Account to a Deposit Account of Lessee that is subject to a DACA and is not a Government Account. Not less than thirty (30) days prior to the effective date thereof, the Lessee will provide to the Secured Party a copy of (i) any change to any DAISA, or (ii) any new directions with respect to a Government Account issued to a Depository Bank maintaining such Government Account, in each case contemporaneously with providing the change or directions to the Depository Bank. Without limiting the generality of the foregoing, without the prior written consent of the Secured Party, neither a change to any DAISA nor any such new directions shall instruct a Depository Bank to transfer funds from the Government Account to a Deposit Account that is not then subject to a DACA. No change to or termination of a DAISA, nor any such new directions with respect to a Government Account, shall be made without the prior written consent of the Secured Party. Also, the Lessee shall not close a Government Account subject to a DAISA without the prior written consent of the Secured Party. Failure of Lessee to comply with any of the provisions of this Section 2(i) shall constitute an "Event of Default." As used herein, "Government Payment" means a payment from a governmental entity and shall include, without limitation, payments governed under the Social Security Act (42 U.S.C. §§ 1395 et seq.), including payments under Medicare, Medicaid and TRICARE/CHAMPUS, and payments administered or regulated by the Centers for Medicare and Medicaid Services of Department of Health and Human Services.

3. COMPLIANCE WITH LAWS. The Lessee will comply with the requirements of all valid and applicable federal, state and local laws.

4. TAXES; EXPENSES. Lessee will pay, when due, all taxes, assessments and other charges lawfully and validly levied or assessed on the Collateral or any part thereof. The Lessee will pay and, as applicable, reimburse the Secured Party for (i) any and all fees, costs and

expenses, of whatever kind and nature, including the fees, expenses and disbursements of the Secured Party's counsel (including, but not limited to, fees, expenses and disbursements for preparation of documents, making title examinations and rendering opinion letters) which the Secured Party may incur in connection with filing any financing statements or other public notices to protect its interests hereunder, the enforcement, preservation and/or protection of the Secured Party's rights and/or remedies under the Loan Documents, whether incurred through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to the Loan, and (ii) all filing and recording fees and taxes payable in connection with the transactions contemplated by the Loan Documents. All amounts payable by Lessee to Secured Party under this Section 4 will be paid by the Lessee upon the Secured Party's demand therefor.

5. INSPECTION; NOTICES. Subject to resident privacy rights, the Secured Party, or its agents, may enter on the Project and any other Collateral Location at any time during normal business hours, and from time to time, for the purpose of inspecting the Project and/or the Collateral and making copies or abstracts of all of the Lessee's records pertaining to the Collateral. The Lessee will keep accurate and complete records of the Collateral. The Lessee will give the Secured Party prompt notice of any Event of Default.

6. INSURANCE. The Lessee will purchase and maintain insurance at all times with respect to the Premises, all improvements now or hereafter located thereon, and all tangible Collateral against risks of fire (including so-called extended coverage), theft, vandalism, and such other risks as the Secured Party may require, in such form, for such periods, and written by such companies as may be satisfactory to the Secured Party, such insurance to include "law and ordinance" coverage, and to be payable to the Secured Party as its interests may appear. The Lessee will purchase and maintain at all times liability insurance and business interruption insurance in such amounts and issued by such companies as may be required from time to time by the Secured Party. All policies of insurance will provide for thirty (30) days advance written notice to the Secured Party of cancellation or any material change in coverages of such insurance. The Lessee will furnish the Secured Party with certificates or other evidence satisfactory to the Secured Party of compliance with the foregoing insurance provisions.

7. DISCHARGE OF LIENS. At its option but without any obligation to do so, the Secured Party may (a) discharge any taxes or other Liens at any time levied or placed on the Collateral, (b) pay for insurance on the Collateral, and/or (c) pay for the maintenance and preservation of the Collateral. The Lessee will reimburse the Secured Party on its demand for any payment made, or any expense incurred, by the Secured Party pursuant to this Section 7. All of the foregoing sums paid or advanced by the Secured Party will constitute part of the Obligations and will be secured by the Collateral.

8. EVENTS OF DEFAULT. Each of the following events or circumstances, whether or not caused by or within the control of the Lessee, will be an "Event of Default" under this Agreement:

(a) Any of the Obligations are not paid on or before the date when due, subject to any grace period provided under the Note;

(b) The Lessee does not observe, perform or comply with any of the terms or conditions of this Agreement;

(c) A default or breach under the Lease or under any of the Loan Documents (exclusive of this Agreement which is covered by the other subsections of this Section 8) has occurred, which default or breach is not cured within any applicable grace period;

(d) Any warranty, representation or statement made or furnished to the Secured Party by, or on behalf of, the Lessee proves to have been false in any material respect when made or furnished or when treated as being made or furnished to the Secured Party;

(e) The Secured Party does not have, for any reason, a perfected, first priority security interest in all of the Collateral except to the extent expressly permitted pursuant to Section 19 hereof;

(f) There occurs any actual or threatened demolition of or injury or waste to the Project premises, not covered by insurance, or not replaced or restored by the Lessee or the Borrower, which may materially impair the value of the Collateral or the Project;

(g) Filing by or against the Lessee of a petition in bankruptcy, for a reorganization, arrangement or debt adjustment, or for a receiver, trustee, or similar creditors' representative for Lessee's property or any part thereof, or of any other proceeding under any federal or state insolvency or similar law (and if such petition or proceeding is an involuntary petition or proceeding filed against the Lessee without its acquiescence therein or thereto at any time, the same is not promptly contested and, within 60 days of the filing of such involuntary petition or proceeding, dismissed or discharged), or the making of any general assignment by the Lessee for the benefit of creditors, or the Lessee dissolves or is the subject of any dissolution, winding up or liquidation;

(h) The Lessee is dissolved and liquidation of the Lessee is commenced in accordance with the Lessee's organizational documents and/or the law of the jurisdiction of organization; or

(i) The Lessee changes its name or the jurisdiction in which it is organized or merges or consolidates with or into another Person without the prior written consent of the Secured Party.

9. REMEDIES ON DEFAULT.

(a) If an Event of Default occurs, the Secured Party may then, or at any time after the occurrence of an Event of Default, (A) declare all Obligations immediately due and payable, and whereupon the Obligations will be due and payable automatically and immediately, without notice or demand, which the Lessee expressly waives, and proceed to enforce payment of the Obligations; (B) exercise all of the rights and remedies afforded to the Secured Party under (i) the terms of this Agreement and/or any of the other Loan Documents, (ii) under the UCC (as defined in Section 12 below), and/or (iii) by law and/or in equity (subject, however, to any limitations imposed by applicable law with respect to Healthcare Assets); (C) collect and receive the proceeds of all Awards (as defined in Exhibit B), the rights of Lessee thereto and shares of

Lessee therein being hereby assigned to the Secured Party, and give proper receipts and acquittances therefor and apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured Party, of the Obligations; (D) require the Lessee to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties, and (E) without limiting the provisions of Section 1(b), apply (or instruct another Person to apply) to the Obligations the balance of any deposit account that is part of the Collateral.

(b) Without limitation of those rights and remedies, the Secured Party may, upon written notice to the Lessee, take, and publicly or privately sell or convey, full right, title and interest in and to the Collateral, or any part of it, in the name of the Secured Party and/or its designees. To the extent not prohibited by applicable law with respect to Healthcare Assets, the Lessee hereby constitutes and appoints the Secured Party as its true and lawful attorney in fact to assign and transfer its interest in any or all of the Collateral if an Event of Default occurs.

(c) If any notice is required by law for the Secured Party to make a sale or other disposition of the Collateral, the Secured Party and the Lessee agree that notice will not be unreasonable as to time if given in compliance with this Agreement ten (10) days before any sale or other disposition of the Collateral. All reasonable attorneys' and paralegal fees and other legal expenses incurred by the Secured Party to collect the Obligations, to retake, hold, prepare for sale, and to dispose of the Collateral will be (i) payable to the Secured Party on its demand for payment, (ii) part of the Obligations, and (iii) secured by the Collateral.

(d) The Lessee further specifically agrees that, in any exercise of the rights of the Secured Party under this Agreement or under any other Loan Document, (i) any combination of the Collateral and/or any other security for the Obligations may be offered for sale and (ii) all of the Collateral and/or any other security for the Obligations may be sold for one total price, and the proceeds of any such sale accounted for in one account without distinction among the items of security or without assigning to them any proportion of such proceeds, the Lessee hereby waiving the application of any doctrine of marshaling.

(e) The Lessee shall cooperate in any legal and lawful manner necessary or required, to permit the Secured Party or its successors and assigns to continue to operate and maintain the Project for its Approved Use in Lessee's name, place and stead. For this purpose, and to the extent not prohibited by applicable law with respect to Healthcare Assets, Lessee irrevocably appoints the Secured Party, its successors and assigns, as Lessee's true and lawful attorney-in-fact, to do all things necessary or required by the state in which the Project is located or any other government entity with jurisdiction over the Project, including, but not limited to, the provision of any and all information and data, the payment of fees and other charges, and the execution of documents, all in the name of the Lessee. This power is coupled with an interest.

10. NO WAIVER BY SECURED PARTY; CUMULATIVE RIGHTS.

(a) No waiver by the Secured Party of any Event of Default or default under this Agreement or any of the other Loan Documents will be effective unless such waiver is in writing and signed by duly authorized representatives of the Secured Party. No waiver by the Secured Party of any Event of Default or default under this Agreement or any of the other Loan

Documents will operate as a waiver of any other Event of Default or default or of the same Event of Default or default on a future occasion. The Secured Party may delay in exercising or omit to exercise any right or remedy under this Agreement, any other Loan Document or by law or equity provided without waiving that or any past, present or future right or remedy. All rights and remedies of the Secured Party in this Agreement and the other Loan Documents will be cumulative, and none of these rights or remedies will be exclusive of any other right or remedy allowed at law or in equity or in any other Loan Document, and all of these rights and remedies may be exercised and enforced concurrently.

(b) Neither the Lessee nor any other Persons interested in the Collateral or the proceeds of the Collateral shall have any right to require the Secured Party first to resort to or proceed personally against any other Person or to proceed against any other collateral security, or to give priority or preference to any item of Collateral, or to proceed upon any guaranty, prior to exercising its rights hereunder. No renewal or extension of the Loan, no release or surrender of the Collateral and/or any other security for the Obligations, no release of any obligor with respect to the Obligations, and no delay by the Secured Party in enforcing the Obligations or exercising any right or power with respect to the Obligations shall affect the Secured Party's rights with respect to the Collateral.

11. BINDING EFFECT. All rights and remedies of the Secured Party under this Agreement will inure to the benefit of the Secured Party's successors and assigns; and all agreements, obligations, and duties of the Lessee will bind its heirs, personal representatives and permitted successors and assigns; however, the Lessee may not assign this Agreement or any of its rights under this Agreement or delegate any of its duties or obligations under this Agreement without the consent of the Secured Party.

12. GOVERNING LAW; CONSTRUCTION; WAIVER OF TRIAL BY JURY.

(a) This Agreement and all rights and obligations under this Agreement, including matters of construction, validity and performance, will be governed by the laws of the state in which the Project is located (the "State") except as to the existence, validity, perfection or priority (and the effect of perfection or non-perfection or invalidity) of any Lien of the Secured Party on any deposit account which will be governed by the laws of the state in which the applicable deposit account is maintained at the applicable bank, savings and loan association, credit union or like organization. If any term of this Agreement is found to be invalid by a court with jurisdiction under the laws of the State or laws of mandatory application, then the invalid term will be considered excluded from this Agreement and will not invalidate the remaining terms of this Agreement. All uncapitalized terms used herein which are now or hereafter defined in the Uniform Commercial Code, as now enacted in the State or as hereafter amended or superseded (the "UCC"), will have the same meaning herein as in the UCC unless the context indicates otherwise. Every power given herein is coupled with an interest and is irrevocable by death, dissolution or otherwise. The definition of any document includes all schedules, attachments and exhibits to that document, and all renewals, extensions, supplements, amendments, modifications, restatements and consolidations of that document, and any document given in substitution for or replacement of that document. The term "including" is used by way of example only and not by way of limitation, and the singular includes the plural

and conversely. The captions or headings contained in this Agreement are for reference purposes only and will not affect or relate to the interpretation of this Agreement.

(b) AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE SECURED PARTY TO ENTER INTO THE AGREEMENT AND EXTEND CREDIT TO BORROWER, SECURED PARTY AND LESSEE EACH HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT(S) TO A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM OR DEFENSE RELATING TO, RESULTING FROM OR ARISING OUT OF ANY OF THE LOAN AND/OR ANY TRANSACTIONS, RIGHTS AND/OR OBLIGATIONS CONTEMPLATED BY THIS AGREEMENT AND/OR ANY OF THE OTHER LOAN DOCUMENTS. LESSEE FURTHER ACKNOWLEDGES THAT SUCH WAIVER OF THE RIGHT TO A TRIAL BY JURY IS MADE AFTER CONSULTATION WITH COUNSEL.

13. TERM OF AGREEMENT. The term of this Agreement will begin on the date of this Agreement and continue in full force and effect and be binding on the Lessee until the date that all of the Obligations are fully and finally paid and satisfied.

14. PERFECTION; FURTHER ASSURANCES. The Lessee agrees to comply with all applicable laws and requirements in order to grant to the Secured Party a valid, perfected first Lien on the Collateral except to the extent expressly permitted pursuant to Section 19 hereof. At any time and from time to time, the Lessee, on request of the Secured Party, will give, execute, file and/or record any notice, financing statement, instrument, document or agreement that the Secured Party may consider necessary or desirable to create, preserve, continue, perfect or validate any security interest or other Lien granted under this Agreement or which the Secured Party may consider necessary or desirable to exercise or enforce its rights under this Agreement. Without limiting the generality of the foregoing, the Secured Party is authorized to file with respect to the Collateral one or more financing statements or other documents without the signature of the Lessee and to name therein the Lessee as debtor and the Secured Party and/or HUD as secured parties; and correct or complete, or cause to be corrected or completed, any financing statements or other such documents as have been filed naming the Lessee as debtor and the Secured Party and/or HUD as secured parties. The Lessee hereby appoints the Secured Party as its attorney-in-fact and authorizes the Secured Party, acting alone on behalf of the Lessee, to execute, acknowledge, deliver, file and/or record any and all documents requiring execution by the Lessee and necessary or desirable to effectuate or facilitate the purposes of this Agreement and/or the obligations or covenants of the Lessee under this Agreement. The power of attorney granted hereby is coupled with an interest and is irrevocable. The Secured Party is also authorized by the Lessee to give notice to any Person that the Secured Party may consider necessary or desirable under applicable law to preserve, perfect or protect the Secured Party's and or HUD's interests in the Collateral. Without limiting the generality of the foregoing, with respect to any of the Collateral for which control of such Collateral is a method of perfection under the UCC, including all of the Lessee's rights, titles and interests in deposit accounts, investment property, electronic chattel paper and letter-of-credit rights, the Lessee will, on Secured Party's request, cause to be executed by each Person that the Secured Party determines is appropriate, a control agreement in a form acceptable to the Secured Party.

15. INTEREST. Any amounts payable by the Lessee under this Agreement will bear interest at the rate of interest provided in the Note from the date on which such amounts are payable under this Agreement until the date on which such payments are made by the Lessee to the Secured Party; however, nothing in this Agreement will be deemed to give to the Lessee the right to withhold payment in consideration of the payment of such interest.

16. DELIVERY OF NOTICES. All notices must be in writing and sent (a) in person, (b) by certified or registered mail, or (c) by overnight delivery carrier for next day delivery, in each case to the address listed in the opening paragraph of this Agreement (or if notice of a new address is given in accordance with this Agreement, to the new address). Notice given in any other manner will not be considered delivered or given unless and until actually received. A notice period will start (i) if mailed, three business days after notice was sent by certified or registered mail, (ii) the next business day after being sent by overnight delivery, and (iii) the day the notice was delivered in person.

17. REVIVAL OF SECURITY INTEREST. If the Lessee makes a payment or payments to the Secured Party (or the Secured Party receives any payment or proceeds of the Collateral) that are subsequently voided, avoided, set aside, annulled, or disregarded under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of the payment or proceeds received, the Obligations or part intended to be satisfied will be revived and will continue in full force and effect as if these payment(s) or proceeds had not been received by the Secured Party, and the security interest granted herein shall be enforceable as to such Obligations as fully as if such payments had never been made.

18. CLAIMS AGAINST SECURED PARTY.

(a) Notification. The Secured Party shall not be in default under this Agreement, or under any of the other Loan Documents, unless a written notice specifically setting forth the claim of the Lessee shall have been given to Secured Party within one hundred eighty (180) days after the occurrence of the event which the Lessee alleges gave rise to such claim and the Secured Party does not remedy or cure the default, if any, with reasonable promptness thereafter.

(b) Remedies. If it is determined by the final, non-appealable order of a court of competent jurisdiction that the Secured Party has breached any of its obligations under the Loan Documents and has not remedied or cured same with reasonable promptness following receipt of notice thereof, the Secured Party's responsibilities shall be limited to the following: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of any of the Loan Documents, the obligation to grant such consent or give such approval; and (ii) where the breach involves any other violation of the Loan Documents, or where the Secured Party is determined to have acted in bad faith, the payment of any actual, direct, compensatory damages sustained by the Lessee as a result thereof.

(c) Limitations. In no event, however, shall the Secured Party be liable to the Lessee, or to any other party claiming through the Lessee, for any other damages, including, without limitation, indirect, speculative, or punitive damages, whatever the nature of the breach by the Secured Party of its obligations under any of the Loan Documents. In no event shall the Secured Party be liable to the Lessee, or to any other party claiming through the Lessee, unless a written

notice specifically setting forth the nature of the claim shall have been given to the Secured Party within the time period specified above.

19. PROVISIONS REGARDING ACCOUNTS RECEIVABLE LOANS. Written approval from HUD and Secured Party must be obtained prior to the Lessee's obtaining any accounts receivable financing, as set forth in paragraph (b) of this Section.

(a) Definitions. The following words and terms shall have the meanings hereinafter set forth:

"Accounts" shall mean all right, title and interest of the Lessee in and to the following, in each case arising from the Lessee's operation of the Project in the ordinary course of the Lessee's business: (a) all rights to payment of a monetary obligation, whether or not earned by performance, including, but not limited to, accounts (including, but not limited to accounts receivable, health-care insurance receivables, Medicaid and Medicare receivables, Veterans Administration receivables, or other governmental receivables, private patient receivables, and HMO receivables), (b) payment intangibles, (c) guaranties, letter-of-credit rights and other supporting obligations relating to the property described in clauses (a) and (b), and (d) all of the proceeds of the property described in clauses (a), (b) and (c). Notwithstanding the foregoing, "Accounts" do not include accounts rising from the sale of the Lessee's equipment, inventory or other goods, other than accounts arising from the sale of Lessee's inventory in the ordinary course of the Lessee's business.

"Eligible AR Lender" means a bank, financial institution or other institutional lender which is in the business of making loans to provide working capital to businesses and which is not affiliated with the Lessee.

"Eligible AR Loan" means a loan or line of credit obtained by the Lessee from an Eligible AR Lender (a) for the sole purpose of providing working capital for the operation of the Project and, with the approval of HUD and Secured Party, other projects that are encumbered by mortgage loans insured or held by HUD and (b) which satisfies all of the requirements of this Section 19.

"Required Intercreditor Agreement" means an Intercreditor Agreement (including any HUD-required Rider) executed by the Secured Party, the Eligible AR Lender, the Lessee and the Borrower, in form and substance satisfactory to Secured Party and approved by HUD.

(b) Eligible AR Loan. Provided that prior written approval of HUD and Secured Party is obtained, the Lessee may obtain and maintain an Eligible AR Loan, which Eligible AR Loan may be secured by a first lien on the "AR Lender Priority Collateral" (composed of Accounts and as further defined in the Required Intercreditor Agreement), subject to the following limitations and requirements:

(i) no more than one Eligible AR Loan shall be maintained at any time;

(ii) in no event shall the principal amount of the Eligible AR Loan ever exceed such amount as may be approved in writing by Secured Party and HUD;

(iii) without the written approval of the Secured Party, none of the Collateral, except the AR Lender Priority Collateral, shall be given as security for any Eligible AR Loan;

(iv) with respect to any existing Eligible AR Loan, the Eligible AR Lender, Lessee and Secured Party shall have executed, and HUD shall have approved, the Required Intercreditor Agreement prior to closing of the Loan;

(v) with respect to any other Eligible AR Loan, the Eligible AR Lender, Lessee and Secured Party shall have executed, and HUD shall have approved, the Required Intercreditor Agreement before such Eligible AR Loan is closed, any funds are disbursed thereunder, any UCC financing statements are filed in connection therewith or any security interest in connection therewith is granted or perfected;

(vi) the Eligible AR Loan, the collateral therefor, and all of the terms and conditions thereof shall at all times comply with all of the terms and conditions of the applicable Required Intercreditor Agreement; and

(vii) until the Eligible AR Loan is paid in full, the written approval of the Secured Party and HUD is required for any proposed modifications, extensions, renewals, or amendments to a Material Term of the Eligible AR Loan or the related security agreement, prior to the effective date of such amendment(s). As used herein, "Material Term" means a term in a loan or security agreement that (1) extends the maturity date of the loan, (2) adds guarantors to the loan, (3) releases guarantors from the loan, (4) adds borrowers to the loan, (5) adds an interest reserve to the loan, (6) amends the interest rate payable on the outstanding principal balance of the loan, (7) increases or decreases the principal amount of the loan, (8) adds collateral as additional security for the loan, and/or (9) amends or expands the type of obligations secured by the loan.

(c) Required Intercreditor Agreement. Each Required Intercreditor Agreement shall be included in the definition of the Loan Documents while it is in effect. The Lessee shall comply at all times with the Required Intercreditor Agreement then in effect.

(d) Information. Lessee shall, from time to time, promptly following a request by Secured Party or HUD, provide to Secured Party and/or HUD (i) any and all information and documents available to Lessee regarding any Eligible AR Loan and/or AR Lender Priority Collateral (including, but not limited to histories of draws upon, payments on account of, and outstanding balances with respect to, the Eligible AR Loan) and (ii) copies of any and all documents evidencing, securing and/or related to any Eligible AR Loan and/or any amendments thereto.

20. WAIVERS.

(a) No act or thing need occur to establish the liability of the Lessee hereunder, and no act or thing, except full payment and discharge of all of the Obligations, shall

in any way exonerate the Lessee or modify, reduce, limit or release the liability of the Lessee hereunder.

(b) The Lessee will not exercise or enforce any right of contribution, reimbursement, recourse or subrogation available to the Lessee against any Person liable for payment of the Obligations, or as to any collateral security therefor, unless and until all of the Obligations shall have been fully paid and discharged.

(c) Whether or not any existing relationship between the Lessee and the Borrower has been changed or ended and whether or not this Agreement has been terminated, the Secured Party may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Obligations without any consent or approval by the Lessee and without any notice to the Lessee. The liability of the Lessee shall not be affected or impaired by any of the following acts or things (which the Secured Party is expressly authorized to do, omit or suffer from time to time, both before and after termination of this Agreement, without notice to or consent or approval by the Lessee): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Obligations; (ii) any one or more extensions or renewals of Obligations (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Obligations; (iii) any waiver or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Obligations, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Obligations; (iv) any full or partial release of, settlement with, or agreement not to sue Borrower or any other Person liable in respect of any Obligations; (v) any discharge of any evidence of Obligations or the acceptance of any instrument in renewal thereof of substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Obligations, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any modification, substitution, discharge, impairment, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Obligations or any evidence thereof; (ix) any order of application of any payments of credits upon Obligations; (x) any election by Secured Party under §1111(b)(2) of the United States Bankruptcy Code.

(d) The Lessee waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Obligations, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Lessee will not assert, plead or enforce against Secured Party any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other Person liable in respect of any indebtedness, or any setoff available against Secured Party to Borrower or any such other Person, whether or not on account of a related transaction. The Lessee expressly agrees that the Lessee shall be and remain liable, to the extent of the Collateral, for any deficiency remaining after foreclosure of any security interest securing the Obligations, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

(e) The Lessee waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing the Obligations. To the extent of the Collateral, this Agreement constitutes an absolute, unlimited, unconditional and continuing guaranty of payment, not collection. The Secured Party shall not be required first to resort for payment of the Obligations to Borrower, or any other Persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Obligations, before enforcing this Agreement.

(f) The liability of the Lessee under this Agreement is in addition to and shall be cumulative with all other liabilities of the Lessee to Secured Party as obligor or otherwise, without any limitation as to amount, and all other liabilities of any other Person who guarantees all or any portion of the Obligations, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

(g) This Agreement shall be effective upon delivery to Secured Party, without further act, condition or acceptance by Secured Party. Any invalidity or unenforceability of any provision of application of this Agreement shall not affect other lawful provisions and application hereof, and to this end the provisions of this Agreement are declared to be severable.

(h) Lessee hereby covenants that this Agreement will not be discharged except by complete performance of the obligations contained in this Agreement. Lessee waives all setoffs and counterclaims and all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of, and reliance on, this Agreement. Lessee further waives all (i) notices of the existence, creation or incurring of new or additional indebtedness, arising either from additional loans extended to Lessee or Borrower, or otherwise, (ii) notices that the principal amount, or any portion thereof (and any interest thereon), of the Loan or any of the other Obligations is due, (iii) notices of any and all proceedings to collect from Lessee and/or Borrower of all or any part of the Obligations, or from anyone else, (iv), to the extent permitted by law, notices of exchange, sale, surrender or other handling of any security or collateral given to Secured Party to secure payment of all or any part of the Obligations, and (v) defenses based on suretyship or impairment of collateral.

21. MISCELLANEOUS.

(a) This Agreement is intended to be supplemental to and not in substitution or in derogation of any security agreement contained in any other Loan Document.

(b) In any instance where the consent or approval of the Secured Party may be given or is required or any determination is to be rendered by the Secured Party hereunder, the granting, withholding or denial of such consent or approval and the rendering of such determination shall be made or exercised by the Secured Party at its sole and exclusive option.

(c) It is understood and agreed that no judgment or decree which may be entered on any debt secured or intended to be secured by the Mortgage shall operate to abrogate or lessen the effect of this Agreement, but that this Agreement shall continue in full force and effect until the payment and discharge of the Obligations.

(d) This Agreement, any Required Intercreditor Agreement and the other Loan Documents represent the entire agreement between the Secured Party and the Lessee with respect to the subject matter of this Agreement and supersede all previous agreements, negotiations, and understandings with respect to the subject matter of this Agreement. Neither this Agreement nor any of the other Loan Documents to which Lessee is a party may be amended, altered or changed other than in a writing signed by the Secured Party and the Lessee. The Lessee's warranties and representations in this Agreement will be treated as being continuing warranties and representations, made by the Lessee with the same effect as though the representations and warranties had been made again on, and as of, each day of the term of this Agreement.

(e) This Agreement may be executed in several counterparts and each counterpart will be considered an original of this Agreement.

22. RIGHTS OF SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

(a) Lessee and Secured Party hereby agree that HUD shall be an additional secured party under this Security Agreement together with Secured Party, as their interests may appear, and that HUD shall be listed on the Uniform Commercial Code Financing Statements to be filed contemporaneously herewith; provided, however, that nothing herein or in the Uniform Commercial Code Financing Statements shall require the execution, now or any future time, of any amendment, extension, or other document by HUD.

(b) To the extent any party herein is required or desires to give notice to HUD hereunder, such notice shall be delivered in accordance with the provisions hereof, as follows: U.S. Department of Housing and Urban Development, c/o Office of Healthcare Programs, 451 7th Street S.W., Washington, DC 20410.

IN WITNESS WHEREOF, the Lessee and the Secured Party have signed this Agreement as of the date in the first paragraph of this Agreement.

[SEE ATTACHED COUNTERPART SIGNATURE PAGES]

COUNTERPART SIGNATURE PAGE TO LESSEE SECURITY AGREEMENT

THE LESSEE:

SAUCON VALLEY MANOR, INC.,
a Pennsylvania corporation

By: _____
Name: Nimita Kapoor Atiyeh
Title: President

COUNTERPART SIGNATURE PAGE TO LESSEE SECURITY AGREEMENT

THE SECURED PARTY:

M&T REALTY CAPITAL CORPORATION,
a Maryland corporation

By: _____
Name: Christine R. Chandler
Title: Vice President

EXHIBIT A TO LESSEE SECURITY AGREEMENT

LEGAL DESCRIPTION

UNIT I of Condos at Saucon Valley Manor, also known as Saucon Valley Condominium, according to the Declaration of Condominium of Saucon Valley Condominium, also known as Condos at Saucon Valley Manor, as recorded on December 8, 2006 in the Office of the Recorder of Deeds in and for Northampton County, Pennsylvania in Record Book 2006-1 at page 507467

Together with an undivided interest of 40% of, in and to the Common Elements of the said CONDOS AT SAUCON VALLEY MANOR.

Together with an easement upon Unit 2 for encroachment of improvements and entry facilities, and dedicated parking, as provided in the Declaration of Condominium of CONDOS AT SAUCON VALLEY MANOR (see Exhibit B, page 3 of the Declaration)

BEING Northampton County, Pennsylvania Tax Parcel Q7SW2A-1-3-0715

Being more fully bounded as set forth on attached page

DESCRIPTION OF 1050 MAIN STREET

ALL THAT CERTAIN lot or tract of land situated on the west side of Main Street (S.R. 412) in the Borough of Hellertown, County of Northampton, and Commonwealth of Pennsylvania, being known as 1050 Main Street, also being Unit One on the Condominium Declaration Plan for Condos at Saucon Valley Manor, said plan recorded in the Northampton County Recorder of Deeds Office in Map Book Volume 20065 Page 759, bounded and described as follows to wit:

BEGINNING at the intersection formed by the westerly right of way line of Main Street with the northerly curb line of Sycamore Avenue; thence along the said northerly curb line of Sycamore Avenue

1. South 86'47'33" West 266.09 feet; thence-in and through land now or formerly of Abraham R. Atiyeh D.B.V. 2000-1 Page 14351 the following three courses and distances;
2. North 03' 14'23" West 59.03 feet;
3. North 86' 41'33" East 18.00 feet;
4. North 03' 13'52" West 411.34 feet to the southerly right of way line of Thomas Avenue; thence along the same
5. North 86' 48'59" East 247.48 feet to the westerly right of way line of Main Street; thence along the same
6. South 03' 18'24" East 470.30 feet to the place of beginning.

CONTAINS: 117,610.588 Sq. Ft. 2.7000 Acres

Exhibit A

EXHIBIT B TO LESSEE SECURITY AGREEMENT

All of the following described property and interests in property, whether now in existence or hereafter arising, and relating to, situated or located on or used or usable in connection with the maintenance and/or operation of the property described in Exhibit A (hereafter referred to as the "Premises").

(a) All fixtures, furniture, equipment and other goods and tangible personal property of every kind and description whatsoever now or hereafter located on, in or at the Premises, including, but not limited to, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, radiators, motors, furnaces, compressors and transformers; all power generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment, and fixtures, fans and switchboards; all telephone equipment; all piping, tubing and plumbing equipment and fixtures; all heating, refrigeration, air-conditioning, cooling, ventilating, sprinkling, water, power, waste disposal and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, kitchen and laundry fixtures, utensils, appliances and equipment, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture now or hereafter installed or used or usable in the operation of any part of the buildings, structures or improvements erected or to be erected in or upon the Premises and every replacement thereof, accession thereto, or substitution therefor, whether or not all of the above are now or hereafter acquired or attached to the Premises in any manner;

(b) All articles of tangible personal property not otherwise described herein which are now or hereafter located in, attached to or used in, on or about the buildings, structures or improvements now or hereafter located, placed, erected, constructed or built on the Premises and all replacements thereof, accessions thereto, or substitution therefor, whether or not the same are, or will be, attached to such buildings, structures or improvements in any manner;

(c) All rents, leases, income, revenues, issues, profits, royalties and other benefits arising or derived or to be derived from, or related to, directly or indirectly, the Premises, whether or not any of the property described in this item (c) constitutes accounts, chattel paper, documents, general intangibles, instruments or money;

(d) All awards now or hereafter made ("Awards") with respect to the Premises as a result of (i) the exercise of the power of condemnation or eminent domain, or the police power, (ii) the alteration of the grade of any street, or (iii) any other injury or decrease in the value of the Premises (including, but not limited to, any destruction or decrease in the value by fire or other casualty), whether or not any of the property described in this item (d) constitutes accounts, chattel paper, documents, general intangibles, instruments, investment property, deposit accounts, or money;

(e) All land surveys, plans and specifications, drawings, briefs and other work product and other papers and records now or hereafter used in the construction, reconstruction, alteration, repair or operation of the Premises;

(f) All licenses, permits, certificates and agreements for the provision of property or services to or in connection with, or otherwise benefiting, the Premises, any nursing home license, assisted living facility license, any and all Medicaid/Medicare Provider Agreements, and any other license necessary for the provision of services at the Premises; however, the Secured Party disclaims a security interest in such of the property described in this item (f) to the extent that a security interest in such property may not be granted to the Secured Party without the forfeiture of the rights of the Debtor (or any assignee of the Debtor) or a default resulting thereunder.

(g) All funds, monies, securities and other property held in escrow, lock boxes, depository or blocked accounts or as reserves and all rights to receive (or to have distributed to the Debtor) any funds, monies, securities or property held in escrow, lock boxes, depository or blocked accounts or as reserves, including, but not limited to, all of Debtor's rights (if any) to any funds or amounts in that certain reserve funds and/or residual receipts accounts created under the Regulatory Agreement required by the Secretary of Housing and Urban Development or the Federal Housing Administration Commissioner;

(h) All accounts, accounts receivable, general intangibles, chattel paper, instruments, documents, inventory, goods; cash, bank accounts, certificates of deposits, securities, insurance policies, letters of credit, deposits, judgments, liens, causes of action, warranties, guaranties and all other properties and assets of the Debtor, tangible or intangible, whether or not similar to the property described in this item (h). As used herein, the term "accounts receivable" shall include (i) all healthcare insurance receivables, including, but not limited to Medicaid and Medicare receivables, Veterans Administration or other governmental receivables, private patient receivables, and HMO 10 receivables; (ii) any payments due or to be made to the Debtor relating to the Premises or (iii) all other rights of the Debtor to receive payment of any kind with respect to the Premises;

(i) All books, records and files of whatever type or nature relating to any or all of the property or interests in property described herein or the proceeds thereof, whether or not written, stored electronically or electromagnetically or in any other form, and whether or not such books, records, or files constitute accounts, equipment or general intangibles.

(j) Any and all security or other deposits which have not been forfeited by any tenant under any lease; and

(k) All products and proceeds of any and all of the property (and interests in property) described herein, including, but not limited to, proceeds of any insurance, whether or not in the form of original collateral, accounts, contract rights, chattel paper, general intangibles, equipment, fixtures, goods, securities, leases, instruments, inventory, documents, deposit accounts or cash.

EXHIBIT C TO LESSEE SECURITY AGREEMENT

Other Names Used by Lessee in Previous Five Years (see Section 2(a) of Agreement)**: None**

Assets Acquired in Bulk Transfer in Previous Five Years (see Section 2(a) of Agreement)**: None**

Lessee's Rights in the Following (see Section 2(a) of Agreement):

Investment property: None

Letters of Credit: None

Electronic Chattel Paper: None

Commercial Tort Claims: None

Instruments (including promissory notes): None

Deposit Accounts:

Account Number	Depository Bank	Account Type (e.g., operating or payroll)	Government Accounts (see note below)

Note: Designate if Deposit Account receives deposits of proceeds of accounts from federal, state or local governments (e.g., Medicare and Medicaid), and if so, whether such Deposit Account is solely for such deposits or whether the Deposit Account commingles other non-governmental deposits. See Section 2(i) of the Agreement for the Lessee's obligations in this regard.

EXHIBIT N

Whitehall Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS		
	Week of Mar 28 26	Week of Apr 4 26	Week of Apr 11 26
Cash Beginning Balance	** 391,029.92	508,114.92	495,988.34
INCOME	209,500.00	184,500.00	95,500.00
Intercompany reimbursements	0.00	6,850.00	0.00
Intercompany reimbursements- employees	13,000.00	0.00	0.00
Disbursements	105,415.00	203,476.58	55,200.00
Ending Cash Balance	508,114.92	495,988.34	536,288.34
Expense			
DIETARY	15,000.00	15,000.00	15,000.00
SUPPLIES	5,500.00	5,500.00	5,500.00
REFUNDS	12,000.00	0.00	0.00
MAINTENANCE	2,500.00	0.00	2,500.00
UTILITIES	4,300.00	15,500.00	18,300.00
PAYROLL & BENEFITS	6,500.00	133,006.58	0.00
OFFICE & MARKETING EXPENSES	8,500.00	5,000.00	5,000.00
REAL ESTATE TAXES & INSURANCE	32,000.00	7,170.00	0.00
EQUIPMENT	3,015.00	0.00	0.00
US TRUSTEE QUARTERLY FEES	0.00	0.00	0.00
DILWORTH PAXSON/Committee Counsel	0.00	0.00	0.00
Omni	7,500.00	0.00	0.00
ADEQUATE PROTECTION	0.00	0.00	0.00
LEGAL/PROFESSIONAL FEES	2,500.00	2,500.00	2,500.00
MANAGEMENT FEE	0.00	14,250.00	0.00
Miscellaneous	6,100.00	5,550.00	6,400.00
Total Expense	105,415.00	203,476.58	55,200.00

**

Ending budgeted cash balance @ 3-7-26	241,773.97
Actual cash balance @ 3-7-26	484,736.50
Diff is being added to opening cash balance as of 3-28-26	242,962.53

Whitehall Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS		
	Week of Apr 18 26	Week of Apr 25 26	Week of May 2 26
Cash Beginning Balance	536,288.34	419,281.76	282,666.76
INCOME	95,500.00	209,500.00	184,500.00
Intercompany reimbursements	0.00	0.00	6,850.00
Intercompany reimbursements- employees	0.00	13,000.00	0.00
Disbursements	212,506.58	359,115.00	203,851.58
Ending Cash Balance	419,281.76	282,666.76	270,165.18
Expense			
DIETARY	15,000.00	15,000.00	15,000.00
SUPPLIES	5,500.00	5,500.00	5,500.00
REFUNDS	0.00	12,000.00	0.00
MAINTENANCE	0.00	2,500.00	0.00
UTILITIES	0.00	2,800.00	15,500.00
PAYROLL & BENEFITS	133,006.58	6,500.00	133,006.58
OFFICE & MARKETING EXPENSES	5,000.00	8,500.00	5,000.00
REAL ESTATE TAXES & INSURANCE	0.00	36,700.00	7,170.00
EQUIPMENT	0.00	3,015.00	0.00
US TRUSTEE QUARTERLY FEES	12,000.00	500.00	0.00
DILWORTH PAXSON/Committee Counsel	0.00	250,000.00	0.00
Omni	0.00	7,500.00	0.00
ADEQUATE PROTECTION	35,000.00	0.00	0.00
LEGAL/PROFESSIONAL FEES	2,500.00	2,500.00	2,500.00
MANAGEMENT FEE	0.00	0.00	14,625.00
Miscellaneous	4,500.00	6,100.00	5,550.00
Total Expense	212,506.58	359,115.00	203,851.58

**

Ending budgeted cash balance @ 3-7-26

Actual cash balance @ 3-7-26

Diff is being added to opening cash balance as of 3-28-26

Whitehall Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS		
	Week of May 9 26	Week of May 16 26	Week of May 23 26
Cash Beginning Balance	270,165.18	289,932.18	141,792.61
INCOME	63,667.00	63,667.00	63,666.00
Intercompany reimbursements	0.00	0.00	0.00
Intercompany reimbursements- employees	0.00	0.00	13,000.00
Disbursements	43,900.00	211,806.58	96,515.00
Ending Cash Balance	289,932.18	141,792.61	121,943.61
Expense			
DIETARY	15,000.00	15,000.00	15,000.00
SUPPLIES	5,500.00	5,500.00	5,500.00
REFUNDS	0.00	0.00	0.00
MAINTENANCE	2,500.00	0.00	2,500.00
UTILITIES	7,000.00	11,300.00	2,800.00
PAYROLL & BENEFITS	0.00	133,006.58	6,500.00
OFFICE & MARKETING EXPENSES	5,000.00	5,000.00	8,500.00
REAL ESTATE TAXES & INSURANCE	0.00	0.00	43,200.00
EQUIPMENT	0.00	0.00	3,015.00
US TRUSTEE QUARTERLY FEES	0.00	0.00	0.00
DILWORTH PAXSON/Committee Counsel	0.00	0.00	0.00
Omni	0.00	0.00	0.00
ADEQUATE PROTECTION	0.00	35,000.00	0.00
LEGAL/PROFESSIONAL FEES	2,500.00	2,500.00	2,500.00
MANAGEMENT FEE	0.00	0.00	0.00
Miscellaneous	6,400.00	4,500.00	7,000.00
Total Expense	43,900.00	211,806.58	96,515.00

**

Ending budgeted cash balance @ 3-7-26

Actual cash balance @ 3-7-26

Diff is being added to opening cash balance as of 3-28-26

Whitehall Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST **13 WEEKS**

	Week of May 30 26	Week of June 6 26	Week of June 13 26
Cash Beginning Balance	121,943.61	142,667.03	123,967.03
INCOME	209,500.00	114,625.00	114,625.00
Intercompany reimbursements	6,850.00	0.00	0.00
Intercompany reimbursements- employees	0.00	0.00	0.00
Disbursements	195,626.58	133,325.00	165,506.58
Ending Cash Balance	142,667.03	123,967.03	73,085.45
Expense			
DIETARY	15,000.00	15,000.00	15,000.00
SUPPLIES	5,500.00	5,500.00	5,500.00
REFUNDS	12,000.00	0.00	0.00
MAINTENANCE	0.00	2,500.00	0.00
UTILITIES	2,000.00	31,800.00	0.00
PAYROLL & BENEFITS	133,006.58	0.00	133,006.58
OFFICE & MARKETING EXPENSES	5,000.00	5,000.00	5,000.00
REAL ESTATE TAXES & INSURANCE	7,170.00	0.00	0.00
EQUIPMENT	0.00	0.00	0.00
US TRUSTEE QUARTERLY FEES	0.00	0.00	0.00
DILWORTH PAXSON/Committee Counsel	0.00	50,000.00	0.00
Omni	7,500.00	0.00	0.00
ADEQUATE PROTECTION	0.00	0.00	0.00
LEGAL/PROFESSIONAL FEES	2,500.00	2,500.00	2,500.00
MANAGEMENT FEE	0.00	14,625.00	0.00
Miscellaneous	5,950.00	6,400.00	4,500.00
Total Expense	195,626.58	133,325.00	165,506.58

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Ending budgeted cash balance @ 3-7-26

Actual cash balance @ 3-7-26

Diff is being added to opening cash balance as of 3-28-26

Whitehall Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS			
		Week of June 20 26	TOTAL	
Cash Beginning Balance		73,085.45	164,685.45	
INCOME		133,500.00	1,742,250.00	
Intercompany reimbursements		0.00	20,550.00	
Intercompany reimbursements- employees		0.00	39,000.00	1,801,800.00
Disbursements		41,900.00	2,028,144.47	-2,028,144.47
Ending Cash Balance		164,685.45	-61,659.03	-226,344.47 Loss
Expense				
DIETARY		15,000.00	195,000.00	
SUPPLIES		5,500.00	71,500.00	
REFUNDS		0.00	36,000.00	
MAINTENANCE		2,500.00	17,500.00	
UTILITIES		2,800.00	114,100.00	
PAYROLL & BENEFITS		0.00	817,539.47	
OFFICE & MARKETING EXPENSES		8,500.00	79,000.00	
REAL ESTATE TAXES & INSURANCE		0.00	133,410.00	
EQUIPMENT		0.00	9,045.00	
US TRUSTEE QUARTERLY FEES		0.00	12,500.00	
DILWORTH PAXSON/Committee Counsel		0.00	300,000.00	
Omni		0.00	22,500.00	
ADEQUATE PROTECTION		0.00	70,000.00	
LEGAL/PROFESSIONAL FEES		2,500.00	32,500.00	
MANAGEMENT FEE		0.00	43,500.00	
Miscellaneous		5,100.00	74,050.00	
Total Expense		41,900.00	2,028,144.47	

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Ending budgeted cash balance @ 3-7-26

Actual cash balance @ 3-7-26

Diff is being added to opening cash balance as of 3-28-26

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Accrual Basis

Saucon Valley Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS			
		Week of Mar 28 26	Week of Apr 4 26	Week of Apr 11 26
Cash Beginning Balance		592,337.21 **	734,507.21	782,152.21
INCOME		244,000.00	410,000.00	150,000.00
Intercompany reimbursements		15,120.00	0.00	0.00
Intercompany reimbursements- employees		28,300.00	5,600.00	0.00
Disbursements		-145,250.00	367,955.00	-66,300.00
Ending Cash Balance		734,507.21	782,152.21	865,852.21
Expense				
DIETARY		20,000.00	20,000.00	20,000.00
REFUNDS		25,000.00	0.00	0.00
SUPPLIES		6,000.00	6,000.00	6,000.00
MAINTENANCE		6,000.00	6,000.00	6,000.00
UTILITIES		4,000.00	18,000.00	21,250.00
PAYROLL & BENEFITS		0.00	242,000.00	0.00
OFFICE & MARKETING EXPENSES		9,650.00	6,650.00	6,650.00
REAL ESTATE TAXES & INSURANCE		62,500.00	40,205.00	0.00
EQUIPMENT		0.00	0.00	0.00
US TRUSTEE QUARTERLY FEES		0.00	0.00	0.00
LEGAL/PROFESSIONAL FEES		2,000.00	2,000.00	2,000.00
ADEQUATE PROTECTION		0.00	0.00	0.00
DILWORTH PAXSON/Committee Counsel		0.00	0.00	0.00
Omni		7,500.00	0.00	0.00
MANAGEMENT FEE		0.00	22,000.00	0.00
MISCELLANEOUS		2,600.00	5,100.00	4,400.00
Total Expense		145,250.00	367,955.00	66,300.00

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Ending budgeted cash balance @ 3-7-26	364,111.17
Actual cash balance @ 3-7-26	767,961.87
Diff is being added to opening cash balance as of 3-28-26	403,850.70

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Accrual Basis

Saucon Valley Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS		
	Week of Apr 18 26	Week of Apr 25 26	Week of May 2 26
Cash Beginning Balance	865,852.21	601,402.21	484,672.21
INCOME	80,000.00	245,000.00	410,000.00
Intercompany reimbursements	0.00	15,120.00	0.00
Intercompany reimbursements- employees	5,600.00	28,300.00	5,600.00
Disbursements	-350,050.00	405,150.00	352,080.00
Ending Cash Balance	601,402.21	484,672.21	548,192.21
Expense			
DIETARY	20,000.00	20,000.00	20,000.00
REFUNDS	0.00	20,000.00	0.00
SUPPLIES	6,000.00	6,000.00	6,000.00
MAINTENANCE	6,000.00	6,000.00	6,000.00
UTILITIES	4,000.00	30,000.00	18,000.00
PAYROLL & BENEFITS	242,000.00	10,000.00	242,000.00
OFFICE & MARKETING EXPENSES	6,650.00	9,650.00	6,650.00
REAL ESTATE TAXES & INSURANCE	0.00	41,500.00	24,205.00
EQUIPMENT	0.00	0.00	0.00
US TRUSTEE QUARTERLY FEES	24,000.00	500.00	0.00
LEGAL/PROFESSIONAL FEES	2,000.00	2,000.00	2,000.00
ADEQUATE PROTECTION	35,000.00	0.00	0.00
DILWORTH PAXSON/Committee Counsel	0.00	250,000.00	0.00
Omni	0.00	7,500.00	0.00
MANAGEMENT FEE	0.00	0.00	22,125.00
MISCELLANEOUS	4,400.00	2,000.00	5,100.00
Total Expense	350,050.00	405,150.00	352,080.00

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Ending budgeted cash balance @ 3-7-26

Actual cash balance @ 3-7-26

Diff is being added to opening cash balance as of 3-28-26

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Accrual Basis

Saucon Valley Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS		
	Week of May 9 26	Week of May 16 26	Week of May 23 26
Cash Beginning Balance	548,192.21	571,892.21	329,342.21
INCOME	85,000.00	75,000.00	75,000.00
Intercompany reimbursements	0.00	0.00	0.00
Intercompany reimbursements- employees	0.00	5,600.00	28,300.00
Disbursements	61,300.00	323,150.00	124,650.00
Ending Cash Balance	571,892.21	329,342.21	307,992.21
Expense			
DIETARY	20,000.00	20,000.00	20,000.00
REFUNDS	0.00	0.00	25,000.00
SUPPLIES	6,000.00	6,000.00	6,000.00
MAINTENANCE	6,000.00	6,000.00	6,000.00
UTILITIES	16,250.00	3,500.00	0.00
PAYROLL & BENEFITS	0.00	242,000.00	0.00
OFFICE & MARKETING EXPENSES	6,650.00	6,650.00	9,650.00
REAL ESTATE TAXES & INSURANCE	0.00	0.00	46,500.00
EQUIPMENT	0.00	0.00	0.00
US TRUSTEE QUARTERLY FEES	0.00	0.00	0.00
LEGAL/PROFESSIONAL FEES	2,000.00	2,000.00	2,000.00
ADEQUATE PROTECTION	0.00	35,000.00	0.00
DILWORTH PAXSON/Committee Counsel	0.00	0.00	0.00
Omni	0.00	0.00	7,500.00
MANAGEMENT FEE	0.00	0.00	0.00
MISCELLANEOUS	4,400.00	2,000.00	2,000.00
Total Expense	61,300.00	323,150.00	124,650.00

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Ending budgeted cash balance @ 3-7-26

Actual cash balance @ 3-7-26

Diff is being added to opening cash balance as of 3-28-26

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Accrual Basis

Saucon Valley Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS		
	Week of May 30 26	Week of June 6 26	Week of June 13 26
Cash Beginning Balance	307,992.21	260,062.21	492,707.21
INCOME	245,000.00	410,000.00	155,000.00
Intercompany reimbursements	15,120.00	0.00	0.00
Intercompany reimbursements- employees	5,600.00	0.00	5,600.00
Disbursements	313,650.00	177,355.00	330,500.00
Ending Cash Balance	260,062.21	492,707.21	322,807.21
Expense			
DIETARY	20,000.00	20,000.00	20,000.00
REFUNDS	0.00	0.00	0.00
SUPPLIES	6,000.00	6,000.00	6,000.00
MAINTENANCE	6,000.00	6,000.00	6,000.00
UTILITIES	3,000.00	32,750.00	3,500.00
PAYROLL & BENEFITS	252,000.00	0.00	242,000.00
OFFICE & MARKETING EXPENSES	6,650.00	6,650.00	6,500.00
REAL ESTATE TAXES & INSURANCE	16,000.00	24,205.00	0.00
EQUIPMENT	0.00	0.00	0.00
US TRUSTEE QUARTERLY FEES	0.00	0.00	0.00
LEGAL/PROFESSIONAL FEES	2,000.00	2,000.00	2,000.00
ADEQUATE PROTECTION	0.00	0.00	35,000.00
DILWORTH PAXSON/Committee Counsel	0.00	50,000.00	0.00
Omni	0.00	0.00	7,500.00
MANAGEMENT FEE	0.00	22,250.00	0.00
MISCELLANEOUS	2,000.00	7,500.00	2,000.00
Total Expense	313,650.00	177,355.00	330,500.00

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Ending budgeted cash balance @ 3-7-26

Actual cash balance @ 3-7-26

Diff is being added to opening cash balance as of 3-28-26

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Accrual Basis

Saucon Valley Manor
Profit Loss

CASH RECEIPTS & DISBURSEMENTS FORECAST	13 WEEKS			
		Week of June 20 26	TOTAL	
Cash Beginning Balance		322,807.21	358,557.21	
INCOME		82,000.00	2,666,000.00	
Intercompany reimbursements		0.00	45,360.00	
Intercompany reimbursements- employees		0.00	118,500.00	2,829,860.00
Disbursements		46,250.00	3,063,640.00	-3,063,640.00
Ending Cash Balance		358,557.21	124,777.21	-233,780.00 Loss
Expense				
DIETARY		20,000.00	260,000.00	
REFUNDS		0.00	70,000.00	
SUPPLIES		6,000.00	78,000.00	
MAINTENANCE		6,000.00	78,000.00	
UTILITIES		0.00	154,250.00	
PAYROLL & BENEFITS		0.00	1,472,000.00	
OFFICE & MARKETING EXPENSES		9,650.00	98,300.00	
REAL ESTATE TAXES & INSURANCE		0.00	255,115.00	
EQUIPMENT		0.00	0.00	
US TRUSTEE QUARTERLY FEES		0.00	24,500.00	
LEGAL/PROFESSIONAL FEES		2,000.00	26,000.00	
ADEQUATE PROTECTION		0.00	105,000.00	
DILWORTH PAXSON/Committee Counsel		0.00	300,000.00	
Omni		0.00	30,000.00	
MANAGEMENT FEE		0.00	66,375.00	
MISCELLANEOUS		2,600.00	46,100.00	
Total Expense		46,250.00	3,063,640.00	

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Ending budgeted cash balance @ 3-7-26

Actual cash balance @ 3-7-26

Diff is being added to opening cash balance as of 3-28-26