UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF PENNSYLVANIA

In re: Whitehall Trust, Debtor.	Chapter 11 Bankruptcy No. 4:25-bk-15241 (Jointly Administered)

RECEIVER'S MOTION FOR ENTRY OF ORDER ALLOWING AND DIRECTING PAYMENT OF ADMINISTRATIVE EXPENSE PURSUANT TO 11 U.S.C. § 503(b)(3)(E)

Receiver Duane Morris LLP through Erin Duffy, Esq. ("Receiver") moves for entry of an order allowing and directing payment of an administrative expense in the bankruptcy estates of Whitehall Trust and Saucon Trust, as defined below (the "Motion"). In support of the Motion, the Receiver respectfully represents as follows:

JURISDICTION

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.

2. Venue lies properly in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

FACTUAL BACKGROUND

4. These jointly administrative bankruptcy matters concern four debtors: (i) Whitehall Fiduciary LLC, as Trustee of Whitehall Trust u/t/a Dated August 1, 2007 ("Whitehall Trust"); (ii) Saucon Management LLC, as Trustee of Saucon Trust u/t/a Dated October 1, 2007 ("Saucon Trust"); (iii) Saucon Valley Manor, Inc. ("Saucon Manor"); and (iv) Whitehall Manor, Inc. ("Whitehall Manor").

5. Credit 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 ("LV1") became the beneficiary owners of two loans.

6. One of the loans concerns a January 26, 2012 loan transaction by which Whitehall Trust borrowed the sum of $15,788,700. The loan was secured by, among other things, real property located at 1177 6th Street, Whitehall, Pennsylvania (the "Whitehall Property"). The Whitehall Property is leased to Debtor Whitehall Manor, Inc. ("Whitehall Manor"), which operates an assistance living facility in which numerous seniors reside. Whitehall Manor, under that certain Security Agreement dated as of January 26, 2012, by which Whitehall Manor, among other things, provided to LV1 a security interest in all of Whitehall Manor's property, as described in Exhibit B of that Agreement, including:

> (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 the property described in this item (c) constitutes accounts, chattel paper, documents, intangibles, instruments or money; . . .
>
> * * *
>
> (h) all accounts, accounts receivables, general intangibles, chattel paper, instrument, documents, inventory, goods, cash, bank accounts, certificates of deposit. . . . and all other properties an assets of the [SVM], tangible or intangible, whether or not similar to the property described in this item (h). As used herein, the term "accounts receivables" shall include (i) all healthcare insurance receivables, including, but not limited to Medicaid and Medicare receivables, and HMO 10 receivables; (ii) any payment due or to be made to [SVM] relating to the Premises; and (iii) all other rights of the Debtor to receive payment of any kind with respect to the Premises.".

A true and correct copy of the Security Agreement is attached hereto as Exhibit "A".

7. The second loan concerns a December 1, 2012 loan transaction by which Saucon Trust borrowed the sum of $19,462,800. The loan was secured by, among other things, real property located at 1050 Main Street, Hellertown, Pennsylvania (the "Saucon Property"). The Saucon Property is leased to Saucon Manor, which operates an assistance living facility in which numerous seniors reside. Saucon Manor, under that certain Security Agreement dated as of December 1, 2012, entered into a nearly identical Security Agreement which creates a security

interest in all of Saucon Manor's property. A true and correct copy of the Security Agreement is attached hereto as Exhibit "B".

8. Both Saucon Trust and Whitehall Trust defaulted on, *inter alia,* their payment obligations under their respective loans. Accordingly, in June 2024, LVI filed foreclosure actions in the United States District Court for the Eastern District of Pennsylvania, one against Whitehall Trust, under docket number 5:24-cv-02627-CH (the "Whitehall Action"), and one against Saucon Trust, under docket number 5:24-cv-2709 (the "Saucon Action," and collectively, with the Whitehall Action, the "Foreclosure Actions").

9. On July 31, 2024, LV1 filed in the Foreclosure Actions motions to appoint a receiver over the business operations of the Properties.

10. By written Memorandum Opinion and Order dated May 2, 2025 (both of which are attached hereto as Exhibits "C" & "D", respectively), the Honorable Catherine Henry granted the Motion to Appoint Receiver, and appointed Duane Morris LLP through Erin Duffy, Esquire, to act as receiver (the "Receiver").

11. In the Memorandum Opinion, Judge Henry, among other things, found the Receiver's appointment to be well-supported based upon the following grounds:

i. LVI, Saucon Trust and Whitehall Trust, contractually agreed to the appointment of a receiver when there is an event of default;

ii. There was no dispute that Saucon Trust and Whitehall Trust were in default of their payment obligations under the two loans;

iii. No payments were made under either loan since February of 2021, for years before the filing of the Foreclosure Actions;

iv. Both Saucon Trust and Whitehall Trust's 2021 audited financial statement show dire financial straits, reporting operating losses and substantial doubt about their ability to continue as ongoing concerns;

v. Both Properties were subject to significant tax and municipal liens which created the risk that the Properties could be lost at tax sale;

vi. Neither Saucon Trust nor Whitehall Trust had provided financing reporting to LV1 for numerous years, despite the requirement that they do so in the loan documents;

vii. There was no prospect that either Saucon Trust or Whitehall Trust would cure their defaults or begin making payments "any time soon";

viii. LV1 had legitimate concerns about the possible diminution in the value of its collateral;

ix. LV1 was provided no information regarding how much rent Saucon Trust and Whitehall Trust were collecting; and

x. LV1 was provided no information regarding what bills were paid or left unpaid; and

12. The Order Granting the Motion (the "Receiver's Order") provides, in relevant part, that the Receiver is empowered, authorized and/or directed to:

i. Enter and take immediate possession of the Property, and to demand, collect and receive the rents, income, revenues, proceeds and profits derived from tenants at the Property, their sublessees or any occupants in possession, including maintenance fees, management fees, special assessments and/or other charges relating to the Property, which are now due and unpaid or which may become due hereafter (collectively, the "Rents"), and all personal property owned or utilized by Lehigh Valley 1 LLC that relates to the management or operation of the Property, including all books, records, bank accounts, reserve accounts, cash on hand, keys, and combinations for locks or other access information in the possession

of or reasonably available to Whitehall, Saucon or their property managers;

ii. Employ counsel and, with the consent of Lehigh Valley 1 LLC, accountants or other professionals, contractors and support personnel and other persons necessary in order to carry out its duties as the Receiver and to preserve, maintain and operate the Property, and to compensate such persons at competitive rates, without further Order of this Court, at their respective hourly rates, plus reimbursement of all reasonable and necessary out-of- pocket expenses;

iii. Apply income from the Properties, subject to the lien rights of Lehigh Valley 1 LLC, as follows and in the following order to the extent funds are available: first, to pay Receiver's approved fees and expenses which include the Receiver's attorneys' fees related to the receivership; second, to pay all operating expenses with respect to the Properties (other than the obligations owed to Plaintiff under the Loan Documents); third, to pay all capital obligations with respect to the Properties; fourth, to fund reasonable reserves for anticipated operating expenses and capital obligations with respect to the Properties; and lastly, to pay the obligations owed to Plaintiff under the Loan Documents;

iv. Within 30 days of qualification and appointment, provide Lehigh Valley 1 LLC, Whitehall and Saucon with an inventory of all property of which Receiver has taken possession. If Receiver subsequently comes into possession of additional property, Receiver will provide Lehigh Valley 1 LLC, Whitehall and Saucon with a supplemental inventory;

v. Notify tenants and other persons now or hereafter in possession of all or

any portion of the Properties to pay all Rents directly to the Receiver.

13. In addition, the Receiver's Order required Whitehall Trust and Saucon Trust to turn over to Receiver a list of all occupants of the Properties. The Receiver's Order further directed that no one interfere with the duties and obligations of the Receiver. The Receiver's Order also states that the Receiver is to be paid an hourly receiver's fee, and shall be reimbursed for its reasonable costs, *including legal fees*, travel expenses, and other business associated with the Receivership and that the Receiver may pay itself from the Rents, the Receivership Properties, and from the sale of the Properties, if any.

RESISTANCE TO RECEIVER

14. After the appointment of the Receiver, the Receiver experienced significant resistance from Whitehall Trust, Saucon Trust, Whitehall Manor and Saucon Manor in obtaining information regarding the Properties and certain other information, thereby preventing Receiver from collecting the money being paid by the occupants of the properties, including the residents of the Whitehall Property and the Saucon Property. After an initial refusal from Whitehall Trust and Saucon Trust, Receiver issued a number of Subpoenas for information, including one each to Whitehall Manor and Saucon Manor, only to receive objections from both.

15. This resistance caused the Receiver and its counsel to incur substantial fees. For example, on May 30, 2025, Receiver filed a Motion for Contempt after Saucon Trust and Whitehall Trust (i) failed to produce books and records; (ii) failed to provide full and substantial access to the Properties; (iii) barred the Receiver, during its inspection, from accessing any books and records; and (iv) denied the Receiver access to operational reports. A true and correct copy of the Motion is attached hereto as Exhibit "E".

16. This Motion was withdrawn when it appeared that Saucon Trust and Whitehall Trust would provide information, but on July 31, 2025 Receiver filed a second motion to compel the production of records from Whitehall Trust and Saucon Trust. The second Motion was

granted on September 2, 2025, requiring Whitehall Trust and Saucon Trust to provide the following:

a. All documents that relate to the management of the Properties so that the Receiver can determine who is managing the day-to-day activities of the Properties. This includes but is not limited to all management agreements.

b. All contracts that were or are in effect as of the date of the Receiver's appointment. This not only includes the management agreements, but every single contract with vendors that provide services to the Properties.

c. Employee documents and payroll records related to persons employed by the property managers of the Properties, or any of their affiliates.

d. Rent rolls for all occupants of the Properties. This shall include not only tenants under any leases, but every single person or entity that occupies the Properties under a lease, license agreement, occupancy agreement, care agreement or any other similar arrangement by which a person can occupy the Properties as a resident or otherwise.

e. All documents which reflect for each and every occupant of the Properties either the rent or fee paid for such occupancy relationship or agreement.

f. All financial statements from January of 2021 through the present.

g. Current bank account information (including bank statements from the time the Order was entered appointing the Receiver through the present).

h. Unredacted copies of the Columbia Casualty Company – General Liability insurance policy (which will be held by Duane Morris and not disclosed to Plaintiff except upon order from the Court.)

i. Redacted copies of any other insurance policies covering the Properties that have not been previously produced.

A true and correct copy of the Order is attached hereto as Exhibit "F".

17. As reflected in the invoices from Duane Morris, the Receiver incurred substantial fees and costs in regard to this resistance, the purpose of which was to bring money into the Estates and to distribute that money in accordance with the Receiver's Order. True and correct copies of the Invoices are attached hereto as Exhibit "G".

RECEIVER'S ACTIONS TO RECOVER MONEY BEING DIVERTED BY DEBTORS

18. Receiver further became suspicious and investigated issues leading Receiver to believe that Whitehall Trust, Saucon Trust, Whitehall Manor and Saucon Manor, had entered into amendments to their lease agreements between each other, where, with the assistance of their principals, Abraham R. Atiyeh and Nimita Kapoor Atiyeh, who are married to each other, engaged in a scheme to divert money away from Receiver and LV1.

19. For example, on September 21, 2023, after the loan was already in default, Whitehall Trust and Whitehall Manor, as tenant, entered into a Fourth Amendment to the Lease, which forgave rental arrears, waived base rental payments through December 31, 2024, and reduced the Base Rent for the years 2025 through 2028 from $1,668,000, to the greater of: (i) $120,000 per year; or (ii) 25% of the net operating profit of Tenant, up to a limit of $300,000, and, to the extent the Lease is extended for another term beginning on January 1, 2029, to the greater of: (i) $240,000 per year, or (ii) 25% of the net operating profit of Tenant, up to a limit of $500,000. A true and correct copy of the Lease and the Fourth Amendment is attached hereto as Exhibit "H".

20. Whitehall Trust and Whitehall Manor also entered into an agreement by which, in lieu of making rental payments under the Fourth Amendment to the Lease, Whitehall Manor would make payments to Portnoff Law Assoc., Ltd. towards Whitehall Trust's delinquent tax bill. A true and correct copy of this Agreement is attached hereto as Exhibit "I".

21. This all resulted in no payments being made to Receiver or to LV1.

22. Similarly, Saucon Trust and Saucon Manor executed a lease amendment to substantially reduce rent and entered into a delinquent tax payment plan in lieu of rental payments. That is, on September 21, 2023, Saucon Trust, as landlord, and Saucon Manor, as tenant, entered into a Sixth Amendment to the Lease, which forgave rental arrears, provided for no rent to be paid through December 31, 2024, reduced the Base Rent for the years 2025 through 2028 from $1,705,421, to the greater of: (i) $120,000 per year; or (ii) 25% of the net operating profit of Tenant, up to a limit of $300,000, and, to the extent the Lease is extended for another term beginning on January 1, 2029, to the greater of: (i) $240,000 per year, or (ii) 25% of the net operating profit of Tenant, up to a limit of $500,000. A true and correct copy of the Lease and the Sixth Amendment is attached hereto as Exhibit "J".

23. Saucon Trust and SVM also entered into an agreement by which, in lieu of making the rental payments under the Fourth Amendment to the Lease, SVM would make payments to Portnoff Law Assoc., Ltd. towards Whitehall Trust's delinquent tax bill. A true and correct copy of this Agreement is attached hereto as Exhibit "K".

24. As a result of this amendment, no payment was made to Receiver.

25. Because LV1 was also concerned about the diversion of rents away from Receiver, and hence, to the benefit of LV1, LV1 filed a Motion to Invalidate the amendments to the leases. A true and correct copy of the Motion to Invalidate the amendments is attached hereto as Exhibit "L".

26. Moreover, on July 25, 2025, Receiver raised in a letter its position that the amendments were in violation of the leases, not supported by consideration, executed for the self-interest of the Atiyeh family, executed for the sole purpose of diverting money from the Estate to be managed by the Receiver, and executed without the consent of the LV1. A true and correct copy of the letter is attached hereto as Exhibit "M".

27. The Debtors ignored the letter.

28. By way of further example, it was eventually disclosed to Receiver that Saucon Manor and Whitehall Manor were secretly collecting rent from a tenant of the Manors from Good Shepherd. When Receiver attempted to have that rent paid to Receiver, counsel for the Manors objected, and Receiver was forced to pursue remedies to have that rent paid to it directly. *See* November 26, 2025 Letter, attached hereto as Exhibit "N".

29. This all caused Receiver to incur further fees and costs.

THE SANCTIONS ORDER

30. The Debtor's resistance to the Receiver's powers culminated in the filing of a Motion for Sanctions and the entry of an Order granting the Motion against Whitehall Trust, Saucon Trust and their principals, Nimita Kapoor Atiyeh and Abraham Atiyeh (collectively, the "Sanctioned Parties"). The Order granting Sanctions (the "Order of Sanctions") is attached hereto as Exhibit "O."

31. The Order of Sanctions required the Sanctioned Parties to finally turn over to Receiver information that had been requested and refused by the Sanctioned Parties, despite being ordered to do so, including the identity of the occupants of the Whitehall Manor and Saucon Manor Properties, so that Receiver could collect the money being paid to Whitehall Manor and Saucon Manor, as they agreed to do under the Security Agreements.

32. In addition, the Court entered monetary sanctions against the Sanctioned Parties in the amount of $21,281.00 to compensate the Receiver for "the preparation, filing and presentment of the Motion for Sanctions." The Court further struck each of the lease amendments; thereby stripping away the efforts to divert money from the Receiver and LV1.

33. As a result of the Sanctions Order that invalidated the lease amendments, Whitehall Manor was obligated to pay to the Receiver the sum of $3,439,971.86, as detailed in the letter attached hereto as Exhibit "P", and Saucon Manor was obligated to pay to the Receiver the sum of $3,704,654.94, as detailed in the letter attached hereto as Exhibit "Q".

34. However, prior to obtaining the documents and the payment of the money due the Receiver, for the benefit of the Estate, the Debtors filed bankruptcy the next day.

35. In the end, the Receiver collected only $21,000 in rent from Good Shepherd, and nothing else. The Trustee and Debtors in Possession were immediately made aware that the Receiver was holding the money, consistent with the terms of the Receiver Order, and the parties later agreed to have Debtors' counsel hold the money, as reflected in the agreement in the email attached as Exhibit "R".

36. As reflected in the invoices attached hereto as Exhibit "G", Receiver incurred pre-petition fees and costs in the amount of $ 274,522.55, and post-petition fees in the amount of $29,716.73, and with additional amounts being incurred. Because Receiver is a "superseded custodian," these fees should be allowed as an administrative expense of the Estate.

LEGAL ARGUMENT

37. The Receiver is entitled, under section 543(b)(3)(E), to allowance and payment of an administrative expense in the amount of $ 304,239.28.[1]

38. Section 543(b)(1) provides that a "custodian", defined to include a "receiver or trustee of any of the property of the debtor, appointed in a case or proceeding not under this title", shall "deliver to the trustee [or debtor in possession] any property of the debtor held by or transferred to such custodian[.]" Sections 101(11)(A), 543(b)(1). [2]

39. Section 543(c)(2) provides that a court, "after notice and a hearing, shall … provide for the payment of reasonable compensation for services rendered and costs and expenses incurred" by a custodian.

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[1] Unless otherwise indicated, all section references herein are to the United States Bankruptcy Code, 11 U.S.C. § 101, *et seq*. The requested amount of administrative expenses includes the sanctions award in favor of the Receiver.

[2] It should be noted that the Receiver's Order itself provides for the procedure to be followed in turning over funds upon the filing of bankruptcy. Receiver followed that procedure, but ultimately, LV1 and Debtors agreed that the money collected, which consisted only of approximately $21,000 in rent paid from a tenant of Whitehall Manor and Saucon Manor would be held by counsel for Debtors.

40. Section 503(b)(3)(E), in turn, provides for the allowance, as an administrative expense, of the "actual, necessary expenses … incurred by … a custodian superseded under section 543 of this title, and compensation for the services of such custodian[.]" *See In re Lake Region Operating Corp.*, 238 B.R. 99, 101 (Bankr. M.D. Penn. 1999) ("the compensation of a custodian superseded by a bankruptcy is provided for under two sections of the Bankruptcy Code, 11 U.S.C. §§ 503(b)(3)(E) and 543(c)(2)."

41. To that end, "[i]t has long been the policy of the courts to utilize the funds of the estate to pay a superseded custodian…. This is so because the court views the superseded receiver as being entitled to 'deduct' the expenses of the receivership from the property surrendered to the bankruptcy court." *Id*. (citations omitted)

42. An "overarching" consideration in evaluating whether to award compensation to a custodian under § 503(b)(3)(E) "is whether the specific services benefit the estate." *Id.* at 102. *See also Szwak v. Earwood (In re Bodenheimer, Jones, Szwak, & Winchell L.L.P.)*, 592 F.3d 664, 674 (5th Cir. 2009) ("the 'benefit-to-the-estate' doctrine remains a nearly universally-recognized interpretative scheme for § 503(b)(3)(E).")

43. Moreover, in an exception to the general rule that only services provided post-petition can qualify for treatment as administrative expenses under § 503(b), section 503(b)(3)(E) authorizes allowance of an administrative expense for prepetition services rendered by a superseded receiver (i.e., custodian). *See Lake Region*, 238 B.R. at 101, n. 1 ("Section 503(b)(3)(E) … accords administrative expense status to services rendered by a prepetition custodian … to the extent such services actually benefit the estate." (citing to legislative history); *In re Brown & Sons, Inc.*, 498 B.R. 425, 436 (Bankr. D. Vt. 2013) ("Each court that has considered the issue has concluded … that § 503(b)(3)(E) is intended to provide administrative expense priority for a custodian's pre-petition fees and expenses."); *Szwak*, 592 F.3d at 672, n.

29 (§ 503(b)(E) is "exception to the general rule" for administrative expenses). [3]

44. Sections 503(b)(3)(E) and (4) defer to the state court's determination of the necessity to preserve a debtor's assets by the appointment of a receiver, and presumes that unlike creditors who act primarily for their own interests, a receiver acts primarily for the benefit of the receivership estate. *See In re Jensen-Farley Pictures, Inc*., 47 B.R. 557, 569-571 (Bankr. Utah 1985).

45. As discussed, if a debtor subject to a receivership or its creditors files a bankruptcy petition, the Code protects the services of the superseded receiver by providing for compensation of the receiver and the payment of his expenses, including attorney's fees, as administrative expenses. *See* 11 U.S.C. §§ 543(c)(2), 503(b)(3)(E) and (4). The commencement of a bankruptcy case results in the appointment of a trustee or a debtor in possession with the powers of a trustee. 11 U.S.C. §§ 1104, 1107.

46. A receiver, as a custodian, must deliver the debtor's property to the trustee and provide an accounting to the trustee. 11 U.S.C. § 543(b). Here, the Receiver promptly turned over the Debtors' property in its possession (i.e., the $21,000 in rents collected) to the Debtors' attorney following the commencement of these cases.[4]

47. Here, the Receiver's fees and expenses qualify for treatment as administrative expenses under section 503(b)(3)(E) because the Receiver's services unequivocally benefitted

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[3] Section 503(b)(4) provides for an allowed administrative expense for:

> reasonable compensation for professional services rendered by an attorney or an accountant of an entity whose expense is allowable under subparagraph (A), (B), (C), (D), or (E) of paragraph (3) of this subsection, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title, and reimbursement for actual, necessary expenses incurred by such attorney or accountant;

In this instance, since the Receiver provided the legal services herein, the standards of § 503(b)(3)(E) control. However, even if the standards of § 503(b)(4) controlled, the Receiver's fees and expenses would qualify as "reasonable compensation" for all the reasons set forth herein and as reflected in the time records attached as Exhibit R.

[4] Alternatively, a court may allow a receiver to remain in possession of a debtor's property for reasons set forth in section 543(d), which did not happen here.

the estate. As described in detail above, the Receiver went to great time and expense stopping the ongoing efforts of the Debtors and their insiders to improperly divert rents and related fees from occupants, withholding information, and otherwise impede the Receiver's efforts to administer the receivership estate. Through its perseverance, the Receiver ultimately obtained orders that – had the Debtors not filed for bankruptcy – would have (i) allowed the Receiver to obtain payments directly from the tenants and other occupants of the property, (ii)invalidated the improper lease amendments designed to siphon money away from the Receiver, and (iii) brought in over $7,000,000 to the benefit of the Estate.

48. Moreover, the fees and costs were reasonably incurred by the Receiver, as shown by the summary of services the Receiver provided above and in the attached time records.

WHEREFORE, the Receiver respectfully requests that this Court enter an Order (i) granting the Motion, (ii) allowing and authorizing payment of an administrative expense from the Whitehall Trust and Saucon Trust estates to the Receiver in the amount of $304,239.28, plus additional amounts that have been incurred, and (iii) granting such other and further relief as the Court deems just and proper.

Date: February 18, 2026

/s/ Brett L. Messinger

Brett L. Messinger
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Attorneys for Receiver Duane Morris LLP, by Erin Duffy, Esquire

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this day, February 18, 2026, a true and correct copy of the foregoing Motion for Entry of Order Allowing and Requiring Payment of Administrative Expense Pursuant to 11 U.S.C. § 503(b)(3)(E) was filed using the Court's CM/ECF system, which served copies on all CM/ECF participants in this case.

/s/ Brett L. Messinger
Brett L. Messinger

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF PENNSYLVANIA

In re: Whitehall Trust, Debtor.	Chapter 11 Bankruptcy No. 4:25-bk-15241 (Jointly Administered)

NOTICE OF MOTION, RESPONSE DEADLINE AND IN-PERSON HEARING DATE

Receiver Duane Morris LLP, through Erin Duffy, Esq. has filed a Motion for Entry of Order Allowing and Directing Payment of Administrative Expense pursuant to 11 U.S.C. § 503(b)(3)(E) with the court which seeks an Order: (i) granting the Motion, (ii) allowing and authorizing payment of an administrative expense from the Whitehall Trust and Saucon Trust estates to the Receiver in the amount of $304,239.28, plus additional amounts that have been incurred, and (iii) granting such other and further relief as the Court deems just and proper..

1. **Your rights may be affected**. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult an attorney).

2. If you do not want the court to grant the relief sought in the Motion or if you want the court to consider your views on the Motion, then on or before March 4, 2026, you or your attorney must file a response to the Motion. (see Instructions on next page).

3. A hearing on the Motion is scheduled to be held on March 10, 2026, at 10 a.m. at the United States Bankruptcy Court, The Gateway Building, 201 Penn Street, 4th Floor, Reading, PA 19601. Unless the court orders otherwise, the hearing on this contested matter will be an evidentiary hearing. Requests for participation other than in person must be made pursuant to Local Bankruptcy Rule 9076-1.

4. If you do not file a response to the Motion, the court may cancel the hearing and enter an order granting the relief requested in the Motion.

5. You may contact the Bankruptcy Clerk's Office for Philadelphia cases at (215) 408-2800 and for Reading cases at 610-208-5040 to find out whether the hearing has been canceled because no one filed a response.

6. If a copy of the motion is not enclosed, a copy of the Motion will be provided to you if you request a copy from the attorney whose name and address is listed on the next page of this Notice.

Filing Instructions

1. If you are required to file documents electronically by Local Bankruptcy Rule 5005-2, you must file your response electronically.

2. If you are not required to file electronically, you must file your response at:

Bankruptcy Clerk's Office
201 Penn Street, Suite 103
Reading, PA 19601

3. If you mail your response to the Bankruptcy Clerk's Office for filing, you must mail it early enough so that it will be received on or before the date stated in Paragraph 2 on the previous page of this Notice.

4. On the same day that you file or mail your Response to the Motion, you must mail or deliver a copy of the Response to the movant's attorney:

Brett L. Messinger
Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103

Dated: February 18, 2026

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF PENNSYLVANIA

In re: Whitehall Trust, Debtor.	Chapter 11 Bankruptcy No. 4:25-bk-15241 (Jointly Administered)

[PROPOSED] ORDER

AND NOW, this ____ day of _____, 2026, upon Receiver Duane Morris LLP, through Erin Duffy, Esquire's Motion for Entry of Order Allowing and Directing Payment of Administrative Expenses Pursuant to PURSUANT TO 11 U.S.C. § 503(b)(3)(E), and any responses thereto, it is hereby ORDERED as follows:

1. The Motion is GRANTED; and

2. It is allowed and authorized the payment of an administrative expense from the Whitehall Trust and Saucon Trust estates to the Receiver in the amount of $304,239.28, plus additional amounts that have been incurred.

_____
U.S.B.J.

Exhibit A

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.

Exhibit B

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 C

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**
v.	:	**NO. 24-2627**
WHITEHALL FIDUCIARY LLC, as TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2027	:	

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**
v.	:	**NO. 24-2709**
SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007	:	

ORDER

AND NOW, this 2nd day of May 2025, upon consideration of Plaintiff's Motion for Appointment of a Receiver (Docket No. 8 (24-2627) and Docket No. 17 (24-2709)), Defendants' opposition thereto, as well as all replies and sur-replies, and after oral argument being held, it is hereby **ORDERED** that Plaintiff's Motions are **GRANTED**. It is further **ORDERED** as follows:

I. APPOINTMENT OF THE RECEIVER

1. Duane Morris LLP through Erin Duffy, Esq. is appointed as Receiver 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 real and personal, tangible and intangible property (including, without limitation, all structures, leases, fixtures and moveable personal property, in addition to all of the property set forth in paragraph 6(a) hereof) owned by Whitehall Fiduciary LLC, as Trustee of Whitehall Trust U/T/A Dated August 1, 2007 ("Whitehall") at 1177 6th Street, Whitehall, PA and Saucon Trust U/T/A Dated October 1, 2007 ("Saucon") at 1050 Main Street, Unit # 1, Hellertown, PA (collectively the "Properties"); 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, as defined in the Complaints.

II. TERM OF THE RECEIVER

2. The Receiver shall serve as the receiver for the Properties for a period which shall commence on the date of this Order and shall continue, notwithstanding the entry of judgment in favor of Lehigh Valley 1 LLC (by consent or otherwise), subject to the terms of paragraph 3 below, until the earliest to occur of: (i) the termination of such appointment by a subsequent Order of Court; (ii) Lehigh Valley 1 LLC's (or its nominee's, designee's or assignee's) acquisition of title to the Leasehold Estate through the delivery to Lehigh Valley 1 LLC (or its nominee, designee or assignee) of a sheriff's assignment or by assignment in lieu of foreclosure; or (iii) full payment of all sums due and owing under the "Loan Documents" (as defined in Plaintiff's Complaints).

3. Notwithstanding the terms of paragraph 2, at Lehigh Valley 1 LLC's request, and upon Court approval, following the occurrence of the events described in part (iii) of paragraph 2, the Receiver shall continue the receivership for such reasonable period as may be necessary to wind up the receivership.

4. The receivership may be terminated at any time by Lehigh Valley 1 LLC filing with the Court and serving upon the Receiver, Whitehall, and Saucon a Notice of Request to Terminate Appointment of the Receiver (a "Termination Request").

5. Within 30 days after the termination of the receivership, the Receiver shall file with the Court and serve upon Lehigh Valley 1 LLC, Whitehall and Saucon its final report and accounting for the receivership, and the Receiver or Lehigh Valley 1 LLC may request that the Court enter an Order approving such final report and accounting and discharging the Receiver from its duties under this Order.

III. POWERS AND DUTIES OF THE RECEIVER

6. The Receiver shall have all necessary powers to manage the rents and profits of the Property, including the following powers:

(a) To enter and take immediate possession of the Property, and to demand, collect and receive the rents, income, revenues, proceeds and profits derived from tenants at the Property, their sublessees or any occupants in possession, including maintenance fees, management fees, special assessments and/or other charges relating to the Property, which are now due and unpaid or which may become due hereafter (collectively, the "Rents"), and all personal property owned or utilized by Lehigh Valley 1 LLC that relates to the management or operation of the Property, including all books, records, bank accounts, reserve accounts, cash on hand, keys, and combinations for locks or other access information in the possession of or reasonably available to Whitehall, Saucon or their property managers (collectively, the "Receivership Properties");

(b) To access and use office equipment at the Properties used by Whitehall, Saucon or their property managers, including computer equipment, software programs and passwords;

(c) To take all actions necessary to preserve, maintain, operate, and manage the Property. The Receiver must obtain Lehigh Valley 1 LLC's prior written consent before any such expenditures are made;

(d) To employ counsel and, with the consent of Lehigh Valley 1 LLC, accountants or other professionals, contractors and support personnel and other persons necessary

in order to carry out its duties as the Receiver and to preserve, maintain and operate the Property, and to compensate such persons at competitive rates, without further Order of this Court, at their respective hourly rates, plus reimbursement of all reasonable and necessary out-of- pocket expenses;

(e) To commence, prosecute, continue or defend actions at law or in equity (in its own name or in the names of Whitehall or Saucon) 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;

(f) To continue in effect, modify or terminate (if and to the extent terminable without penalty or premium unless such termination penalty or premium shall be paid by the Receiver) agreements, contracts, understandings or commitments entered into by Whitehall or Saucon with respect to the Properties, to the extent permitted by applicable law, and to make additional agreements and contracts reasonably necessary for the operation and preservation of the Properties;

(g) To retain a reputable management company (including, but not limited to, an affiliate of the Receiver), maintenance personnel, broker, leasing agent and/or marketing agent to operate and manage the Properties, and to market the Properties for rent, without further order of this Court, but with the consent of Lehigh Valley 1 LLC, and at competitive rates plus reimbursement of its reasonable and necessary out-of-pocket expenses;

(h) To pay all past-due and current insurance premiums, taxes, assessments, sewer and utility charges levied against the Properties, and (with the consent of Lehigh Valley 1 LLC) to purchase merchandise, construction and other materials, supplies and services as the Receiver deems necessary and advisable to assist the Receiver in performing its duties and to pay the ordinary and usual rates and prices;

(i) To open and utilize any new bank accounts as the Receiver deems necessary

or desirable in connection, and the Receiver is authorized, empowered and directed to use Whitehall's and/or Saucon's tax identification number in connection with the revenue and expenses with respect to the Properties;

(j) To make, enter into, enforce, terminate, modify or accept a surrender of any of the Leases (as defined in the Mortgage); to obtain and evict occupants (subject to applicable laws and regulations); to bring or defend any suits in connection with the Leases or Rents in its own name or in the name of Whitehall or Saucon; to compromise any Rents or other payments, income or proceeds that may become due; and to sue for or otherwise collect and receive all Rents, including those past due and unpaid. 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. Tenants, **occupants, and licensees** of the Properties are enjoined from paying any rent or lease payment to the Defendant, its agents, servants or attorneys, and if they do so, they may be held liable to Receiver and Plaintiff for these sums;

(k) To present for payment any checks, money orders or other forms of payment made payable to Whitehall, Saucon, their property managers, or any other agent, assignee or nominee of Whitehall or Saucon, which constitute Rents, endorse and collect the proceeds, to be used and maintained as elsewhere provided;

(l) To keep the Properties insured (whether by the existing insurance coverages or new coverages), each of which insurance policy shall name the Receiver and Lehigh Valley 1 LLC as additional insureds, if permitted by the insurer, and shall comply, at a minimum, with the terms of the Loan Documents;

(m) As Receiver, to use for any such purpose any funds of Whitehall or Saucon, including the Rents;

(n) To notify all local, state and federal government agencies, all vendors and suppliers, and any and all others who provide goods and services to the Properties of its appointment as the Receiver;

(o) Receiver is authorized to apply income from the Properties, subject to the lien rights of Lehigh Valley 1 LLC, as follows and in the following order to the extent funds are available: first, to pay Receiver's approved fees and expenses which include the Receiver's attorneys' fees related to the receivership; second, to pay all operating expenses with respect to the Properties (other than the obligations owed to Plaintiff under the Loan Documents); third, to pay all capital obligations with respect to the Properties; fourth, to fund reasonable reserves for anticipated operating expenses and capital obligations with respect to the Properties; and lastly, to pay the obligations owed to Plaintiff under the Loan Documents;

(p) To take any and all steps necessary to receive, collect and review all mail or other parcels relating to the Properties addressed to Whitehall, Saucon and/or their property managers, including, but not limited to, mail or other parcels addressed to any post office boxes held in the name of Whitehall, Saucon, their property managers, or any other agent, assignee or nominee of Whitehall or Saucon, and to instruct the U.S. Postmaster and any other mail or parcel carrier or service to re-route, hold, and/or release said mail or other parcels to the Receiver; provided that any mail and other parcels addressed to Whitehall or Saucon that do not relate to the Properties and reviewed by the Receiver in the performance of its duties will be forwarded to Whitehall, Saucon or their property managers by the Receiver after its review;

(q) With prior written consent and authorization from Lehigh Valley 1 LLC to delegate or assign any and all rights and powers of the Receiver set forth herein, in the reasonable discretion of the Receiver;

(r) To apply to this Court for further direction and for such further powers as may be necessary to enable the Receiver to fulfill its duties;

(s) To keep a true and accurate account of any and all receipts and expenditures for the Properties;

(t) Receiver shall, within 30 days of qualification and appointment, provide Lehigh Valley 1 LLC, Whitehall and Saucon with an inventory of all property of which Receiver has taken possession. If Receiver subsequently comes into possession of additional property, Receiver will provide Lehigh Valley 1 LLC, Whitehall and Saucon with a supplemental inventory;

(u) In addition to any financial, operating, and other reports and information required to be delivered pursuant to the Loan Documents, Receiver shall provide the following documents for the immediate preceding calendar month, which documents are believed by the Receiver as being true, correct, and complete as of the reporting date;

(i) a balance sheet, statement of income and expenses, statement of cash flows for the Properties and on a consolidated basis for all Properties;

(ii) a detailed rent roll for the Properties showing the occupancy of the respective Properties, name of each tenant, occupant, or customer and, for each tenant, occupant, or customer, the space occupied, the lease or occupancy commencement and expiration dates, the rent or fee payable, the rent or fee paid to date and the security deposit being held for such tenant, if any, and a leasing or rental activity report for the Properties each in detail reasonably satisfactory to Petitioner;

(iii) an aged payables report and an aged receivables report for the Properties;

(iv) a capital expenditure report for the Properties;

(v) all bank statements with monthly reconciliations; and

(vi) each of the above will be provided to Plaintiff on a monthly basis.

(v) To pay all ordinary and reasonable costs associated with the Properties arising on or after the date of the Complaint, that were not invoiced by the vendor or provider prior to the date of this Order;

(w) To open any new customer accounts necessary to effectively manage the Properties and/or to require Whitehall and/or Saucon to identify the Receiver as an authorized account user for any existing accounts;

(x) To pay any pre-receivership obligations of Whitehall and Saucon authorized by Lehigh Valley 1 LLC;

(y) To execute a W-9 as an attorney-in-fact for Whitehall and Saucon;

(z) To notify tenants and other persons now or hereafter in possession of all or any portion of the Properties to pay all Rents directly to the Receiver;

(aa) To exercise commercially reasonable discretion in determining whether to refund security deposit to a tenant, in whole or in part, in accordance with the applicable leases or agreements, and to pay any such funds from security deposits turned over from Whitehall, Saucon or (for tenancies arising after the date of this Order) security deposits paid by or on behalf of a tenant first, and then from cash flow generated from Rents, issues, profits, and income from the Properties.

(bb) Receiver and Lehigh Valley 1 LLC are authorized to enter transactions by which Lehigh Valley 1 LLC may lend monies to Receiver (on a nonrecourse basis as to Receiver) to enable Receiver to perform its duties, which shall be secured by a first and prior lien and security interest on the Properties and on all other collateral of Lehigh Valley 1 LLC, in favor of Lehigh Valley 1 LLC as security for such on the same terms and conditions set forth in the Mortgage, subject, however, to the terms of paragraph (cc) below.

(cc) Whitehall and Saucon shall hold in trust for Receiver (and not sell, transfer, assign, lend, pledge, hypothecate, return, reject, revoke or in any other way actually or

constructively dispose of, without Court approval or the written consent of Plaintiff), any certificate, deposit, fund, account, trademark, benefit, liquor or food license or permit, or other right or interest owned by it and used in connection with the Properties, and shall assign (to the extent assignable) any of the same to Receiver upon Receiver's written request.

(dd) Notwithstanding anything contained in this Order, (1) any obligation or liability incurred by the Receiver during the receivership shall not be a personal obligation or liability of Whitehall or Saucon, but shall be collectible only out of the Properties, and the Receiver shall include the foregoing in each agreement, purchase order and other contract it enters into pursuant hereto, and (2) neither Whitehall, Saucon nor any of their affiliates shall be liable for any action or inaction of the Receiver. Receiver covenants not to sue or bring any claim, demand action or suit against Whitehall or Saucon directly or indirectly that is inconsistent with the foregoing and the nonrecourse nature of the obligations of Whitehall and Saucon pursuant to the terms and provisions of the Loan Agreement and other similar provisions contained in the Loan Documents.

7. Neither the Receiver nor any person or entity employed by the Receiver (collectively, the "Receiver Parties") shall be liable to Whitehall, Saucon or to any third party for any act or omission which he, she, it or they have undertaken in good faith; provided, however, nothing contained herein shall release or limit the liability of the Receiver Parties arising from the gross negligence or willful misconduct of the Receiver Parties. The Receiver shall be entitled to all defenses and immunities provided under applicable law, including under *Barton v. Barbour*, 104 U.S. 126 (1881) and its progeny, for acts or omissions within the scope of the Receiver's appointment.

8. Except as provided in this Order, the Receiver shall not be responsible for the payment of any services commissioned or incurred, or goods purchased, prior to the date of this Order, including utility invoices (including electricity, gas, water, sewer, garbage, phone/internet,

etc.), payroll and property vendors, all of which shall remain the responsibility of Whitehall or Saucon.

9. No utility may terminate service to the Properties because of non-payment of pre-receivership obligations without prior order of this Court, nor may the continuation of any utility be conditioned upon the Receiver's payment of any pre-receivership consumption, charges or fees.

10. No insurance company may cancel its existing current-paid policy without prior order of this Court.

IV. TURNOVER BY WHITEHALL AND SAUCON

11. Whitehall, Saucon and all persons acting under their direction are ordered to immediately deliver to Receiver possession of the Properties and each of the following, to the extent owned by Whitehall or Saucon, in the possession or control of Whitehall or Saucon, and relating to the Properties without any right of offset or recoupment:

(a) Property-related information and other property management database files,

(b) All cash collateral for the indebtedness owed by Whitehall or Saucon to Plaintiff (whether consisting of cash on hand, cash in any and all bank accounts or other accounts, all rights to security deposits, if any, including but not limited to amounts that Whitehall or Saucon may have deposited with utility companies, and all other cash and cash equivalents);

(c) All keys to the Properties;

(d) All security deposits, rent, prepaid rent and other sums relating to the use, enjoyment, possession, improvement or occupancy of all or any part of the Properties, in each case, to the extent received by Whitehall or Saucon and any accounts in which any of the foregoing are deposited;

(e) A current list of the occupants of the Properties;

(f) Any and all current Properties accounts receivable and accounts payable reports;

(g) Any and all contracts in effect with respect to the Properties, and any material related correspondence;

(h) Any and all payroll records and other materials reasonably requested by Receiver and related to persons employed by Whitehall, Saucon or their property managers at the Properties;

(i) Certificates evidencing the insurance policies covering the Properties;

(j) Records showing any insured losses to the Properties in the past five years;

(k) Any and all bank statements relating to any accounts maintained by Whitehall or Saucon with respect to the Properties;

(l) The tax identification numbers of Whitehall and Saucon;

(m) Any and all other records pertaining to the management of the Properties to the extent such records are maintained; and

(n) All licenses, certificates, surveys, reports, communications and correspondence from the Commonwealth of Pennsylvania related to the Properties or operations of the Properties for the past twenty-four (24) months.

12. From and after the date Whitehall and Saucon deliver possession of the Properties to Receiver, Whitehall and Saucon shall continue to perform ·or cause to be performed at the sole cost and expense of Whitehall and Saucon all actions necessary for Whitehall and Saucon to keep their organizational status in good standing with their state of organization and the state where the Properties are located, if different, including, without limitation, the timely filing of all required annual reports, tax returns and other similar state and local filings and paying any required fees and charges.

13. Whitehall, Saucon and all persons acting under their direction are ordered to cooperate and use their best efforts to ensure a smooth transition of the management and operation of the Properties to the Receiver, including, but not limited to, requests for information or

documents that pertain to the maintenance, operation or leasing of the Properties or any efforts to collect any sums due;

14. Within three (3) days from the date of this Order, provide the Receiver with the name, title, address, telephone number and email address of a designated representative of Whitehall and Saucon with whom the Receiver shall communicate about the obligations expressed in this Order, and promptly notify the Receiver of any changes.

V. NON-INTERFERENCE BY WHITEHALL AND SAUCON

15. Whitehall, Saucon and their officers, directors, general partners, limited partners, agents, property managers, architects, contractors, subcontractors and employees, and all other persons with actual or constructive knowledge of this Order and their agents and employees, are enjoined from:

(a) Interfering with the Receiver, directly or indirectly, in the management and operation of the Properties or in the collection of Rents;

(b) Extending, dispersing, transferring, assigning, selling, conveying, devising, pledging, mortgaging, creating a security interest in or disposing of the whole or any part of the Properties (including the Rents) without the prior written consent of the Receiver;

(c) Doing any act which will, or will tend to, impair, defeat, divert, prevent or prejudice the preservation of the Properties (including the Rents and licenses or certificates) or the interest of Lehigh Valley 1 LLC in the Properties or the Rents;

(d) Undertaking any efforts to cancel, terminate or modify the coverage provided by any existing insurance policies relating to the Properties before their respective expiration dates; or

(e) Transferring, selling, assigning, revoking, returning, terminating or canceling, or taking or failing to take any action that would compromise, without the consent of the Receiver, any contract, permit, approval, license, privilege, or right necessary for the operation

of business at or use and occupancy of the Properties.

16. In the event Whitehall or Saucon fail to comply with the terms of this Order, the Receiver may seek assistance from the U.S. Marshal to enforce the same.

VI. RECEIVER'S COMPENSATION

17. The Receiver shall be compensated at its standard hourly rates. The Receiver's fee will be $975 per hour and said monthly fee shall be deducted directly from the rents, income and revenue received by Receiver.

18. In addition to the Receiver's fees, the Receiver shall be reimbursed for its reasonable costs, including legal fees, travel expenses, and other business expenses associated with the Receivership. The Receiver may pay itself from Rents, the Receivership Properties, and from the sale of the Properties, if any.

19. The Receiver shall file monthly reports with the Court disclosing its compensation and reimbursement.

VII. BANKRUPTCY OF WHITEHALL AND/OR SAUCON

20. If Whitehall and/or Saucon files a bankruptcy case during the receivership, Lehigh Valley 1 LLC shall give notice of the bankruptcy case to the Court and the Receiver. If the Receiver receives notice that the bankruptcy has been filed and that part of the bankruptcy estate includes the Properties (or any part of them) that are the subject of this Order, the Receiver shall have the following duties:

(a) The Receiver shall give prompt notice of the bankruptcy case to Lehigh Valley 1 LLC.

(b) The Receiver shall immediately contact Lehigh Valley 1 LLC and determine whether Lehigh Valley 1 LLC intends to move in the bankruptcy court for an order for: (i) relief from the automatic stay; and (ii) relief from the Receiver's obligation to turn over the Properties (11 U.S.C. § 543). If Lehigh Valley 1 LLC disclaims in writing any intention to make such a

motion or fails to file such motion within ten court days following its receipt of notice of the bankruptcy filing, the Receiver shall immediately turn over the Properties (or applicable portion thereof) to the appropriate entity (either to the trustee in bankruptcy if one has been appointed or, if not, to the debtor in possession) and otherwise comply with 11 U.S.C. § 543.

If Lehigh Valley 1 LLC intends to seek relief immediately from both the automatic stay and the Receiver's obligation to turn over the Properties, the Receiver may remain in possession and preserve the Properties pending the ruling on those motions unless otherwise ordered by the Bankruptcy Court. (11 U.S.C. § 543(a).) The Receiver's authority to preserve the Properties shall be limited as follows: (i) the Receiver may continue to collect Rents and other income; (ii) the Receiver may make only those disbursements necessary to preserve and protect the Properties; (iii) the Receiver shall not execute any new leases or other long-term contracts without the approval of this Court and the Bankruptcy Court; and (iv) the Receiver shall do nothing that would effect a material change in the circumstances of the Properties.

VIII. MISCELLANEOUS

21. Without limiting any of the general or specific powers granted herein, Receiver is vested with all the powers, rights, and duties provided to receivers under applicable law, and may act in the name of Whitehall and/or Saucon without the approval or consent of the members, managers, directors, officers, partners, or other persons that would be legally required in the absence of the Receiver's appointment to approve or consent to such action.

22. The Receiver shall notify all known creditors of Whitehall or Saucon of the entry of this Order by sending a copy of the Order to the creditor at its last known mailing address.

23. Entry of this Order shall operate as a stay applicable to all persons and entities of:

(a) Any act, including without limitation the commencement or continuation of a judicial, administrative, or other action or proceeding including the issuance of process to obtain possession of Receivership Properties or to interfere with or exercise control over Receivership

Properties, other than the commencement or continuation of a judicial, administrative, or other action or proceeding to enforce any lien having priority over the rights of the Receiver in the Receivership Properties;

(b) Any act to create or perfect any lien against Receivership Properties to the extent that the lien secures a claim that arose before the date of this Order.

24. Without first obtaining leave of this Court, all creditors, directors, equity owners, employees, unions, and other persons, and all others acting on behalf of such person, including sheriffs, Marshals, other officers, deputies, servants, agents, are enjoined from:

(a) Terminating any service, whether utility or otherwise, to or for the Properties without first obtaining express authorization from this Court;

(b) Attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate the due date of any lease, loan, mortgage, indebtedness, security agreement or otherwise affecting the Receivership Properties;

(c) Doing any act to interfere with the Receiver taking control, possession, or management of the Receivership Properties, or to interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Properties;

(d) Engaging in any act to collect, assess, or recover Receivership Properties for a claim against Whitehall or Saucon that arose before the appointment of the Receiver;

(e) Exercising a right of set off against Receivership Properties for a debt owing to Whitehall or Saucon that arose before the appointment of the Receiver.

(f) Plaintiff reserves the right to terminate the Receiver at any time.

(g) This receivership will continue in effect until further order of the Court.

(h) Notwithstanding anything in this Order to the contrary, Lehigh Valley 1's consent shall not be required for Receiver to take actions or make expenditures necessary

to comply with federal and state law or directives regarding the operations of the Properties or to comply with state statutory and regulatory requirements.

BY THE COURT:

s/ Catherine Henry

CATHERINE HENRY, J.

Exhibit D

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, 2027	:	
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 2nd day of May 2025, upon consideration of Plaintiff's Motion for Appointment of a Receiver (Docket No. 8 (24-2627) and Docket No. 17 (24-2709)), Defendants' opposition thereto, as well as all replies and sur-replies, and after oral argument being held, it is hereby **ORDERED** that Plaintiff's Motions are **GRANTED**. It is further **ORDERED** as follows:

I. APPOINTMENT OF THE RECEIVER

1. Duane Morris LLP through Erin Duffy, Esq. is appointed as Receiver 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 real and personal, tangible and intangible property (including, without limitation, all structures, leases, fixtures and moveable personal property, in addition to all of the property set forth in paragraph 6(a) hereof) owned by Whitehall Fiduciary LLC, as Trustee of Whitehall Trust U/T/A Dated August 1, 2007 ("Whitehall") at 1177 6th Street, Whitehall, PA and Saucon Trust U/T/A Dated October 1, 2007 ("Saucon") at 1050 Main Street, Unit # 1, Hellertown, PA (collectively the "Properties"); 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, as defined in the Complaints.

II. TERM OF THE RECEIVER

2. The Receiver shall serve as the receiver for the Properties for a period which shall commence on the date of this Order and shall continue, notwithstanding the entry of judgment in favor of Lehigh Valley 1 LLC (by consent or otherwise), subject to the terms of paragraph 3 below, until the earliest to occur of: (i) the termination of such appointment by a subsequent Order of Court; (ii) Lehigh Valley 1 LLC's (or its nominee's, designee's or assignee's) acquisition of title to the Leasehold Estate through the delivery to Lehigh Valley 1 LLC (or its nominee, designee or assignee) of a sheriff's assignment or by assignment in lieu of foreclosure; or (iii) full payment of all sums due and owing under the "Loan Documents" (as defined in Plaintiff's Complaints).

3. Notwithstanding the terms of paragraph 2, at Lehigh Valley 1 LLC's request, and upon Court approval, following the occurrence of the events described in part (iii) of paragraph 2, the Receiver shall continue the receivership for such reasonable period as may be necessary to wind up the receivership.

4. The receivership may be terminated at any time by Lehigh Valley 1 LLC filing with the Court and serving upon the Receiver, Whitehall, and Saucon a Notice of Request to Terminate Appointment of the Receiver (a "Termination Request").

5. Within 30 days after the termination of the receivership, the Receiver shall file with the Court and serve upon Lehigh Valley 1 LLC, Whitehall and Saucon its final report and accounting for the receivership, and the Receiver or Lehigh Valley 1 LLC may request that the Court enter an Order approving such final report and accounting and discharging the Receiver from its duties under this Order.

III. POWERS AND DUTIES OF THE RECEIVER

6. The Receiver shall have all necessary powers to manage the rents and profits of the Property, including the following powers:

(a) To enter and take immediate possession of the Property, and to demand, collect and receive the rents, income, revenues, proceeds and profits derived from tenants at the Property, their sublessees or any occupants in possession, including maintenance fees, management fees, special assessments and/or other charges relating to the Property, which are now due and unpaid or which may become due hereafter (collectively, the "Rents"), and all personal property owned or utilized by Lehigh Valley 1 LLC that relates to the management or operation of the Property, including all books, records, bank accounts, reserve accounts, cash on hand, keys, and combinations for locks or other access information in the possession of or reasonably available to Whitehall, Saucon or their property managers (collectively, the "Receivership Properties");

(b) To access and use office equipment at the Properties used by Whitehall, Saucon or their property managers, including computer equipment, software programs and passwords;

(c) To take all actions necessary to preserve, maintain, operate, and manage the Property. The Receiver must obtain Lehigh Valley 1 LLC's prior written consent before any such expenditures are made;

(d) To employ counsel and, with the consent of Lehigh Valley 1 LLC, accountants or other professionals, contractors and support personnel and other persons necessary

in order to carry out its duties as the Receiver and to preserve, maintain and operate the Property, and to compensate such persons at competitive rates, without further Order of this Court, at their respective hourly rates, plus reimbursement of all reasonable and necessary out-of- pocket expenses;

(e) To commence, prosecute, continue or defend actions at law or in equity (in its own name or in the names of Whitehall or Saucon) 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;

(f) To continue in effect, modify or terminate (if and to the extent terminable without penalty or premium unless such termination penalty or premium shall be paid by the Receiver) agreements, contracts, understandings or commitments entered into by Whitehall or Saucon with respect to the Properties, to the extent permitted by applicable law, and to make additional agreements and contracts reasonably necessary for the operation and preservation of the Properties;

(g) To retain a reputable management company (including, but not limited to, an affiliate of the Receiver), maintenance personnel, broker, leasing agent and/or marketing agent to operate and manage the Properties, and to market the Properties for rent, without further order of this Court, but with the consent of Lehigh Valley 1 LLC, and at competitive rates plus reimbursement of its reasonable and necessary out-of-pocket expenses;

(h) To pay all past-due and current insurance premiums, taxes, assessments, sewer and utility charges levied against the Properties, and (with the consent of Lehigh Valley 1 LLC) to purchase merchandise, construction and other materials, supplies and services as the Receiver deems necessary and advisable to assist the Receiver in performing its duties and to pay the ordinary and usual rates and prices;

(i) To open and utilize any new bank accounts as the Receiver deems necessary

or desirable in connection, and the Receiver is authorized, empowered and directed to use Whitehall's and/or Saucon's tax identification number in connection with the revenue and expenses with respect to the Properties;

(j) To make, enter into, enforce, terminate, modify or accept a surrender of any of the Leases (as defined in the Mortgage); to obtain and evict occupants (subject to applicable laws and regulations); to bring or defend any suits in connection with the Leases or Rents in its own name or in the name of Whitehall or Saucon; to compromise any Rents or other payments, income or proceeds that may become due; and to sue for or otherwise collect and receive all Rents, including those past due and unpaid. 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. Tenants, **occupants, and licensees** of the Properties are enjoined from paying any rent or lease payment to the Defendant, its agents, servants or attorneys, and if they do so, they may be held liable to Receiver and Plaintiff for these sums;

(k) To present for payment any checks, money orders or other forms of payment made payable to Whitehall, Saucon, their property managers, or any other agent, assignee or nominee of Whitehall or Saucon, which constitute Rents, endorse and collect the proceeds, to be used and maintained as elsewhere provided;

(l) To keep the Properties insured (whether by the existing insurance coverages or new coverages), each of which insurance policy shall name the Receiver and Lehigh Valley 1 LLC as additional insureds, if permitted by the insurer, and shall comply, at a minimum, with the terms of the Loan Documents;

(m) As Receiver, to use for any such purpose any funds of Whitehall or Saucon, including the Rents;

(n) To notify all local, state and federal government agencies, all vendors and suppliers, and any and all others who provide goods and services to the Properties of its appointment as the Receiver;

(o) Receiver is authorized to apply income from the Properties, subject to the lien rights of Lehigh Valley 1 LLC, as follows and in the following order to the extent funds are available: first, to pay Receiver's approved fees and expenses which include the Receiver's attorneys' fees related to the receivership; second, to pay all operating expenses with respect to the Properties (other than the obligations owed to Plaintiff under the Loan Documents); third, to pay all capital obligations with respect to the Properties; fourth, to fund reasonable reserves for anticipated operating expenses and capital obligations with respect to the Properties; and lastly, to pay the obligations owed to Plaintiff under the Loan Documents;

(p) To take any and all steps necessary to receive, collect and review all mail or other parcels relating to the Properties addressed to Whitehall, Saucon and/or their property managers, including, but not limited to, mail or other parcels addressed to any post office boxes held in the name of Whitehall, Saucon, their property managers, or any other agent, assignee or nominee of Whitehall or Saucon, and to instruct the U.S. Postmaster and any other mail or parcel carrier or service to re-route, hold, and/or release said mail or other parcels to the Receiver; provided that any mail and other parcels addressed to Whitehall or Saucon that do not relate to the Properties and reviewed by the Receiver in the performance of its duties will be forwarded to Whitehall, Saucon or their property managers by the Receiver after its review;

(q) With prior written consent and authorization from Lehigh Valley 1 LLC to delegate or assign any and all rights and powers of the Receiver set forth herein, in the reasonable discretion of the Receiver;

(r) To apply to this Court for further direction and for such further powers as may be necessary to enable the Receiver to fulfill its duties;

(s) To keep a true and accurate account of any and all receipts and expenditures for the Properties;

(t) Receiver shall, within 30 days of qualification and appointment, provide Lehigh Valley 1 LLC, Whitehall and Saucon with an inventory of all property of which Receiver has taken possession. If Receiver subsequently comes into possession of additional property, Receiver will provide Lehigh Valley 1 LLC, Whitehall and Saucon with a supplemental inventory;

(u) In addition to any financial, operating, and other reports and information required to be delivered pursuant to the Loan Documents, Receiver shall provide the following documents for the immediate preceding calendar month, which documents are believed by the Receiver as being true, correct, and complete as of the reporting date;

(i) a balance sheet, statement of income and expenses, statement of cash flows for the Properties and on a consolidated basis for all Properties;

(ii) a detailed rent roll for the Properties showing the occupancy of the respective Properties, name of each tenant, occupant, or customer and, for each tenant, occupant, or customer, the space occupied, the lease or occupancy commencement and expiration dates, the rent or fee payable, the rent or fee paid to date and the security deposit being held for such tenant, if any, and a leasing or rental activity report for the Properties each in detail reasonably satisfactory to Petitioner;

(iii) an aged payables report and an aged receivables report for the Properties;

(iv) a capital expenditure report for the Properties;

(v) all bank statements with monthly reconciliations; and

(vi) each of the above will be provided to Plaintiff on a monthly basis.

(v) To pay all ordinary and reasonable costs associated with the Properties arising on or after the date of the Complaint, that were not invoiced by the vendor or provider prior to the date of this Order;

(w) To open any new customer accounts necessary to effectively manage the Properties and/or to require Whitehall and/or Saucon to identify the Receiver as an authorized account user for any existing accounts;

(x) To pay any pre-receivership obligations of Whitehall and Saucon authorized by Lehigh Valley 1 LLC;

(y) To execute a W-9 as an attorney-in-fact for Whitehall and Saucon;

(z) To notify tenants and other persons now or hereafter in possession of all or any portion of the Properties to pay all Rents directly to the Receiver;

(aa) To exercise commercially reasonable discretion in determining whether to refund security deposit to a tenant, in whole or in part, in accordance with the applicable leases or agreements, and to pay any such funds from security deposits turned over from Whitehall, Saucon or (for tenancies arising after the date of this Order) security deposits paid by or on behalf of a tenant first, and then from cash flow generated from Rents, issues, profits, and income from the Properties.

(bb) Receiver and Lehigh Valley 1 LLC are authorized to enter transactions by which Lehigh Valley 1 LLC may lend monies to Receiver (on a nonrecourse basis as to Receiver) to enable Receiver to perform its duties, which shall be secured by a first and prior lien and security interest on the Properties and on all other collateral of Lehigh Valley 1 LLC, in favor of Lehigh Valley 1 LLC as security for such on the same terms and conditions set forth in the Mortgage, subject, however, to the terms of paragraph (cc) below.

(cc) Whitehall and Saucon shall hold in trust for Receiver (and not sell, transfer, assign, lend, pledge, hypothecate, return, reject, revoke or in any other way actually or

constructively dispose of, without Court approval or the written consent of Plaintiff), any certificate, deposit, fund, account, trademark, benefit, liquor or food license or permit, or other right or interest owned by it and used in connection with the Properties, and shall assign (to the extent assignable) any of the same to Receiver upon Receiver's written request.

(dd) Notwithstanding anything contained in this Order, (1) any obligation or liability incurred by the Receiver during the receivership shall not be a personal obligation or liability of Whitehall or Saucon, but shall be collectible only out of the Properties, and the Receiver shall include the foregoing in each agreement, purchase order and other contract it enters into pursuant hereto, and (2) neither Whitehall, Saucon nor any of their affiliates shall be liable for any action or inaction of the Receiver. Receiver covenants not to sue or bring any claim, demand action or suit against Whitehall or Saucon directly or indirectly that is inconsistent with the foregoing and the nonrecourse nature of the obligations of Whitehall and Saucon pursuant to the terms and provisions of the Loan Agreement and other similar provisions contained in the Loan Documents.

7. Neither the Receiver nor any person or entity employed by the Receiver (collectively, the "Receiver Parties") shall be liable to Whitehall, Saucon or to any third party for any act or omission which he, she, it or they have undertaken in good faith; provided, however, nothing contained herein shall release or limit the liability of the Receiver Parties arising from the gross negligence or willful misconduct of the Receiver Parties. The Receiver shall be entitled to all defenses and immunities provided under applicable law, including under *Barton v. Barbour*, 104 U.S. 126 (1881) and its progeny, for acts or omissions within the scope of the Receiver's appointment.

8. Except as provided in this Order, the Receiver shall not be responsible for the payment of any services commissioned or incurred, or goods purchased, prior to the date of this Order, including utility invoices (including electricity, gas, water, sewer, garbage, phone/internet,

etc.), payroll and property vendors, all of which shall remain the responsibility of Whitehall or Saucon.

9. No utility may terminate service to the Properties because of non-payment of pre-receivership obligations without prior order of this Court, nor may the continuation of any utility be conditioned upon the Receiver's payment of any pre-receivership consumption, charges or fees.

10. No insurance company may cancel its existing current-paid policy without prior order of this Court.

IV. TURNOVER BY WHITEHALL AND SAUCON

11. Whitehall, Saucon and all persons acting under their direction are ordered to immediately deliver to Receiver possession of the Properties and each of the following, to the extent owned by Whitehall or Saucon, in the possession or control of Whitehall or Saucon, and relating to the Properties without any right of offset or recoupment:

(a) Property-related information and other property management database files,

(b) All cash collateral for the indebtedness owed by Whitehall or Saucon to Plaintiff (whether consisting of cash on hand, cash in any and all bank accounts or other accounts, all rights to security deposits, if any, including but not limited to amounts that Whitehall or Saucon may have deposited with utility companies, and all other cash and cash equivalents);

(c) All keys to the Properties;

(d) All security deposits, rent, prepaid rent and other sums relating to the use, enjoyment, possession, improvement or occupancy of all or any part of the Properties, in each case, to the extent received by Whitehall or Saucon and any accounts in which any of the foregoing are deposited;

(e) A current list of the occupants of the Properties;

(f) Any and all current Properties accounts receivable and accounts payable reports;

(g) Any and all contracts in effect with respect to the Properties, and any material related correspondence;

(h) Any and all payroll records and other materials reasonably requested by Receiver and related to persons employed by Whitehall, Saucon or their property managers at the Properties;

(i) Certificates evidencing the insurance policies covering the Properties;

(j) Records showing any insured losses to the Properties in the past five years;

(k) Any and all bank statements relating to any accounts maintained by Whitehall or Saucon with respect to the Properties;

(l) The tax identification numbers of Whitehall and Saucon;

(m) Any and all other records pertaining to the management of the Properties to the extent such records are maintained; and

(n) All licenses, certificates, surveys, reports, communications and correspondence from the Commonwealth of Pennsylvania related to the Properties or operations of the Properties for the past twenty-four (24) months.

12. From and after the date Whitehall and Saucon deliver possession of the Properties to Receiver, Whitehall and Saucon shall continue to perform ·or cause to be performed at the sole cost and expense of Whitehall and Saucon all actions necessary for Whitehall and Saucon to keep their organizational status in good standing with their state of organization and the state where the Properties are located, if different, including, without limitation, the timely filing of all required annual reports, tax returns and other similar state and local filings and paying any required fees and charges.

13. Whitehall, Saucon and all persons acting under their direction are ordered to cooperate and use their best efforts to ensure a smooth transition of the management and operation of the Properties to the Receiver, including, but not limited to, requests for information or

documents that pertain to the maintenance, operation or leasing of the Properties or any efforts to collect any sums due;

14. Within three (3) days from the date of this Order, provide the Receiver with the name, title, address, telephone number and email address of a designated representative of Whitehall and Saucon with whom the Receiver shall communicate about the obligations expressed in this Order, and promptly notify the Receiver of any changes.

V. NON-INTERFERENCE BY WHITEHALL AND SAUCON

15. Whitehall, Saucon and their officers, directors, general partners, limited partners, agents, property managers, architects, contractors, subcontractors and employees, and all other persons with actual or constructive knowledge of this Order and their agents and employees, are enjoined from:

(a) Interfering with the Receiver, directly or indirectly, in the management and operation of the Properties or in the collection of Rents;

(b) Extending, dispersing, transferring, assigning, selling, conveying, devising, pledging, mortgaging, creating a security interest in or disposing of the whole or any part of the Properties (including the Rents) without the prior written consent of the Receiver;

(c) Doing any act which will, or will tend to, impair, defeat, divert, prevent or prejudice the preservation of the Properties (including the Rents and licenses or certificates) or the interest of Lehigh Valley 1 LLC in the Properties or the Rents;

(d) Undertaking any efforts to cancel, terminate or modify the coverage provided by any existing insurance policies relating to the Properties before their respective expiration dates; or

(e) Transferring, selling, assigning, revoking, returning, terminating or canceling, or taking or failing to take any action that would compromise, without the consent of the Receiver, any contract, permit, approval, license, privilege, or right necessary for the operation

of business at or use and occupancy of the Properties.

16. In the event Whitehall or Saucon fail to comply with the terms of this Order, the Receiver may seek assistance from the U.S. Marshal to enforce the same.

VI. RECEIVER'S COMPENSATION

17. The Receiver shall be compensated at its standard hourly rates. The Receiver's fee will be $975 per hour and said monthly fee shall be deducted directly from the rents, income and revenue received by Receiver.

18. In addition to the Receiver's fees, the Receiver shall be reimbursed for its reasonable costs, including legal fees, travel expenses, and other business expenses associated with the Receivership. The Receiver may pay itself from Rents, the Receivership Properties, and from the sale of the Properties, if any.

19. The Receiver shall file monthly reports with the Court disclosing its compensation and reimbursement.

VII. BANKRUPTCY OF WHITEHALL AND/OR SAUCON

20. If Whitehall and/or Saucon files a bankruptcy case during the receivership, Lehigh Valley 1 LLC shall give notice of the bankruptcy case to the Court and the Receiver. If the Receiver receives notice that the bankruptcy has been filed and that part of the bankruptcy estate includes the Properties (or any part of them) that are the subject of this Order, the Receiver shall have the following duties:

(a) The Receiver shall give prompt notice of the bankruptcy case to Lehigh Valley 1 LLC.

(b) The Receiver shall immediately contact Lehigh Valley 1 LLC and determine whether Lehigh Valley 1 LLC intends to move in the bankruptcy court for an order for: (i) relief from the automatic stay; and (ii) relief from the Receiver's obligation to turn over the Properties (11 U.S.C. § 543). If Lehigh Valley 1 LLC disclaims in writing any intention to make such a

motion or fails to file such motion within ten court days following its receipt of notice of the bankruptcy filing, the Receiver shall immediately turn over the Properties (or applicable portion thereof) to the appropriate entity (either to the trustee in bankruptcy if one has been appointed or, if not, to the debtor in possession) and otherwise comply with 11 U.S.C. § 543.

If Lehigh Valley 1 LLC intends to seek relief immediately from both the automatic stay and the Receiver's obligation to turn over the Properties, the Receiver may remain in possession and preserve the Properties pending the ruling on those motions unless otherwise ordered by the Bankruptcy Court. (11 U.S.C. § 543(a).) The Receiver's authority to preserve the Properties shall be limited as follows: (i) the Receiver may continue to collect Rents and other income; (ii) the Receiver may make only those disbursements necessary to preserve and protect the Properties; (iii) the Receiver shall not execute any new leases or other long-term contracts without the approval of this Court and the Bankruptcy Court; and (iv) the Receiver shall do nothing that would effect a material change in the circumstances of the Properties.

VIII. MISCELLANEOUS

21. Without limiting any of the general or specific powers granted herein, Receiver is vested with all the powers, rights, and duties provided to receivers under applicable law, and may act in the name of Whitehall and/or Saucon without the approval or consent of the members, managers, directors, officers, partners, or other persons that would be legally required in the absence of the Receiver's appointment to approve or consent to such action.

22. The Receiver shall notify all known creditors of Whitehall or Saucon of the entry of this Order by sending a copy of the Order to the creditor at its last known mailing address.

23. Entry of this Order shall operate as a stay applicable to all persons and entities of:

(a) Any act, including without limitation the commencement or continuation of a judicial, administrative, or other action or proceeding including the issuance of process to obtain possession of Receivership Properties or to interfere with or exercise control over Receivership

Properties, other than the commencement or continuation of a judicial, administrative, or other action or proceeding to enforce any lien having priority over the rights of the Receiver in the Receivership Properties;

(b) Any act to create or perfect any lien against Receivership Properties to the extent that the lien secures a claim that arose before the date of this Order.

24. Without first obtaining leave of this Court, all creditors, directors, equity owners, employees, unions, and other persons, and all others acting on behalf of such person, including sheriffs, Marshals, other officers, deputies, servants, agents, are enjoined from:

(a) Terminating any service, whether utility or otherwise, to or for the Properties without first obtaining express authorization from this Court;

(b) Attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate the due date of any lease, loan, mortgage, indebtedness, security agreement or otherwise affecting the Receivership Properties;

(c) Doing any act to interfere with the Receiver taking control, possession, or management of the Receivership Properties, or to interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Properties;

(d) Engaging in any act to collect, assess, or recover Receivership Properties for a claim against Whitehall or Saucon that arose before the appointment of the Receiver;

(e) Exercising a right of set off against Receivership Properties for a debt owing to Whitehall or Saucon that arose before the appointment of the Receiver.

(f) Plaintiff reserves the right to terminate the Receiver at any time.

(g) This receivership will continue in effect until further order of the Court.

(h) Notwithstanding anything in this Order to the contrary, Lehigh Valley 1's consent shall not be required for Receiver to take actions or make expenditures necessary

to comply with federal and state law or directives regarding the operations of the Properties or to comply with state statutory and regulatory requirements.

BY THE COURT:

s/ Catherine Henry

CATHERINE HENRY, J.

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	:	

RECEIVER'S MOTION FOR CONTEMPT

Receiver, Duane Morris LLP through Erin Duffy, Esq., respectfully moves the Court to hold Defendants Saucon Trust and Whitehall Fiduciary LLC in civil contempt for violating the order granting Plaintiffs' Motion for Appointment of a Receiver (the "Order") (Order, ECF No. 65, *Whitehall Fiduciary LLC*, No. 5:24-cv-02627 (E.D. Pa. 2024); ECF No. 58, *Saucon Trust,* No. 24-cv-02627-CH (E.D. Pa. 2024)) and to impose contempt sanctions.

As reflected in the brief in support of this motion, Defendants have refused and failed to produce any records required for Receivership duties. Defendants have refused despite knowledge

of the Order and should thus be held in contempt. Receiver submits a proposed Order of Contempt for the Court's consideration.

Dated: May 30, 2025

Respectfully submitted,

By: */s/Leigh M. Skipper*

Leigh M. Skipper (#49239)
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Receiver Duane Morris LLP

CERTIFICATE OF SERVICE

I, Leigh M. Skipper, certify that I served a true and correct copy of the foregoing and related documents to all counsel of record by ECF filing.

Dated: May 30, 2025 By: */s/Leigh M. Skipper*

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**
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v.	:	
SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007	:	

RECEIVER'S MEMORANDUM OF LAW IN SUPPORT OF RECEIVER'S MOTION FOR CONTEMPT

Receiver, Duane Morris LLP through Erin Duffy, Esq., respectfully moves this Honorable Court to hold Defendants Saucon Trust ("Saucon") and Whitehall Fiduciary LLC ("Whitehall") in civil contempt of the Court's May 2, 2025 order appointing the receiver (Docket Nos. 58 (02709) and 56 (24-2627) (the "Order"), as a result of Defendants' refusal to produce required records, and to impose sanctions to encourage compliance with the Order.[1]

[1] Defendants' repeated assertion that the operating companies are not subject to the Court's Order is misplaced. "A person who is not a party to a proceeding may be held in contempt if he or she has actual knowledge of a court's

In support thereof, Receiver states as follows:

I. STATEMENT OF FACTS

1. This case concerns two consolidated mortgage actions brought by Lehigh Valley 1, LLC against Defendants Whitehall Fiduciary LLC and Saucon Trust, owners of residential senior living facilities.

2. This Court, on May 2, 2025, granted Lehigh Valley 1, LLC's Motion for Appointment of a Receiver, finding that that there is a "[f]oreclosure will not serve to prevent the damage that may be done to the Properties while the case is running its course" and, tellingly, noting that "neither Whitehall nor Saucon will provide Lehigh with recent financial statements or any proof that the taxes on the Properties have been paid or that the Properties are properly insured." Memo. Opinion, ECF No. 65, *Lehigh Valley 1 LLC v. Whitehall Fiduciary LLC as Tr. of Whitehall Tr. U/T/A Dated Aug. 1, 2027*, No. CV 24-2627, 2025 WL 1285816, at *5 (E.D. Pa. May 2, 2025).

3. The Court, in its corresponding order granting Lehigh Valley 1, LLC's motion (the "Order"), appointed Duane Morris through Erin Duffy, Esq. as the Receiver. Order, ECF No. 65, *Whitehall Fiduciary LLC*, No. 5:24-cv-02627 (E.D. Pa. 2024); ECF No. 58, *Saucon Trust,* No. 24-cv-02627-CH (E.D. Pa. 2024).

4. The Order contains clear language requiring "Whitehall, Saucon, and all persons acting under their direction" to immediately deliver to Receiver possession of all contracts, bank statements, property management database files, security deposits, licenses, security deposits and rents, among other property. Order, ECF No. 58, at 10-11.

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order and either abets the defendant or is legally identified with him." *Roe v. Operation Rescue*, 919 F.2d 857, 871 (3d Cir. 1990) (quoting *Quinter v. Volkswagen of America***,** 676 F.2d 969, 972 (3d Cir. 1982).

5. The Order further authorizes the Receiver to "enter and take immediate possession of the Property, and to demand, collect and receive the rents, income, revenues, proceeds and profits derived from tenants" and "take all actions necessary to preserve, maintain, operate and manage the Property." *Id.* at 3.

6. Saucon and Whitehall then filed a notice of appeal relating to the Order. Defs. Notice of Appeal, ECF No. 66 (No. 24-cv-02627-CH); ECF No. 59 (No. 5:24-cv-02709-CH).

7. During a call on May 8, 2025 between Erin Duffy and Raymond Lahoud, counsel for Defendants, Saucon and Whitehall, Erin Duffy requested production of books and records per the Order. Defendants' counsel objected to the production of such records by noting that because operating companies are not parties to the case, they are not subject to any of the Order's books and records production requirements.

8. Saucon and Whitehall's position became more evident when attorneys for Duane Morris LLP on May 21, 2025, traveled to an in-person inspection of both senior living facilities. Receiver attorneys requested to inspect the facilities and photograph the physical conditions, and to receive records due to Duane Morris LLP, per the Order.

9. Upon arrival, counsel for the operator companies of the personal care homes by telephone call informed Receiver attorneys that they would not be able to access any records but would be able to tour the facilities. Operating companies' counsel noted that, per his interpretation of the Order, Receiver attorneys were permitted to inspect only "the brick-and-mortar." Given operating companies' counsel's position, Receiver attorneys toured the physical premises accompanied by a cooperative employee and did not receive

or inspect any records. Despite Receiver attorneys' request, attorneys did not receive any books and records during the facility inspection.

10. Defendants, Saucon and Whitehall, on May 27, 2025, filed a motion to stay the appointment of a receiver. Defs. Motion to Stay, ECF No. 68 (No. 24-cv-02627-CH); ECF No. 61 (No. 5:24-cv-02709-CH). By way of the motion, Saucon and Whitehall affirm that Receiver attorneys requested operational reports[2] while at the facilities, but do not explicitly note that Receiver attorneys were refused such documentation. *Id.* at 4.

11. Saucon and Whitehall additionally reiterate the theories that the Order is 1) ambiguously written and 2) because the operating companies are not parties to the litigation, they do not "owe any contractual duties to the Plaintiffs." *Id.* at 5.

12. Saucon and Whitehall as of May 30, 2025, have not provided any requested documents per the Order, including the lease.

13. Upon information and belief, there is a proposed Sheriff's sale of Defendant Saucon's property located at 1050 Main Street, Hellertown, Pennsylvania, attached as Exhibit A. Per the Notice of Sheriff's Sale that Receiver has obtained, the Saucon property is scheduled to be sold on Friday, August 8, 2025. *Id.* This proposed sale furthers the Receiver's immediate need to protect the assets.

14. Given Defendants, Saucon and Whitehall's, noncompliance with the Court's duly issued Order, and Receiver's need to protect and preserve all assets and operations, said motion should be granted.

II. ARGUMENT

[2] Defendants use the language "operational reports," which Receiver interprets to include access and control of all books and records within the scope of the Court's Order.

A. Saucon and Whitehall Had Notice of a Valid Court Order and Disobeyed That Order

This Court may enforce compliance with its Receivership Order by way of civil contempt sanctions. *See Roe v. Operation Rescue*, 919 F.2d 857, 868-869 (3d Cir. 1990); *see also U.S. v. Baker Funeral Home, Ltd.,* 196 F. Supp. 3d 530, 551 (E.D. Pa. 2016) (granting a civil contempt motion where parties did not comply with a receivership order in part by refusing valid requests for information). Coercive sanctions for civil contempt, such as fines, are designed to "[ensure] that the contemnor adheres to the court's order." *Shelton v. FCS Cap. LLC*, No. 2:18-CV-03723-JDW, 2020 WL 4196211, at *2 (E.D. Pa. July 21, 2020) (citing *Latrobe Steel Co. v. United Steelworkers of Am.*, 545 F.2d 1336, 1343 (3d Cir. 1976) ("The court may also specify that a disobedient party will be fined a certain amount for each day of non-compliance.")

A Court may find civil contempt by a showing of clear and convincing evidence that defendants had knowledge of a valid order and disobeyed the order. *Roe*, 919 F.2d at 871. Clear and convincing evidence is present where there is not "ground to doubt the wrongfulness of the [party's] conduct," though this standard does not require willfulness, nor does it excuse contempt in the presence of good faith. *Baker Funeral Home, Ltd.*, 196 F. Supp. 3d 530, at 549 (quoting *Harris v. City of Philadelphia*, 47 F.3d 1311 (3d Cir. 1995)). Upon prima facie showing of contempt, the nonmoving party has the burden of production to show that compliance with the order is impossible, or to assert substantial compliance. United States v. Rylander**,** 460 U.S. 752**,** 757 (1983); *F.T.C. v. Lane Labs-USA, Inc*., 624 F.3d 575, 590-591 (3d Cir. 2010) (requiring that a party show that it has taken "all reasonable steps" to comply with the order and violated it in a "technical" or "inadvertent way"). While ambiguity may be interpreted in favor of the nonmoving party, the nonmoving party may not simply pick and choose which components of an order to

follow, without falling into contempt. *Shelton*, 2020 WL 4196211, at *3 ("[An] appeal does not justify refusal to comply with a court order in the absence of a stay.")

Here, there is undoubtedly a valid order, entered by this Court after deliberation and supported by issuance of a memorandum. *See* Memo. Opinion, ECF No. 65, *Lehigh Valley 1 LLC v. Whitehall Fiduciary LLC as Tr. of Whitehall Tr. U/T/A Dated Aug. 1, 2027*, No. CV 24-2627, 2025 WL 1285816 (E.D. Pa. May 2, 2025). Further, the nonmoving party may not collaterally challenge the validity of the underlying order by way of contempt proceedings. *Marshak v. Treadwell*, 595 F.3d 478, 486 (3d Cir. 2009) (citing *Roe*, 919 F.2d 857, 871 (3d Cir. 1990)).

Next, there is no doubt that Saucon and Whitehall had clear notice of the Order and the obligations within the Order. Indeed, Saucon and Whitehall moved to stay proceedings related to the Order for which they are now in contempt. Defs. Motion to Stay, ECF No. 68 (No. 24-cv-02627-CH); ECF No. 61 (No. 5:24-cv-02709-CH). *See Shelton*, 2020 WL 4196211, at *3.

Lastly, Saucon and Whitehall clearly and continuously disobeyed the order, and as a result, the Receiver has to date not received a single record from Saucon or Whitehall. Saucon and Whitehall, moreover, acknowledge that Duane Morris LLP's attorneys requested operating reports during their visit to the personal care homes. Defs. Motion to Stay, ECF Nos. 68 and 61, at 4-5. Such requested documents were not produced. As of May 30, 2025, Saucon and Whitehall have violated the following provisions of the Order by not providing financial and operational documentation:

i. Section 24(c) Doing any act to interfere with the Receiver taking control, possession, or management of the Receivership Properties, or to interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Properties;

ii. Section 6(a), (c), (e): The Receiver shall have all necessary powers to manage the rents and profits of the Property, including the following powers:

- (a) To enter and take immediate possession of the Property, and to demand collect and receive the rents, income, revenues, proceeds and profits derived from tenants at the Property, their sublessees or any occupants in possession, including maintenance fees, management fees, special assessments and/or other charges relating to the Property, which are now due and unpaid or which may become due hereafter (collectively, the "Rents"), and all personal property owned or utilized by Lehigh Valley 1 LLC that relates to the management or operation of the Property, including all books, records, bank accounts, reserve accounts, cash on hand, keys, and combinations for locks or other access information in the possession of or reasonably available to Whitehall, Saucon or their property managers (collectively, the "Receivership Properties");
- (c) To take all actions necessary to preserve, maintain, operate, and manage the Property. The Receiver must obtain Lehigh Valley 1 LLC's prior written consent before any such expenditures are made;
- (e) To commence, prosecute, continue or defend actions at law or in equity (in its own name or in the names of Whitehall or Saucon) 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;
- (f) To continue in effect, modify or terminate (if and to the extent terminable without penalty or premium unless such termination penalty or premium shall be paid by the Receiver) agreements, contracts, understandings or commitments entered into by Whitehall or Saucon with respect to the Properties, to the extent permitted by applicable law, and to make additional agreements and contracts reasonably necessary for the operation and preservation of the Properties;

- (j) To make, enter into, enforce, terminate, modify or accept a surrender of any of the Leases (as defined in the Mortgage); to obtain and evict occupants (subject to applicable laws and regulations); to bring or defend any suits in connection with the Leases or Rents in its own name or in the name of Whitehall or Saucon; to compromise any Rents or other payments, income or proceeds that may become due; and to sue for or otherwise collect and receive all Rents, including those past due and unpaid. 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. Tenants, occupants, and licensees of the Properties are enjoined from paying any rent or lease payment to the Defendant, its agents, servants or attorneys, and if they do so, they may be held liable to Receiver and Plaintiff for these sums;

iii. Section 11. Whitehall, Saucon and all persons acting under their direction are ordered to immediately deliver to Receiver possession of the Properties and each of the following, to the extent owned by Whitehall or Saucon, in the possession or control of Whitehall or Saucon, and relating to the Properties without any right of offset or recoupment:

- (a) Property-related information and other property management database files,
- (b) All cash collateral for the indebtedness owed by Whitehall or Saucon to Plaintiff (whether consisting of cash on hand, cash in any and all bank accounts or other accounts, all rights to security deposits, if any, including but not limited to amounts that Whitehall or Saucon may have deposited with utility companies, and all other cash and cash equivalents);
- (c) All keys to the Properties;
- (d) All security deposits, rent, prepaid rent and other sums relating to the use, enjoyment, possession, improvement or occupancy of all or any part of the Properties,

in each case, to the extent received by Whitehall or Saucon and any accounts in which any of the foregoing are deposited;

- (e) A current list of the occupants of the Properties;
- (f) Any and all current Properties accounts receivable and accounts payable
- (g) Any and all contracts in effect with respect to the Properties, and any material related correspondence;
- (h) Any and all payroll records and other materials reasonably requested by
- Receiver and related to persons employed by Whitehall, Saucon or their property managers at the Properties;
- (i) Certificates evidencing the insurance policies covering the Properties;
- (j) Records showing any insured losses to the Properties in the past five years;
- (k) Any and all bank statements relating to any accounts maintained by Whitehall or Saucon with respect to the Properties;
- (l) The tax identification numbers of Whitehall and Saucon;
- (m) Any and all other records pertaining to the management of the Properties to the extent such records are maintained; and
- (n) All licenses, certificates, surveys, reports, communications and correspondence from the Commonwealth of Pennsylvania related to the Properties or operations of the Properties for the past twenty-four (24) months.

iv. Section 13. Whitehall, Saucon and all persons acting under their direction are ordered to cooperate and use their best efforts to ensure a smooth transition of the management and operation of the Properties to the Receiver, including, but not limited to, requests for information or documents that pertain to the maintenance, operation or leasing of the Properties or any efforts to collect any sums due; and

v. Section 15(a). Whitehall, Saucon and their officers, directors, general partners, limited partners, agents, property managers, architects, contractors, subcontractors and employees, and all other persons with actual or constructive knowledge of this Order and their agents and employees, are enjoined from: (a) Interfering with the Receiver, directly or indirectly, in the management and operation of the Properties or in the collection of Rents.

The Receiver has received none of the above listed documentation.

For the above reasons, the Court should hold Saucon and Whitehall in civil contempt.

B. The Court Should Impose Against Saucon and Whitehall Coercive Sanctions in the Form of Fines

To encourage compliance, the Court may impose coercive sanctions after a finding of contempt. *United States v. Buchanan*, No. 5:10-CV-3924, 2023 WL 2368727, at *2 (E.D. Pa. Mar. 6, 2023); *United States v. United Mine Workers of Am.*, 330 U.S. 258, 304-305 (1947). In a civil context, a district court has broad discretion to dictate an appropriate sanction that is likely to secure compliance. *Buchanan*, 2023 WL 2368727, at *2; *see also Paddick v. Butt,* No. CV 09-4285, 2018 WL 6830476 (E.D. Pa. Dec. 27, 2018) (citing *Delaware Valley Citizens' Council for Clean Air v. Com. of Pa.*, 678 F.2d 470, 478 (3d Cir. 1982)); *see also John T. ex rel. Paul T. v. Delaware Cnty. Intermediate Unit,* 318 F.3d 545, 554 (3d Cir. 2003**) (“**District courts hearing civil contempt proceedings are afforded broad discretion to fashion a sanction that will achieve full remedial relief.”) A Court must consider the “the character and magnitude of the harm threatened by continued contumacy, and the probable effectiveness of any suggested sanction in bringing about the result desired.” *Ninaltowski v. Moore*, No. 2:20-CV-01808-JMG, 2021 WL 3051932, at *3 (E.D. Pa. July 20, 2021) (quoting *United States v. United Mine Workers of Am*., 330 U.S. 258, 304 (1947)). Civil contempt sanctions designed to compel future compliance with a court order

are avoidable through obeying the order, and thus a Court may impose them upon notice and opportunity to be heard. *Int'l Union, United Mine Workers of Am. v. Bagwell,* 512 U.S. 821, 827 (1994).

Here, noncompliance with the Order means that the Receiver does not have the required documentation to serve its duties and delays the process. Further, it frustrates one of the Court's noted goals in issuing the Order, to avoid foreclosure by way of receivership, because foreclosure "will not serve to prevent the damage that may be done to the Properties while the case is running its course." Memo. Opinion, ECF No. 65, *Lehigh Valley 1 LLC v. Whitehall Fiduciary LLC as Tr. of Whitehall Tr. U/T/A Dated Aug. 1, 2027*, 2025 WL 1285816, at *5. For this reason, a daily fine of an amount that the court deems fair and just until Saucon and Whitehall produce the required records under Section 11 of the Order is an appropriate remedy to encourage compliance with the Court's Order. *See, e.g., Ninaltowski*, 2021 WL 3051932, at *3 (issuing a daily fine for noncompliance given the centrality of the requested documents to the defendant's ability to defend the case, and the resulting delays); *Bagwell,* 512 U.S. 821, 829 (1994) (issuing per diem fines each day contemnor fails to abide by an affirmative order); (*Buchanan*, 2023 WL 2368727, at *2 (requiring as contempt sanctions that a contemnor hire an outside accountant to ensure compliance with an installment payment order).

III. CONCLUSION

15. Receiver respectfully requests this Court hold Saucon and Whitehall in contempt of the Court's Order and that, as remedy, this Court impose a daily fine an amount that the court deem fair and just against Saucon and Whitehall to coerce compliance.

Dated: May 30, 2025

Respectfully submitted,

By: */s/ Leigh Skipper*

Leigh M. Skipper (PA 49239)
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LMSkipper@duanemorris.com

Receiver

CERTIFICATE OF SERVICE

I, Leigh M. Skipper, certify that I served a true and correct copy of the foregoing and related documents to all counsel of record by ECF filing.

Dated: May 30, 2025

By: */s/Leigh M. Skipper*

Leigh M. Skipper

Exhibit A

PORTNOFF
LAW ASSOCIATES, LTD.

2700 Horizon Drive, Suite 100
King of Prussia, PA 19406
www.portnoffonline.com
P 866.720.9748

NOTICE OF SHERIFF'S SALE

TO:	ALL INTERESTED PARTIES AND CLAIMANTS
OWNER(S):	Saucon Trust
PLAINTIFF/SELLER:	Saucon Valley School District
PROPERTY:	1050 Main Street, Hellertown, Pennsylvania
TAX PARCEL NO.	Q7SW2A 1 3 0715
NORTHAMPTON COUNTY DOCKET NO.	C-48-CV-2024-06488
JUDGMENT AMOUNT:	$129,846.24

The above-described property is scheduled to be sold at a Sheriff Sale on Friday, August 8, 2025, at 10:00 a.m. in County Council Chambers, 3rd Floor of the Northampton County Government Center, 669 Washington Street, Easton, PA. Our records indicate that you may have a legal interest in the property. A Sheriff's Sale may have a substantial impact upon your interest. You may wish to attend the sale to protect your interest.

A schedule of distribution will be filed by the Sheriff on a date specified by the Sheriff not later than 30 days after the sale. Distribution will be made in accordance with the schedule unless exceptions are filed thereto within 10 days after the filing of the schedule.

Very truly yours,

PORTNOFF LAW ASSOCIATES, LTD.

24-08397-0/NOT/L_P

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**
v.	:	**NO. 24-2627**
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**
v.	:	**NO. 24-2709**
SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007	:	

ORDER OF CONTEMPT AGAINST DEFENDANTS FOR FAILURE TO COMPLY WITH THE COURT'S MAY 2, 2025 ORDER

Upon consideration of Receiver's Motion for Contempt and Memorandum Of Law in Support Thereof, and any responses thereto, it is hereby:

ORDERED that the Motion is GRANTED;

ORDERED that Whitehall Fiduciary LLC and Saucon Trust are hereby found to be in civil contempt of this Court for their continued disregard of the terms of the May 2, 2025 Order;

ORDERED that Whitehall Fiduciary LLC and Saucon Trust are compelled to comply with the terms of the May 2, 2025 Order and perform within two days from the granting of this order their obligations thereunder, including the obligation to produce all required operational books and records; and it is further

ORDERED that Whitehall Fiduciary LLC and Saucon Trust shall be subject to a fine of $_____ per day (including weekends and holidays), until Whitehall Fiduciary LLC and Saucon Trust comply with the terms of the May 2, 2025 Order, as referenced in said motion.

The Court reserves its inherent power to modify the terms of this Order and permit the disclosure of information in the interest of justice

BY THE COURT:

Dated: _____, 2025

_____
The Honorable Catherine Henry, J.

CERTIFICATE OF SERVICE

Leigh M. Skipper certified that on this 30th day of May, 2025, a true and correct copy of the foregoing Notice of Appearance was electronically filed and made available to the Clerk of court.

DUANE MORRIS LLP

/s/Leigh M. Skipper
Leigh M. Skipper

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**
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	:	**NO. 24-2709**
v.	:	
SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007	:	

RECEIVER'S MOTION FOR CONTEMPT

Receiver, Duane Morris LLP through Erin Duffy, Esq., respectfully moves the Court to hold Defendants Saucon Trust and Whitehall Fiduciary LLC in civil contempt for violating the order granting Plaintiffs' Motion for Appointment of a Receiver (the "Order") (Order, ECF No. 65, *Whitehall Fiduciary LLC*, No. 5:24-cv-02627 (E.D. Pa. 2024); ECF No. 58, *Saucon Trust,* No. 24-cv-02627-CH (E.D. Pa. 2024)) and to impose contempt sanctions.

As reflected in the brief in support of this motion, Defendants have refused and failed to produce any records required for Receivership duties. Defendants have refused despite knowledge

of the Order and should thus be held in contempt. Receiver submits a proposed Order of Contempt for the Court's consideration.

Dated: May 30, 2025

Respectfully submitted,

By: */s/Leigh M. Skipper*

Leigh M. Skipper (#49239)
DUANE MORRIS LLP
30 South 17th Street
Philadelphia, PA 19103
Tel.: (215) 979-1000
Fax: (215) 979-1020
LMSkipper@duanemorris.com

Receiver Duane Morris LLP

CERTIFICATE OF SERVICE

I, Leigh M. Skipper, certify that I served a true and correct copy of the foregoing and related documents to all counsel of record by ECF filing.

Dated: May 30, 2025 By: */s/Leigh M. Skipper*

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	:	

RECEIVER'S MEMORANDUM OF LAW IN SUPPORT OF RECEIVER'S MOTION FOR CONTEMPT

Receiver, Duane Morris LLP through Erin Duffy, Esq., respectfully moves this Honorable Court to hold Defendants Saucon Trust ("Saucon") and Whitehall Fiduciary LLC ("Whitehall") in civil contempt of the Court's May 2, 2025 order appointing the receiver (Docket Nos. 58 (02709) and 56 (24-2627) (the "Order"), as a result of Defendants' refusal to produce required records, and to impose sanctions to encourage compliance with the Order.[1]

[1] Defendants' repeated assertion that the operating companies are not subject to the Court's Order is misplaced. "A person who is not a party to a proceeding may be held in contempt if he or she has actual knowledge of a court's

In support thereof, Receiver states as follows:

I. STATEMENT OF FACTS

1. This case concerns two consolidated mortgage actions brought by Lehigh Valley 1, LLC against Defendants Whitehall Fiduciary LLC and Saucon Trust, owners of residential senior living facilities.

2. This Court, on May 2, 2025, granted Lehigh Valley 1, LLC's Motion for Appointment of a Receiver, finding that that there is a "[f]oreclosure will not serve to prevent the damage that may be done to the Properties while the case is running its course" and, tellingly, noting that "neither Whitehall nor Saucon will provide Lehigh with recent financial statements or any proof that the taxes on the Properties have been paid or that the Properties are properly insured." Memo. Opinion, ECF No. 65, *Lehigh Valley 1 LLC v. Whitehall Fiduciary LLC as Tr. of Whitehall Tr. U/T/A Dated Aug. 1, 2027*, No. CV 24-2627, 2025 WL 1285816, at *5 (E.D. Pa. May 2, 2025).

3. The Court, in its corresponding order granting Lehigh Valley 1, LLC's motion (the "Order"), appointed Duane Morris through Erin Duffy, Esq. as the Receiver. Order, ECF No. 65, *Whitehall Fiduciary LLC*, No. 5:24-cv-02627 (E.D. Pa. 2024); ECF No. 58, *Saucon Trust,* No. 24-cv-02627-CH (E.D. Pa. 2024).

4. The Order contains clear language requiring "Whitehall, Saucon, and all persons acting under their direction" to immediately deliver to Receiver possession of all contracts, bank statements, property management database files, security deposits, licenses, security deposits and rents, among other property. Order, ECF No. 58, at 10-11.

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order and either abets the defendant or is legally identified with him." *Roe v. Operation Rescue*, 919 F.2d 857, 871 (3d Cir. 1990) (quoting *Quinter v. Volkswagen of America*, 676 F.2d 969, 972 (3d Cir. 1982).

5. The Order further authorizes the Receiver to "enter and take immediate possession of the Property, and to demand, collect and receive the rents, income, revenues, proceeds and profits derived from tenants" and "take all actions necessary to preserve, maintain, operate and manage the Property." *Id.* at 3.

6. Saucon and Whitehall then filed a notice of appeal relating to the Order. Defs. Notice of Appeal, ECF No. 66 (No. 24-cv-02627-CH); ECF No. 59 (No. 5:24-cv-02709-CH).

7. During a call on May 8, 2025 between Erin Duffy and Raymond Lahoud, counsel for Defendants, Saucon and Whitehall, Erin Duffy requested production of books and records per the Order. Defendants' counsel objected to the production of such records by noting that because operating companies are not parties to the case, they are not subject to any of the Order's books and records production requirements.

8. Saucon and Whitehall's position became more evident when attorneys for Duane Morris LLP on May 21, 2025, traveled to an in-person inspection of both senior living facilities. Receiver attorneys requested to inspect the facilities and photograph the physical conditions, and to receive records due to Duane Morris LLP, per the Order.

9. Upon arrival, counsel for the operator companies of the personal care homes by telephone call informed Receiver attorneys that they would not be able to access any records but would be able to tour the facilities. Operating companies' counsel noted that, per his interpretation of the Order, Receiver attorneys were permitted to inspect only "the brick-and-mortar." Given operating companies' counsel's position, Receiver attorneys toured the physical premises accompanied by a cooperative employee and did not receive

or inspect any records. Despite Receiver attorneys' request, attorneys did not receive any books and records during the facility inspection.

10. Defendants, Saucon and Whitehall, on May 27, 2025, filed a motion to stay the appointment of a receiver. Defs. Motion to Stay, ECF No. 68 (No. 24-cv-02627-CH); ECF No. 61 (No. 5:24-cv-02709-CH). By way of the motion, Saucon and Whitehall affirm that Receiver attorneys requested operational reports[2] while at the facilities, but do not explicitly note that Receiver attorneys were refused such documentation. *Id.* at 4.

11. Saucon and Whitehall additionally reiterate the theories that the Order is 1) ambiguously written and 2) because the operating companies are not parties to the litigation, they do not "owe any contractual duties to the Plaintiffs." *Id.* at 5.

12. Saucon and Whitehall as of May 30, 2025, have not provided any requested documents per the Order, including the lease.

13. Upon information and belief, there is a proposed Sheriff's sale of Defendant Saucon's property located at 1050 Main Street, Hellertown, Pennsylvania, attached as Exhibit A. Per the Notice of Sheriff's Sale that Receiver has obtained, the Saucon property is scheduled to be sold on Friday, August 8, 2025. *Id.* This proposed sale furthers the Receiver's immediate need to protect the assets.

14. Given Defendants, Saucon and Whitehall's, noncompliance with the Court's duly issued Order, and Receiver's need to protect and preserve all assets and operations, said motion should be granted.

II. ARGUMENT

[2] Defendants use the language "operational reports," which Receiver interprets to include access and control of all books and records within the scope of the Court's Order.

A. Saucon and Whitehall Had Notice of a Valid Court Order and Disobeyed That Order

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A Court may find civil contempt by a showing of clear and convincing evidence that defendants had knowledge of a valid order and disobeyed the order. *Roe*, 919 F.2d at 871. Clear and convincing evidence is present where there is not "ground to doubt the wrongfulness of the [party's] conduct," though this standard does not require willfulness, nor does it excuse contempt in the presence of good faith. *Baker Funeral Home, Ltd.*, 196 F. Supp. 3d 530, at 549 (quoting *Harris v. City of Philadelphia*, 47 F.3d 1311 (3d Cir. 1995)). Upon prima facie showing of contempt, the nonmoving party has the burden of production to show that compliance with the order is impossible, or to assert substantial compliance. United States v. Rylander**,** 460 U.S. 752**,** 757 (1983); *F.T.C. v. Lane Labs-USA, Inc*., 624 F.3d 575, 590-591 (3d Cir. 2010) (requiring that a party show that it has taken "all reasonable steps" to comply with the order and violated it in a "technical" or "inadvertent way"). While ambiguity may be interpreted in favor of the nonmoving party, the nonmoving party may not simply pick and choose which components of an order to

follow, without falling into contempt. *Shelton*, 2020 WL 4196211, at *3 ("[An] appeal does not justify refusal to comply with a court order in the absence of a stay.")

Here, there is undoubtedly a valid order, entered by this Court after deliberation and supported by issuance of a memorandum. *See* Memo. Opinion, ECF No. 65, *Lehigh Valley 1 LLC v. Whitehall Fiduciary LLC as Tr. of Whitehall Tr. U/T/A Dated Aug. 1, 2027*, No. CV 24-2627, 2025 WL 1285816 (E.D. Pa. May 2, 2025). Further, the nonmoving party may not collaterally challenge the validity of the underlying order by way of contempt proceedings. *Marshak v. Treadwell*, 595 F.3d 478, 486 (3d Cir. 2009) (citing *Roe*, 919 F.2d 857, 871 (3d Cir. 1990)).

Next, there is no doubt that Saucon and Whitehall had clear notice of the Order and the obligations within the Order. Indeed, Saucon and Whitehall moved to stay proceedings related to the Order for which they are now in contempt. Defs. Motion to Stay, ECF No. 68 (No. 24-cv-02627-CH); ECF No. 61 (No. 5:24-cv-02709-CH). *See Shelton*, 2020 WL 4196211, at *3.

Lastly, Saucon and Whitehall clearly and continuously disobeyed the order, and as a result, the Receiver has to date not received a single record from Saucon or Whitehall. Saucon and Whitehall, moreover, acknowledge that Duane Morris LLP's attorneys requested operating reports during their visit to the personal care homes. Defs. Motion to Stay, ECF Nos. 68 and 61, at 4-5. Such requested documents were not produced. As of May 30, 2025, Saucon and Whitehall have violated the following provisions of the Order by not providing financial and operational documentation:

i. Section 24(c) Doing any act to interfere with the Receiver taking control, possession, or management of the Receivership Properties, or to interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Properties;

ii. Section 6(a), (c), (e): The Receiver shall have all necessary powers to manage the rents and profits of the Property, including the following powers:

- (a) To enter and take immediate possession of the Property, and to demand collect and receive the rents, income, revenues, proceeds and profits derived from tenants at the Property, their sublessees or any occupants in possession, including maintenance fees, management fees, special assessments and/or other charges relating to the Property, which are now due and unpaid or which may become due hereafter (collectively, the "Rents"), and all personal property owned or utilized by Lehigh Valley 1 LLC that relates to the management or operation of the Property, including all books, records, bank accounts, reserve accounts, cash on hand, keys, and combinations for locks or other access information in the possession of or reasonably available to Whitehall, Saucon or their property managers (collectively, the "Receivership Properties");
- (c) To take all actions necessary to preserve, maintain, operate, and manage the Property. The Receiver must obtain Lehigh Valley 1 LLC's prior written consent before any such expenditures are made;
- (e) To commence, prosecute, continue or defend actions at law or in equity (in its own name or in the names of Whitehall or Saucon) 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;
- (f) To continue in effect, modify or terminate (if and to the extent terminable without penalty or premium unless such termination penalty or premium shall be paid by the Receiver) agreements, contracts, understandings or commitments entered into by Whitehall or Saucon with respect to the Properties, to the extent permitted by applicable law, and to make additional agreements and contracts reasonably necessary for the operation and preservation of the Properties;

- (j) To make, enter into, enforce, terminate, modify or accept a surrender of any of the Leases (as defined in the Mortgage); to obtain and evict occupants (subject to applicable laws and regulations); to bring or defend any suits in connection with the Leases or Rents in its own name or in the name of Whitehall or Saucon; to compromise any Rents or other payments, income or proceeds that may become due; and to sue for or otherwise collect and receive all Rents, including those past due and unpaid. 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. Tenants, occupants, and licensees of the Properties are enjoined from paying any rent or lease payment to the Defendant, its agents, servants or attorneys, and if they do so, they may be held liable to Receiver and Plaintiff for these sums;

iii. Section 11. Whitehall, Saucon and all persons acting under their direction are ordered to immediately deliver to Receiver possession of the Properties and each of the following, to the extent owned by Whitehall or Saucon, in the possession or control of Whitehall or Saucon, and relating to the Properties without any right of offset or recoupment:

- (a) Property-related information and other property management database files,
- (b) All cash collateral for the indebtedness owed by Whitehall or Saucon to Plaintiff (whether consisting of cash on hand, cash in any and all bank accounts or other accounts, all rights to security deposits, if any, including but not limited to amounts that Whitehall or Saucon may have deposited with utility companies, and all other cash and cash equivalents);
- (c) All keys to the Properties;
- (d) All security deposits, rent, prepaid rent and other sums relating to the use, enjoyment, possession, improvement or occupancy of all or any part of the Properties,

in each case, to the extent received by Whitehall or Saucon and any accounts in which any of the foregoing are deposited;

- (e) A current list of the occupants of the Properties;
- (f) Any and all current Properties accounts receivable and accounts payable
- (g) Any and all contracts in effect with respect to the Properties, and any material related correspondence;
- (h) Any and all payroll records and other materials reasonably requested by
- Receiver and related to persons employed by Whitehall, Saucon or their property managers at the Properties;
- (i) Certificates evidencing the insurance policies covering the Properties;
- (j) Records showing any insured losses to the Properties in the past five years;
- (k) Any and all bank statements relating to any accounts maintained by Whitehall or Saucon with respect to the Properties;
- (l) The tax identification numbers of Whitehall and Saucon;
- (m) Any and all other records pertaining to the management of the Properties to the extent such records are maintained; and
- (n) All licenses, certificates, surveys, reports, communications and correspondence from the Commonwealth of Pennsylvania related to the Properties or operations of the Properties for the past twenty-four (24) months.

iv. Section 13. Whitehall, Saucon and all persons acting under their direction are ordered to cooperate and use their best efforts to ensure a smooth transition of the management and operation of the Properties to the Receiver, including, but not limited to, requests for information or documents that pertain to the maintenance, operation or leasing of the Properties or any efforts to collect any sums due; and

v. Section 15(a). Whitehall, Saucon and their officers, directors, general partners, limited partners, agents, property managers, architects, contractors, subcontractors and employees, and all other persons with actual or constructive knowledge of this Order and their agents and employees, are enjoined from: (a) Interfering with the Receiver, directly or indirectly, in the management and operation of the Properties or in the collection of Rents.

The Receiver has received none of the above listed documentation.

For the above reasons, the Court should hold Saucon and Whitehall in civil contempt.

B. The Court Should Impose Against Saucon and Whitehall Coercive Sanctions in the Form of Fines

To encourage compliance, the Court may impose coercive sanctions after a finding of contempt. *United States v. Buchanan*, No. 5:10-CV-3924, 2023 WL 2368727, at *2 (E.D. Pa. Mar. 6, 2023); *United States v. United Mine Workers of Am.*, 330 U.S. 258, 304-305 (1947). In a civil context, a district court has broad discretion to dictate an appropriate sanction that is likely to secure compliance. *Buchanan*, 2023 WL 2368727, at *2; *see also Paddick v. Butt,* No. CV 09-4285, 2018 WL 6830476 (E.D. Pa. Dec. 27, 2018) (citing *Delaware Valley Citizens' Council for Clean Air v. Com. of Pa.*, 678 F.2d 470, 478 (3d Cir. 1982)); *see also John T. ex rel. Paul T. v. Delaware Cnty. Intermediate Unit,* 318 F.3d 545, 554 (3d Cir. 2003**) (“**District courts hearing civil contempt proceedings are afforded broad discretion to fashion a sanction that will achieve full remedial relief.”) A Court must consider the “the character and magnitude of the harm threatened by continued contumacy, and the probable effectiveness of any suggested sanction in bringing about the result desired.” *Ninaltowski v. Moore*, No. 2:20-CV-01808-JMG, 2021 WL 3051932, at *3 (E.D. Pa. July 20, 2021) (quoting *United States v. United Mine Workers of Am*., 330 U.S. 258, 304 (1947)). Civil contempt sanctions designed to compel future compliance with a court order

are avoidable through obeying the order, and thus a Court may impose them upon notice and opportunity to be heard. *Int'l Union, United Mine Workers of Am. v. Bagwell,* 512 U.S. 821, 827 (1994).

Here, noncompliance with the Order means that the Receiver does not have the required documentation to serve its duties and delays the process. Further, it frustrates one of the Court's noted goals in issuing the Order, to avoid foreclosure by way of receivership, because foreclosure "will not serve to prevent the damage that may be done to the Properties while the case is running its course." Memo. Opinion, ECF No. 65, *Lehigh Valley 1 LLC v. Whitehall Fiduciary LLC as Tr. of Whitehall Tr. U/T/A Dated Aug. 1, 2027*, 2025 WL 1285816, at *5. For this reason, a daily fine of an amount that the court deems fair and just until Saucon and Whitehall produce the required records under Section 11 of the Order is an appropriate remedy to encourage compliance with the Court's Order. *See, e.g., Ninaltowski*, 2021 WL 3051932, at *3 (issuing a daily fine for noncompliance given the centrality of the requested documents to the defendant's ability to defend the case, and the resulting delays); *Bagwell,* 512 U.S. 821, 829 (1994) (issuing per diem fines each day contemnor fails to abide by an affirmative order); (*Buchanan*, 2023 WL 2368727, at *2 (requiring as contempt sanctions that a contemnor hire an outside accountant to ensure compliance with an installment payment order).

III. CONCLUSION

15. Receiver respectfully requests this Court hold Saucon and Whitehall in contempt of the Court's Order and that, as remedy, this Court impose a daily fine an amount that the court deem fair and just against Saucon and Whitehall to coerce compliance.

Dated: May 30, 2025

Respectfully submitted,

By: */s/ Leigh Skipper*

Leigh M. Skipper (PA 49239)
DUANE MORRIS LLP
30 South 17th Street
Philadelphia, PA 19103
Tel.: (215) 979-1000
Fax: (215) 979-1020
emduffy@duanemorris.com
LMSkipper@duanemorris.com

Receiver

CERTIFICATE OF SERVICE

I, Leigh M. Skipper, certify that I served a true and correct copy of the foregoing and related documents to all counsel of record by ECF filing.

Dated: May 30, 2025

By: */s/Leigh M. Skipper*

Leigh M. Skipper

Exhibit A

PORTNOFF
LAW ASSOCIATES, LTD.

2700 Horizon Drive, Suite 100
King of Prussia, PA 19406
www.portnoffonline.com
P 866.720.9748

NOTICE OF SHERIFF'S SALE

TO:	ALL INTERESTED PARTIES AND CLAIMANTS
OWNER(S):	Saucon Trust
PLAINTIFF/SELLER:	Saucon Valley School District
PROPERTY:	1050 Main Street, Hellertown, Pennsylvania
TAX PARCEL NO.	Q7SW2A 1 3 0715
NORTHAMPTON COUNTY DOCKET NO.	C-48-CV-2024-06488
JUDGMENT AMOUNT:	$129,846.24

The above-described property is scheduled to be sold at a Sheriff Sale on Friday, August 8, 2025, at 10:00 a.m. in County Council Chambers, 3rd Floor of the Northampton County Government Center, 669 Washington Street, Easton, PA. Our records indicate that you may have a legal interest in the property. A Sheriff's Sale may have a substantial impact upon your interest. You may wish to attend the sale to protect your interest.

A schedule of distribution will be filed by the Sheriff on a date specified by the Sheriff not later than 30 days after the sale. Distribution will be made in accordance with the schedule unless exceptions are filed thereto within 10 days after the filing of the schedule.

Very truly yours,

PORTNOFF LAW ASSOCIATES, LTD.

24-08397-0/NOT/L_P

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**
v.	:	**NO. 24-2627**
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**
v.	:	**NO. 24-2709**
SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007	:	

ORDER OF CONTEMPT AGAINST DEFENDANTS FOR FAILURE TO COMPLY WITH THE COURT'S MAY 2, 2025 ORDER

Upon consideration of Receiver's Motion for Contempt and Memorandum Of Law in Support Thereof, and any responses thereto, it is hereby:

ORDERED that the Motion is GRANTED;

ORDERED that Whitehall Fiduciary LLC and Saucon Trust are hereby found to be in civil contempt of this Court for their continued disregard of the terms of the May 2, 2025 Order;

ORDERED that Whitehall Fiduciary LLC and Saucon Trust are compelled to comply with the terms of the May 2, 2025 Order and perform within two days from the granting of this order their obligations thereunder, including the obligation to produce all required operational books and records; and it is further

ORDERED that Whitehall Fiduciary LLC and Saucon Trust shall be subject to a fine of $_____ per day (including weekends and holidays), until Whitehall Fiduciary LLC and Saucon Trust comply with the terms of the May 2, 2025 Order, as referenced in said motion.

The Court reserves its inherent power to modify the terms of this Order and permit the disclosure of information in the interest of justice

BY THE COURT:

Dated: _____, 2025

_____
The Honorable Catherine Henry, J.

CERTIFICATE OF SERVICE

Leigh M. Skipper certified that on this 30th day of May, 2025, a true and correct copy of the foregoing Notice of Appearance was electronically filed and made available to the Clerk of court.

DUANE MORRIS LLP

/s/Leigh M. Skipper
Leigh M. Skipper

Exhibit F

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, 2027	:	

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 2nd day of September 2025, upon consideration of Plaintiff's Motion to Compel, the Receiver's Motion to Compel, and Defendants' Motion for a Protective Order, as well as all oppositions and replies and after a telephone conference with counsel, it is hereby **ORDERED** as follows:

1. Plaintiff's Motion to Compel (Docket No. 99) is **GRANTED** in part as set forth below. Plaintiff's Motion is **DENIED** to the extent it seeks costs and fees associated with the filing of its Motion to Compel.

2. The Receiver's Motion to Compel (Docket No. 101) is **GRANTED** as set forth below.

3. Defendants' Motion for a Protective Order (Docket No. 107) is **GRANTED** in part and **DENIED** in part. Defendants' Motion is granted to the extent it seeks to have the Court examine the insurance on the Properties in camera. Defendants' Motion is denied in all other respects.

4. Defendants shall produce the following within 10 days of the date of this Order or suffer sanctions upon further application to the Court:

a. All documents that relate to the management of the Properties so that the Receiver can determine who is managing the day-to-day activities of the Properties. This includes but is not limited to all management agreements.

b. All contracts that were or are in effect as of the date of the Receiver's appointment. This not only includes the management agreements, but every single contract with vendors that provide services to the Properties.

c. Employee documents and payroll records related to persons employed by the property managers of the Properties, or any of their affiliates.

d. Rent rolls for all occupants of the Properties. This shall include not only tenants under any leases, but every single person or entity that occupies the Properties under a lease, license agreement, occupancy agreement, care agreement or any other similar arrangement by which a person can occupy the Properties as a resident or otherwise.

e. All documents which reflect for each and every occupant of the Properties either the rent or fee paid for such occupancy relationship or agreement.

f. All financial statements from January of 2021 through the present.

g. Current bank account information (including bank statements from the time the Order was entered appointing the Receiver through the present).

h. Unredacted copies of the Columbia Casualty Company – General Liability insurance policy (which will be held by Duane Morris and not disclosed to Plaintiff except upon order from the Court.)

i. Redacted copies of any other insurance policies covering the Properties that have not been previously produced.

BY THE COURT:

/s/ Catherine Henry

CATHERINE HENRY, J.

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, 2027	:	

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 2nd day of September 2025, upon consideration of Plaintiff's Motion to Compel, the Receiver's Motion to Compel, and Defendants' Motion for a Protective Order, as well as all oppositions and replies and after a telephone conference with counsel, it is hereby **ORDERED** as follows:

1. Plaintiff's Motion to Compel (Docket No. 99) is **GRANTED** in part as set forth below. Plaintiff's Motion is **DENIED** to the extent it seeks costs and fees associated with the filing of its Motion to Compel.

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4. Defendants shall produce the following within 10 days of the date of this Order or suffer sanctions upon further application to the Court:

a. All documents that relate to the management of the Properties so that the Receiver can determine who is managing the day-to-day activities of the Properties. This includes but is not limited to all management agreements.

b. All contracts that were or are in effect as of the date of the Receiver's appointment. This not only includes the management agreements, but every single contract with vendors that provide services to the Properties.

c. Employee documents and payroll records related to persons employed by the property managers of the Properties, or any of their affiliates.

d. Rent rolls for all occupants of the Properties. This shall include not only tenants under any leases, but every single person or entity that occupies the Properties under a lease, license agreement, occupancy agreement, care agreement or any other similar arrangement by which a person can occupy the Properties as a resident or otherwise.

e. All documents which reflect for each and every occupant of the Properties either the rent or fee paid for such occupancy relationship or agreement.

f. All financial statements from January of 2021 through the present.

g. Current bank account information (including bank statements from the time the Order was entered appointing the Receiver through the present).

h. Unredacted copies of the Columbia Casualty Company – General Liability insurance policy (which will be held by Duane Morris and not disclosed to Plaintiff except upon order from the Court.)

i. Redacted copies of any other insurance policies covering the Properties that have not been previously produced.

BY THE COURT:

/s/ Catherine Henry

CATHERINE HENRY, J.

Exhibit G

DuaneMorris®

PLEASE REMIT PAYMENT TO:
DUANE MORRIS LLP
ATTN: PAYMENT PROCESSING
PO BOX 787166
PHILADELPHIA, PA 19178-7166

February 17, 2026

DUANE MORRIS ARBITRATION/APPOINTMENT MATTERS
1177 6TH STREET
WHITEHALL, PA 18052

LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

FILE# B7475.01917 INVOICE# 3412757 IRS# 23-1392502

TOTAL FEES AND DISBURSEMENTS	$304,239.28
CURRENT INVOICE	$304,239.28

Fed Wire Payments:	ACH Payments:	Overnight Payment address
Wells Fargo Bank NA	Acct#: 2100000513000	Payment Center
Swift Code: WFBIUS6S	ABA#: 031000503	Duane Morris LLP
Acct#: 2100000513000		30 S17TH STREET
ABA#: 121000248		PHILADELPHIA, PA 19103-4196

You can pay this invoice on-line!
Avoid the delays and lost mail through the USPS
Use your bank account for free or your credit card (with a merchant fee)
Visit our website: **https://www.e-billexpress.com/ebpp/duanemorrisa/**

PAYMENT ADVICES MAY BE EMAILED TO: ACCOUNTSRECEIVABLE@DUANEMORRIS.COM

AMOUNTS INCLUDED FOR DISBURSEMENTS INCLUDE EXPENSES RECEIVED AND RECORDED THROUGH THE END OF THE INVOICE PERIOD. THERE MAY BE ADDITIONAL EXPENSES RECEIVED AND DISBURSEMENTS INVOICED IN THE FUTURE. AS PER THE TERMS OF OUR ENGAGEMENT, PAYMENT IS DUE IN U.S. DOLLARS WITHIN 30 DAYS OF THE DATE OF THIS INVOICE. AFTER 30 DAYS A LATE FEE OF 1% PER MONTH (OR SUCH LOWER RATE AS REQUIRED BY APPLICABLE LAW) MAY BE CHARGED.

REMITTANCE

DuaneMorris®

February 17, 2026

DUANE MORRIS ARBITRATION/APPOINTMENT MATTERS
1177 6TH STREET
WHITEHALL, PA 18052

FILE# B7475 INVOICE# 3412757 IRS# 23-1392502

FOR PROFESSIONAL SERVICES RECORDED THROUGH FEBRUARY 17, 2026 IN CONNECTION WITH THE FOLLOWING MATTERS:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
01917	NURSING HOME RECEIVERSHIP	$294,856.50	$9,382.78	$304,239.28
		$294,856.50	$9,382.78	$304,239.28

TOTAL FEES	$294,856.50
TOTAL DISBURSEMENTS	$9,382.78
TOTAL FEES AND DISBURSEMENTS	$304,239.28
CURRENT INVOICE	$304,239.28

File # B7475.01917 INVOICE# 3412757
LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
05/02/25	03158	E. DUFFY	REVIEW AND COMMENT ON DRAFT RECEIVER APPOINTMENT ORDER, EMAILS FROM, TO COLLEAGUE RE: SAME, NEXT STEPS	1.20	$1,170.00
05/05/25	03158	E. DUFFY	EMAILS FROM, TO P. BERGER AS COUNSEL FOR PLAINTIFF TO SET UP TIME TO DISCUSS COURT ORDER ON RECEIVERSHIP, NEXT STEPS	0.20	$195.00
05/06/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE AND COORDINATE WITH DAWN REGARDING CASE FILING DOCUMENTS FOR SAUCON	0.30	$162.00
05/06/25	03158	E. DUFFY	REVIEW OF RECEIVERSHIP ORDER AND APPEAL FILINGS, DISCUSSION WITH COLLEAGUE, V. HAWEKOTTE ON NEXT STEPS, STRATEGY; EMAILS FROM, TO OPPOSING COUNSEL TO DETERMINE TIME TO HAS OUT TERMS	1.50	$1,462.50
05/07/25	10629	V. HAWEKOTTE	LOCATE SAUCON/WHITEHALL PERSONAL CARE HOME ENTITY LICENSING INFORMATION AND DRAFT AND SUBMIT RIGHT TO KNOW REQUEST	1.40	$756.00
05/07/25	10629	V. HAWEKOTTE	REVIEW PERSONAL CARE HOME REGULATIONS FOR QUESTION REGARDING UTILITIES AND CLOSURE	0.30	$162.00
05/07/25	03158	E. DUFFY	PREPARE FOR AND PARTICIPATE IN TCW PLAINTIFF AND COUNSEL RE: ORDER, NEXT STEPS, TERMS, FOLLOW UP EMAILS FROM, TO PLAINTIFF COUNSEL RE: SAME; TCW B. MESSINGER RE: RECEIVERSHIP BACKGROUND; EMAILS FROM, TO V. HAWEKOTTE RE: REPORTABLE EVENTS TO DHS, RESEARCH FOR SAME	3.20	$3,120.00
05/07/25	01902	B. MESSINGER	TELEPHONE WITH EDUFFY REGARDING RECEIVERSHIP ORDER.	0.20	$195.00
05/08/25	03158	E. DUFFY	EMAILS FROM, TO C. JACOBY RE: LIEN SEARCHES ON NURSING HOME SITES	0.80	$780.00
05/08/25	04272	C. JACOBY	COMMUNICATIONS WITH TITLE COMPANY REGARDING LIEN SEARCHES FOR TWO PROPERTIES IN A TAX SALE.	0.80	$448.00
05/09/25	10629	V. HAWEKOTTE	REVIEW SAUCON FILINGS FOR CALENDAR DATES	0.60	$324.00
05/12/25	10629	V.	DRAFT BOOKS AND RECORDS REQUEST FOR	0.70	$378.00

File # B7475.01917 INVOICE# 3412757
LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE	SAUCON		
05/12/25	04272	C. JACOBY	OBTAIN TAX PARCEL INFORMATION; COMMUNICATIONS WITH TITLE COMPANY.	0.70	$392.00
05/15/25	10629	V. HAWEKOTTE	REVIEW ORDER AND LICENSING INFORMATION TO CONFIRM AUTHORITY TO PROCURE RECORDS, AND LOOK FOR COUNSEL'S CITED ANALAGOUS CASE	0.80	$432.00
05/15/25	03158	E. DUFFY	EMAILS FROM, TO COLLEAGUE, P. BARBER RE: DEFENDANT'S COUNSEL CALL RECAP, LIEN SEARCHES, SCOPE OF RECEIVERSHIP OWNER, NEXT STEPS, FOLLOW UP CALLS WITH COLLEAGUE RE: SAME	0.90	$877.50
05/16/25	10629	V. HAWEKOTTE	REVIEW ORDERS FROM RECEIVERSHIP PA CASE AND COMPARE TO SAUCON ORDER	0.30	$162.00
05/16/25	03158	E. DUFFY	EMAILS FROM, TO COLLEAGUE, V. HAWEKOTTE RE: OWNERSHIP RESEARCH, DRAFTING OF RIGHT TO KNOW	0.80	$780.00
05/21/25	10629	V. HAWEKOTTE	DRAFT AMENDED ORDER AND CORRESPONDING LETTER	3.20	$1,728.00
05/21/25	10629	V. HAWEKOTTE	DISCUSSION AND REVIEW OF CASE, COORDINATION PRE-MEETING WITH JUDGE	0.50	$270.00
05/21/25	10629	V. HAWEKOTTE	ATTEND POST-MEETING CALL WITH ERIN AND COLLEAGUE TO REVIEW PLANNED LETTER OF REQUEST TO JUDGE HENRY	0.20	$108.00
05/21/25	10629	V. HAWEKOTTE	ATTEND MEETING WITH JUDGE HENRY AND TAKE NOTES	0.30	$162.00
05/21/25	10629	V. HAWEKOTTE	ATTEND INSPECTION OF SAUCON AND WHITEHALL	1.80	$972.00
05/21/25	10629	V. HAWEKOTTE	TRAVEL TIME TO AND FROM NURSING HOME PROPERTIES AND DISCUSS NURSING HOME VISIT	3.40	$1,836.00
05/21/25	03158	E. DUFFY	TCW JUDGE HENRY RE: SITE VISIT AND OPERATOR'S DENIAL OF RECORD REQUESTS, NEXT STEPS, FOLLOW UP EMAILS FROM, TO JUDGE'S CHAMBERS, V. HAWEKOTTE, COLLEAGUE RE: SAME	1.00	$975.00
05/22/25	10629	V. HAWEKOTTE	CONTINUE RESEARCH AND DRAFTING FOR THE RECEIVERSHIP	1.10	$594.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
05/23/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE REGARDING COMMUNICATIONS TO THE COURT AND PRODUCING DOCUMENTS TO PLAINTIFFS/DEFENSE	0.10	$54.00
05/27/25	10629	V. HAWEKOTTE	DISCUSS PARTY MORTGAGE ASSIGNMENT	0.10	$54.00
05/27/25	10629	V. HAWEKOTTE	REACH OUT TO CORPORATE ATTORNEY REGARDING SECURITY AGREEMENT	0.10	$54.00
05/27/25	10629	V. HAWEKOTTE	RESEARCH REQUIRED DOCUMENT SHARING IN RECEIVERSHIP AND SHARE INFORMATION WITH COLLEAGUE	0.50	$270.00
05/27/25	10629	V. HAWEKOTTE	SUBMIT PROPOSED AMENDED LANGUAGE AND FINALIZE DRAFT DOCUMENTS AFTER RESEARCHING AND DISCUSSING WITH COLLEAGUE	1.40	$756.00
05/27/25	03158	E. DUFFY	EMAILS FROM, TO COLLEAGUE, V. HAWEKOTTE RE: JUDGE'S RULES ON COUNSEL CORRESPONDENCE, FORTHCOMING RECEIVER'S REPORTS	0.60	$585.00
05/28/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE REGARDING CASE AND FOLLOW UP WITH ERIN	0.20	$108.00
05/28/25	10629	V. HAWEKOTTE	REVIEW CORPORATE ATTORNEY'S FINDINGS REGARDING SECURITY AGREEMENT AND SEND FOLLOW UP TO COLLEAGUE	0.20	$108.00
05/28/25	10629	V. HAWEKOTTE	CONSULT BRAD MESSINGER AND SEND PROPOSED ORDER TO MAUREEN	0.30	$162.00
05/28/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE	0.10	$54.00
05/28/25	03158	E. DUFFY	EMAILS FROM, TO M. MCCLUSKEY, V. HAWEKOTTE RE: SECURITY AGREEMENT REVIEW, BANKRUPTCY ANALYSIS, COURT ORDER APPEAL FEASIBILITY, TCW M. MCCLUSKEY, J. WEISS RE: SAME	1.30	$1,267.50
05/29/25	10629	V. HAWEKOTTE	ATTEND CALL WITH COLLEAGUE WITH CLERK AND DISCUSS PLAN FOR MOTION FOR SANCTIONS	0.20	$108.00
05/29/25	01902	B. MESSINGER	REVIEWED RULES REGARING INTERLOCUTORY APPEAL OF RECEIVERSHIP ORDER.	0.30	$292.50
05/29/25	10629	V.	CALL WITH COLLEAGUE TO REVIEW NURSING	0.30	$162.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE	HOME MOTION		
05/29/25	10629	V. HAWEKOTTE	DRAFT MOTION AND CONDUCT CASE LAW RESEARCH	4.60	$2,484.00
05/29/25	10629	V. HAWEKOTTE	REVIEWED DOCUMENTS FILED ON 5/29	0.40	$216.00
05/29/25	03158	E. DUFFY	TCW COLLEAGUE RE: EMERGENCY ORDER ANALYSIS, EMAILS FROM, TO J. WEISS AND M. MCCLUSKEY, AS DM BANKRUPTCY ATTORNEYS RE: SAME	0.80	$780.00
05/30/25	10629	V. HAWEKOTTE	INSERT COLLEAGUE EDITS PER PHONE CALL REVIEW	1.90	$1,026.00
05/30/25	10629	V. HAWEKOTTE	DRAFT MOTION FOR CONTEMPT AND CORRESPONDING DOCUMENTS	4.70	$2,538.00
05/30/25	10629	V. HAWEKOTTE	CREATE TEMPLATE INVENTORY; ATTEND MEETING TO REVIEW PLAN	2.10	$1,134.00
05/30/25	03158	E. DUFFY	REVIEW OF DRAFTED RECEIVER'S MOTION/ORDER FOR CONTEMPT, EMAILS FROM, TO V. HAWEKOTTE, COLLEAGUE RE: SAME, FILING STIPULATIONS	1.20	$1,170.00
05/30/25	10629	V. HAWEKOTTE	REVIEW FILING FOR CLERICAL ERRORS AND MANAGE FILING	1.40	$756.00
05/30/25	03158	E. DUFFY	TCW COLLEAGUE, V. HAWEKOTTE TO VERBALLY WALK THROUGH MOTION FOR CONTEMPT DRAFT	0.50	$487.50
06/02/25	10629	V. HAWEKOTTE	UPDATE INVENTORY REPORT AND FIRST REPORT AND CALLS WITH COLLEAGUE	3.10	$1,674.00
06/02/25	03158	E. DUFFY	REVIEW OF DRAFTED RECEIVERSHIP REPORT AND COMPENSATION, EMAILS FROM, TO V. HAWEKOTTE, COLLEAGUE RE: SAME; EMAILS FROM, TO V. HAWEKOTTE RE: FILINGS FOLLOW UP; EMAILS FROM, TO COLLEAGUE, R. LAHOUD RE: FOLLOW UPS	2.30	$2,242.50
06/03/25	10629	V. HAWEKOTTE	REVIEW RTK REQUEST AND REQUEST LIEN SEARCH UPDATE	0.10	$54.00
06/03/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE	0.10	$54.00
06/03/25	03158	E. DUFFY	EMAILS FROM, TO DM ADMINISTRATION RE: EDPA ADMISSION, FORTHCOMING COUNSEL	0.90	$877.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			SUBSTITUTION		
06/04/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE TO GO THROUGH VERBAL EDITS OF FILINGS, THEN FILE ALL DOCUMENTS	1.50	$810.00
06/04/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE	0.10	$54.00
06/04/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE	0.10	$54.00
06/04/25	10629	V. HAWEKOTTE	DRAFT MOTION TO WITHDRAW AND SPEAK WITH COLLEAGUE	1.40	$756.00
06/04/25	10629	V. HAWEKOTTE	REVIEW REQUIRED MONITORING WITH DAWN	0.10	$54.00
06/05/25	10629	V. HAWEKOTTE	CALL WITH ERIN REGARDING MEETING WITH PROPERTY COUNSEL, AND RELAY DISCUSSION TO COLLEAGUE AND BROOKE	0.20	$108.00
06/05/25	10629	V. HAWEKOTTE	EMAIL ERIN DUFFY TO REFLECT COMMUNICATIONS WITH COLLEAGUE	0.10	$54.00
06/05/25	10629	V. HAWEKOTTE	COORDINATE UPDATING FILINGS FOR RE-FILING AND CHECK DOCKET	0.30	$162.00
06/05/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE	0.20	$108.00
06/05/25	03158	E. DUFFY	TCW R. LAHOUD RE: 5/30 LETTER ON TERMS, DISCUSSION WITH DEFENDANTS	0.50	$487.50
06/06/25	10629	V. HAWEKOTTE	REVIEW LIEN SEARCH	1.30	$702.00
06/06/25	10629	V. HAWEKOTTE	CALL THE CLERK TO CHECK IN ON FILINGS	0.10	$54.00
06/06/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE REGARDING CALLING CLERK FOR AN UPDATE ON FILINGS; CALL WITH COLLEAGUE REGARDING UPDATE ON CASE AND SEND COLLEAGUE CONFIRMATION OF DOCKET CHECK	0.30	$162.00
06/09/25	10629	V. HAWEKOTTE	CALL CLERK REGARDING CASE UPDATES, CHECK ON DOCKET, AND SEND EMAIL UPDATING ON THIS INFORMATION AND SPEAK WITH COLLEAGUE REGARDING THIS INFORMATION	0.40	$216.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
06/09/25	10629	V. HAWEKOTTE	EDIT RECEIVERSHIP ORDER AND SEND OVER TO ERIN	0.40	$216.00
06/09/25	04272	C. JACOBY	COMMUNICATIONS WITH THE TITLE COMPANY REGARDING THE TAXES ON THE ACCOUNT.	0.30	$168.00
06/09/25	10629	V. HAWEKOTTE	RE-FILE REPORT	0.60	$324.00
06/09/25	03158	E. DUFFY	TCW P. BERGER RE: STATUS CHECK IN, EMAILS FROM, TO R. LAHOUD RE: TAX DOCUMENTATION TRANSMISSION, INITIAL REVIEW OF RECORDS RELATED TO SAME; REVIEW OF DRAFTED RECEIVERSHIP REPORT, EMAILS FROM, TO V. HAWEKOTTE RE: SAME	2.10	$2,047.50
06/13/25	10629	V. HAWEKOTTE	UPDATE NOTICE OF APPEARANCE FOR RECEIVERSHIP CASE, DISCUSS FILING WITH DAWN, AND EMAIL ERIN REGARDING ALTERNATIVE TO ENTERING INTO CASE	0.70	$378.00
06/13/25	03158	E. DUFFY	EMAILS FROM, TO C. CASEY, V. HAWEKOTTE, COLLEAGUE RE: PLAINTIFF ATTORNEY CHECK INS; EMAILS FROM, TO P. BERGER RE: PAYMENT PLAN, UPDATES	1.50	$1,462.50
06/19/25	03158	E. DUFFY	EMAILS FROM, TO COLLEAGUE, C. CASEY, V. HAWEKOTTE, R. LAHOUD, J. KELLY, R. CORNMAN RE: PORTNOFF AND TENANT AGREEMENT, NEXT STEPS, FINANCIAL IMPLICATIONS	0.60	$585.00
06/20/25	08374	C. CASEY	REVIEW E-MAIL CORRESPONDENCE AND RELATED ATTACHMENTS RE SHERIFF SALE, PAYMENT PLAN FOR SCHOOL TAXES FOR WHITEHALL, HELLERTOWN PROPERTIES, AND PLAINTIFF'S MOTION TO VOID AND SET ASIDE LEASE AMENDMENTS AND FOR DECLARATORY JUDGMENT, IN PREPARATION FOR CALLS WITH COUNSEL	0.90	$877.50
06/20/25	03158	E. DUFFY	EMAILS FROM, TO R. LAHOUD AND PORTNOFF CONTACTS RE: REACHED AGREEMENT, CALL TO DISCUSS NEXT STEPS	0.40	$390.00
06/22/25	08374	C. CASEY	REVIEW AND ANALYZE LEASE AGREEMENTS, PLAINTIFF'S MOTION TO VOID AND SET ASIDE LEASE AMENDMENTS AND FOR DECLARATORY JUDGMENT, IN PREPARATION FOR CALL WITH COUNSEL	1.40	$1,365.00
06/23/25	10629	V.	DRAFT LETTER TERMINATING LEASE	1.60	$864.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE	AMENDMENTS AND REVIEW LEASE AMENDMENTS		
06/23/25	08374	C. CASEY	CALL WITH E. DUFFY, R. LAHOUD, R. HADAY RE AGREEMENT RE PAYMENT OF SCHOOL TAXES; CALL WITH E. DUFFY, P. BERGER RE MOTION TO SET ASIDE AMENDMENTS TO LEASE AGREEMENTS	0.90	$877.50
06/23/25	03158	E. DUFFY	TCW C. CASEY, R. LAHOUD AND PORTNOFF CONTACTS RE: DEAL TERMS, NEXT STEPS; TCW C. CASEY, P. BERGER RE: PORTNOFF UPDATE; EMAILS FROM, TO V. HAWEKOTTE RE LEASE AMENDMENT TERMINATION, LANGUAGE FOR DRAFT AGREEMENT	1.70	$1,657.50
06/24/25	10629	V. HAWEKOTTE	REVIEW DOCUMENTS FOR BANK INFORMATION AND INSURANCE INFORMATION AND SEND TO ERIN	0.80	$432.00
06/24/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE RE RECEIVER'S AUTHORITY TO TERMINATE AMENDMENTS TO LEASES	0.10	$97.50
06/24/25	10629	V. HAWEKOTTE	REACH OUT TO ANNA WILLS REGARDING LEASE AMENDMENT AND REVIEW LEASE FOR TERMINATION PROVISION	0.60	$324.00
06/24/25	09885	A. WILLS	CALL WITH T. HAWKETTE RE: LEASE AND RECEIVERSHIP	0.20	$120.00
06/24/25	09885	A. WILLS	REVIEW LEASE	0.20	$120.00
06/25/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM DM TEAM, P. BERGER RE TERMINATING LEASE AMENDMENTS	0.20	$195.00
06/25/25	03158	E. DUFFY	EMAILS FROM, TO P. BERGER, C. CASEY, V. HAWEKOTTE, A. WILLS RE: LEASE AMENDMENT VACATION LETTER, PAYMENT TRACKING	0.60	$585.00
06/25/25	10629	V. HAWEKOTTE	COMMUNICATE WITH REAL ESTATE REGARDING THE LEASE AMENDMENTS AND SEND PLAINTIFFS COUNSEL INSURANCE DOCUMENTATION	0.20	$108.00
06/25/25	09885	A. WILLS	REVIEW EMAILS FROM T. HAWKETTE AND E. DUFFY RE: LEASE	0.20	$120.00
06/25/25	09885	A. WILLS	REVIEW LEASES FOR AUTHORITY FOR RECEIVER TO TERMINATE AMENDMENTS	1.60	$960.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
06/26/25	08374	C. CASEY	REVIEW AND ANALYZE MEMO FROM A. WILLS RE WHETHER RECEIVER MAY TERMINATE LEASE AMENDMENTS	0.20	$195.00
06/26/25	10629	V. HAWEKOTTE	REVIEW LEASE AMENDMENT COMMUNICATION AND SEND FOLLOW UP TO ERIN	0.10	$54.00
06/26/25	09885	A. WILLS	REVIEW LEASE PROVISIONS ON HUD MORTGAGE AND TAXES	3.30	$1,980.00
06/26/25	09885	A. WILLS	DRAFT EMAIL TO E. DUFFY AND V. HAWEKOTTE RE: LEASE PROVISIONS ON TERMINATING, MORTGAGE'S ASSIGNMENT OF LEASES AND RENTS, AND TAXES	1.00	$600.00
06/30/25	10629	V. HAWEKOTTE	PREPARE REVIEW OF UPDATES FOR SECOND RECEIVERSHIP REPORT	0.20	$108.00
06/30/25	08374	C. CASEY	REVIEW AND ANALYZE FIRST REPORT OF RECEIVER; REVIEW CORRESPONDENCE FROM T. HAWEKOTTE RE UPDATE TO SAME	0.20	$195.00
07/01/25	08374	C. CASEY	REVIEW AND ANALYZE CORRESPONDENCE FROM T. HAWEKOTTE, COLLEAGUE, E. DUFFY RE DRAFT SECOND REPORT OF RECEIVER	0.30	$292.50
07/01/25	10629	V. HAWEKOTTE	PREPARE MONTHLY REPORT	1.90	$1,026.00
07/01/25	10629	V. HAWEKOTTE	EMAILED PROPCO COUNSEL REQUESTING CONFIRMATION THAT PAYMENT PLAN PAYMENT WAS MADE	0.10	$54.00
07/01/25	10629	V. HAWEKOTTE	COMMUNICATE WITH COLLEAGUE AND ERIN DUFFY REGARDING FILING, AND DRAFT COMPENSATION REPORT AND FILE COMPENSATION REPORT	0.90	$486.00
07/01/25	03158	E. DUFFY	REVIEW OF DRAFTED MONTHLY FINANCE REPORTS, EMAILS FROM, TO V. HAWEKOTTE, C. CASEY RE: SUBMISSION OF SAME	0.80	$780.00
07/02/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM P. BERGER RE DEFICIENCIES WITH INSURANCE	0.20	$195.00
07/07/25	10629	V. HAWEKOTTE	REVIEW EMAIL FROM PHIL AND SEND UPDATE TO CHRIS/ERIN	0.30	$162.00
07/07/25	10629	V. HAWEKOTTE	REACH OUT TO PORTNOFF ATTORNEYS REGARDING CONFIRMATION OF JULY 1 PAYMENT AND COMMUNICATE WITH PHIL TO UPDATE ON JULY 1 PAYMENT	0.40	$216.00

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Date	ID#	Timekeeper	Narrative	Hours	Amount
07/07/25	03158	E. DUFFY	EMAILS FROM, TO C. CASEY, V. HAWEKOTTE RE: JULY 1ST PAYMENT, CONFIRMING OF SAME WITH PLAINTIFF'S COUNSEL	0.40	$390.00
07/08/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, P. BERGER RE ISSUES RELATING TO INSURANCE, LEASES, ETC.	0.20	$195.00
07/11/25	10629	V. HAWEKOTTE	SEND OUT COMMUNICATION REGARDING UPCOMING RECEIVERSHIP ORDER AND REQUIRED ADDITIONAL INFORMATION	0.20	$108.00
07/11/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM P. BERGER RE MOTION TO VOID AND SET ASIDE LEASE AMENDMENTS; REVIEW CORRESPONDENCE FROM T. HAWEKOTTE RE DRAFT SECOND REPORT OF RECEIVER	0.10	$97.50
07/14/25	10629	V. HAWEKOTTE	COMMUNICATE INTERNALLY REGARDING UPCOMING RECEIVERSHIP REPORT	0.10	$54.00
07/15/25	10629	V. HAWEKOTTE	UPDATE SECOND RECEIVERSHIP REPORT AND REVIEW RTK CORRESPONDENCE	0.50	$270.00
07/15/25	10629	V. HAWEKOTTE	CALL WITH CLERK TO CONFIRM RESCHEDULED DEADLINE FOR INVENTORY REPORT	0.10	$54.00
07/15/25	10629	V. HAWEKOTTE	DRAFT NOTICE TO CLIENT	0.40	$216.00
07/16/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM P. BERGER, E. DUFFY AND T. HAWEKOTTE RE UPDATES RE INSURANCE, BANK ACCOUNT DOCUMENTS	0.10	$97.50
07/16/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATION AND REACH OUT TO RAY LAHOUD, THEN REACH OUT TO PHIL TO SCHEDULE CALL	0.60	$324.00
07/16/25	03158	E. DUFFY	EMAILS FROM, TO V. HAWEKOTTE, P, BERGER, C. CASEY RE: INSURANCE DOCUMENT FOLLOW UP, STATUS CHECK	0.30	$292.50
07/18/25	08374	C. CASEY	CALL WITH DM TEAM, P. BERGER RE UPDATES RE INSURANCE, BANK ACCOUNTS, RENT, ETC.; REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, P. BERGER, R. LAHOUD RE SAME	0.70	$682.50
07/18/25	10629	V. HAWEKOTTE	CALL TO DISCUSS SETTING UP DATA ROOM FOR NURSING HOME RECEIVERSHIP	0.30	$162.00
07/18/25	10629	V.	ATTEND MEETING WITH PLAINTIFF'S COUNSEL,	0.30	$162.00

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Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE	ERIN, AND C.C.		
07/18/25	10629	V. HAWEKOTTE	COMMUNICATE REGARDING SETTING UP DATA ROOM	0.10	$54.00
07/18/25	10629	V. HAWEKOTTE	EMAIL RAY LAHOUD TO CHECK IN ON DOCUMENTS	0.10	$54.00
07/18/25	10629	V. HAWEKOTTE	EMAIL B.M. REGARDING LEASE AND INSURANCE ISSUES	0.30	$162.00
07/18/25	10629	V. HAWEKOTTE	REVIEW DOCUMENTS RECEIVED AND PREPARE TABLE OF CONTENTS AND EMAIL COMMUNICATION WITH PHIL BERGER	0.80	$432.00
07/18/25	03158	E. DUFFY	TCW AND EMAILS FROM, TO P. BERGER, C. CASEY, V. HAWEKOTTE RE: STATUS UPDATE, DOCUMENTS STILL NEEDED, DEBRIEF WITH V. HAWEKOTTE RE: SAME; TCW B. MESSINGER RE: SAUCON VALLEY, BANK OPTIONS FOR RECEIVERSHIP, FOLLOW UP EMAILS FROM, TO C. CASEY, R. LAHOUD, B. MESSINGER, V. HAWEKOTTE RE: SAME, SECURITY OF DOCUMENTS	2.10	$2,047.50
07/18/25	01902	B. MESSINGER	TELPHONE WITH ERIN DUFFY.	0.20	$195.00
07/21/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, E. DUFFY, P. BERGER RE UPDATES ON INSURANCE, BANK ACCOUNTS, ETC.; PREPARE RESPONSE TO CORRESPONDENCE FROM E. DUFFY RE CONFIDENTIALITY PROPOSAL OF R. LAHOUD	0.20	$195.00
07/21/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATION AND SEARCH THROUGH NEW DOCUMENTS	0.40	$216.00
07/21/25	03158	E. DUFFY	EMAILS FROM, TO V. HAWEKOTTE, C. CASEY, B. MESSINGER RE: INSURANCE DOCUMENT PROVISIONS	0.40	$390.00
07/21/25	09885	A. WILLS	COMMUNICATE WITH TORI HAWEKOTTE RE: INSURANCE REVIEW FOR LEASE	0.10	$60.00
07/22/25	01902	B. MESSINGER	BEGAN REVIEW OF RESEARCH RELATING TO CANCELATION OF LEASE.	0.40	$390.00
07/22/25	10629	V. HAWEKOTTE	CHECK IN REGARDING EMAIL RESPONSE TO PHIL	0.20	$108.00
07/22/25	10629	V. HAWEKOTTE	SEND EMAIL TO PHIL REGARDING DOCUMENTATION	0.10	$54.00

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Date	ID#	Timekeeper	Narrative	Hours	Amount
07/22/25	03158	E. DUFFY	EMAILS FROM, TO C. CASEY, B. MESSINGER, V. HAWEKOTTE RE: PLAINTIFF'S COUNSEL FOLLOW UP, INSURANCE AND BANKING INFORMATION RELEASE, STIPULATIONS	0.40	$390.00
07/23/25	01902	B. MESSINGER	REVISED LETTER PER COMMENTS BY BANK ATTORNEY.	0.40	$390.00
07/23/25	01902	B. MESSINGER	REVISED LETTER CANCELING AMENDMENTS TO LEASES.	0.30	$292.50
07/23/25	01902	B. MESSINGER	BEGAN REVIEW OF DOCUMENTS AND DRAFTED LETTER TO TENANTS AND OWNERS REGARDING REJECTION OF AMENDMENTS TO THE LEASE.	4.40	$4,290.00
07/23/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, E. DUFFY, P. BERGER, B. MESSINGER RE UPDATES RE INSURANCE DOCUMENTS, BANK ACCOUNTS, ETC.	0.20	$195.00
07/23/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATIONS AND SEND DOCUMENTS INTERNALLY	0.10	$54.00
07/23/25	03158	E. DUFFY	EMAILS FROM, TO C. CASEY, B. MESSINGER, V. HAWEKOTTE RE: PLAINTIFF COUNSEL CONTACT, LEASE TERMINATING CIRCUMSTANTIAL DEFINITION, FOLLOW UP TO P. BERGER RE: SAME; TCW AND EMAILS FROM, TO G. HARRIS RE: CONSULTATION	1.80	$1,755.00
07/24/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM P. BERGER, T. HAWEKOTTE, E. DUFFY RE UPDATE ON INSURANCE DOCUMENTS	0.10	$97.50
07/25/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, E. DUFFY RE RESPONDING TO P. BERGER RE INSURANCE DOCUMENTS	0.10	$97.50
07/25/25	03158	E. DUFFY	EMAILS FROM, TO V. HAWEKOTTE, C. CASEY, B. MESSINGER RE: INSURANCE DOCUMENTATION SUPPLY, PARAMETERS, NEXT STEPS, TCW B. MESSINGER RE: SAME	1.20	$1,170.00
07/25/25	01902	B. MESSINGER	TELEPHONE WITH PHILLIP BERGER REGARDING OPEN ISSUES FOR RECEIVER.	0.30	$292.50
07/25/25	01902	B. MESSINGER	TELEPHONE WITH ERIN DUFFY REGARDING OPEN RECEIVER ISSUES.	0.20	$195.00
07/25/25	01902	B. MESSINGER	FINALIZED LETTER AFTER CHECKING TWO	0.30	$292.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			LEASES FOR CURE PERIOD.		
07/25/25	01902	B. MESSINGER	DRAFTED ENTRY OF APPERANCE AND REVIEWED DOCKET REPORTS.	0.20	$195.00
07/28/25	10629	V. HAWEKOTTE	SEND REMINDER OF IMPENDING DUE DATES AND INCLUDE CASE UPDATE STATUS	0.30	$162.00
07/29/25	03158	E. DUFFY	DISCUSSIONS WITH T HAWEKOTTE AND B. MESSINGER RE: INSURANCE ISSUES; TCW A. REIN RE: NEW COUNSEL ISSUES	0.80	$780.00
07/29/25	01902	B. MESSINGER	RECEIVED AND REVIEWED EMAIL FROM PHIL BERGER REGARDING CERTAIN OPEN ISSUES.	0.10	$97.50
07/29/25	01902	B. MESSINGER	REVIEWED INFORMATION REGARDING THE PRODUCTION OF INSURANCE CERTIFICATES.	0.20	$195.00
07/30/25	10629	V. HAWEKOTTE	COORDINATE GATHERING MATERIALS FOR UPDATED RECEIVERSHIP FILING	0.20	$108.00
07/30/25	10629	V. HAWEKOTTE	REVIEW REPORT AND UPDATE	0.80	$432.00
07/31/25	10629	V. HAWEKOTTE	SEND REMINDER OF RECEIVERSHIP REPORT DUE AND SEND FINAL DOCUMENTS AND PREPARED EXHIBITS TO FILE AFTER REVIEW	0.60	$324.00
07/31/25	10629	V. HAWEKOTTE	REVIEW PERTINENT DETAILS OF MTC WITH ANNAMARIE	0.30	$162.00
07/31/25	10629	V. HAWEKOTTE	UPDATE RECEIVERSHIP REPORT TO REFLECT ERIN'S EDITS	0.60	$324.00
07/31/25	10629	V. HAWEKOTTE	DRAFT ORDER AND MOTION TO COMPEL	0.60	$324.00
07/31/25	01902	B. MESSINGER	REVIEWED AND ANALYZED DRAFT SECOND RECEIVER'S REPORT.	0.20	$195.00
07/31/25	08374	C. CASEY	CORRESPONDENCE WITH DM TEAM RE MOTION TO COMPEL; REVIEW AND EDIT DRAFT MOTION TO COMPEL; CALL WITH A. HUFFORD-BUCKLIN RE SAME	0.80	$780.00
07/31/25	10630	A. HUFFORD-BUCKLIN	DRAFTING BRIEF TO ACCOMPANY MOTION TO COMPEL FOR RECEIVERSHIP	5.00	$2,700.00
07/31/25	10629	V. HAWEKOTTE	REVIEW RECEIVERSHIP HISTORY WITH ANNAMARIE	0.20	$108.00
07/31/25	10629	V.	MANAGE RECEIVERSHIP REPORT FOLLOW UP	0.90	$486.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE	EDITS AND FILE RECEIVERSHIP REPORT		
07/31/25	03158	E. DUFFY	DISCUSSIONS WITH B. MESSINGER RE: MOTION TO COMPEL AND RECEIVER REPORT; REVIEW OF RECEIVER REPORT	1.10	$1,072.50
07/31/25	01902	B. MESSINGER	REVISED MOTION TO COMPEL.	0.40	$390.00
07/31/25	01902	B. MESSINGER	BEGAN DRAFTING REPSONSE TO LATEST EMAIL FROM COUNSEL FOR TENANTS.	0.20	$195.00
08/01/25	10629	V. HAWEKOTTE	PREPARE COMPENSATION REPORT AND FOLLOW UP EDITS TO BILLING AMOUNT	1.00	$540.00
08/01/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM DM TEAM RE FILING OF COMPENSATION REPORT; REVIEW PLAINTIFF'S MOTION TO COMPEL AND SUPPORTING BRIEF	0.40	$390.00
08/01/25	03158	E. DUFFY	REVIEW OF DRAFTED MONTHLY RECEIVER COST REPORT, EMAILS FROM, TO COLLEAGUEs RE: SAME, LOGISTICS FOR FILING	1.10	$1,072.50
08/04/25	10629	V. HAWEKOTTE	REVIEW CORRESPONDENCE, RESPOND TO PHILIP BERGER, AND EMAIL PORTNOFF ASSOCIATES REGARDING ADHERENCE TO MONTHLY PAYMENT PLAN	0.20	$108.00
08/04/25	01902	B. MESSINGER	DISCUSSED OUTSTANDING ISSUES WITH ERIN DUFFY.	0.20	$195.00
08/04/25	01902	B. MESSINGER	RECEIVED AND REVIEWED VARIOUS EMAILS FROM TENANTS.	0.10	$97.50
08/04/25	01902	B. MESSINGER	DRAFTED PROPOSED RESPONSE TO TENANT'S EMAIL.	0.20	$195.00
08/04/25	03158	E. DUFFY	EMAILS FROM, TO R. LAHOUD, B. MESSINGER RE: MOTION TO COMPEL FOLLOW UP, TCW B. MESSINGER RE: RESPONSE, PATH FORWARD	0.50	$487.50
08/05/25	10629	V. HAWEKOTTE	ATTEND MEETING WITH BRETT AND ERIN TO REVIEW STATUS AND STRATEGIZE APPROACH	1.30	$702.00
08/05/25	10629	V. HAWEKOTTE	WRITE LETTERS TO INSURANCE CARRIER AND TRUIST AND SEND TO ERIN AND BRETT FOR REVIEW	1.30	$702.00
08/05/25	10629	V. HAWEKOTTE	PREPARE UPDATED EMAIL	1.00	$540.00
08/05/25	01902	B. MESSINGER	PARTICIPATED IN CONFERENCE CALL WITH	1.50	$1,462.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			RECEIVER AND ASSOCIATE REGARDING STRATEGY FOR MOVING FORWARD AS AGAINST TENANTS AND IN OBTAINING ADDITIONAL DOCUMENTS CONSISTENT WITH RECEIVER'S ORDER AND REVIEWED AND ANALYZED RECEIVER'S ORDER.		
08/05/25	01902	B. MESSINGER	FINALIZED AND SENT EMAIL TO COUNSEL FOR TENANTS RESPONDING TO A NUMBER OF QUERIES.	0.30	$292.50
08/05/25	01902	B. MESSINGER	TELEPHONE WITH COUNSEL FOR LENDER.	0.30	$292.50
08/05/25	03158	E. DUFFY	TCW V. HAWEKOTTE, B. MESSINGER RE: TAX PAYMENT FOLLOW UP, CONTACT TO PHIL	1.00	$975.00
08/06/25	10629	V. HAWEKOTTE	CHECK ON PROCEDURE FOR RECEIVER APPOINTMENT FOR OPERATING COMPANY OF NURSING HOME	0.40	$216.00
08/06/25	10629	V. HAWEKOTTE	FOLLOW UP WITH EMAIL REGARDING PAYMENT AND EMAIL PHIL BERGER WITH UPDATE	0.20	$108.00
08/06/25	10629	V. HAWEKOTTE	SEARCH FOR TONYA KEMMERER BRANCH LOCATION	0.50	$270.00
08/06/25	01902	B. MESSINGER	INTERNAL EMAIL TO DUANE MORRIS PARTNER REGARDING SERVING LETTER REQUESTING ACCOUNT INFORMATION FROM TRUIST.	0.10	$97.50
08/07/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, J. KELLY RE TAX PAYMENTS	0.10	$97.50
08/07/25	10629	V. HAWEKOTTE	[redacted]	0.10	$54.00
08/08/25	10629	V. HAWEKOTTE	[redacted]	0.50	$270.00
08/08/25	10629	V. HAWEKOTTE	COORDINATE NEW DATA ROOM PERMISSIONS FOR RAY INSURANCE FOLDER	0.40	$216.00
08/08/25	10629	V. HAWEKOTTE	RESEARCH PROCESS FOR VOIDING/TERMINATING LEASE RECEIVERSHIP	2.20	$1,188.00
08/08/25	08374	C. CASEY	REVIEW CORRESPONDENCE BETWEEN T. HAWEKOTTE, R. LAHOUD RE FINANCIAL, INSURANCE DOCUMENTS	0.10	$97.50
08/08/25	01902	B. MESSINGER	[redacted]	0.30	$292.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			OPERATION OF FACILITIES.		
08/08/25	01902	B. MESSINGER	REVIEWED WHITEHALL BALANCE SHEET.	0.10	$97.50
08/08/25	03158	E. DUFFY	EMAILS FROM, TO V. HAWEKOTTE, B. MESSINGER RE: DATA ROOM SET UP, LOGISTICS OF RECEIVERSHIP APPOINTMENT	0.90	$877.50
08/11/25	10629	V. HAWEKOTTE	REVIEW CORRESPONDENCE AND DRAFT RESPONSE TO RAY'S PROPOSED LIMITATION ON INSURANCE DOCUMENT DISCLOSURE	0.10	$54.00
08/12/25	10629	V. HAWEKOTTE	CHECK IN ON BANK DOCUMENTS	0.30	$162.00
08/13/25	08374	C. CASEY	REVIEW COURT ORDER RE MOTIONS TO DISMISS/STRIKE	0.10	$97.50
08/13/25	01902	B. MESSINGER	REVIEWED LETTER RELATING TO TAX SALE.	0.20	$195.00
08/13/25	10629	V. HAWEKOTTE	SEND OVER REVIEW OF PROCEDURAL PROCESS AND PA CODE	1.60	$864.00
08/13/25	10629	V. HAWEKOTTE	REVIEW INTERNAL COMMUNICATIONS AND CALL PORTNOFF ASSOCIATES REGARDING TAX SALE, FOLLOW UP WITH BRETT REGARDING TAX SALE AND CALL BOTH TAX CLAIM COUNTY BUREAUS REGARDING THE ADDRESSES	1.00	$540.00
08/13/25	10629	V. HAWEKOTTE	SEND FOLLOW UP REGARDING UNREDACTED INSURANCE DOCUMENTS AND REVIEW PHIL BERGER CORRESPONDENCE, AND SEND REQUEST FOR BANK STATEMENTS TO TRUIST	0.70	$378.00
08/13/25	03158	E. DUFFY	EMAILS FROM, TO B. MESSINGER, V. HAWEKOTTE RE: BANK STATEMENT FOLLOW UP	1.30	$1,267.50
08/14/25	01902	B. MESSINGER	RECEIVED AND ANALYZED WRITTEN OPINION AND ORDER OF MOTION TO DISMISS.	0.30	$292.50
08/14/25	10629	V. HAWEKOTTE	REVIEW COURT FILING AND CORRESPOND WITH ERIN AND BRETT	0.20	$108.00
08/14/25	10629	V. HAWEKOTTE	REVIEW CORRESPONDENCE AND RESPOND TO ERIN AND BRETT REGARDING TAX ISSUES	1.00	$540.00
08/14/25	03158	E. DUFFY	EMAILS FROM, TO B. MESSINGER, V. HAWEKOTTE RE: CREDIT TAX ISSUE CONFIRMATION, BEST FOLLOW UP TO COUNSEL, NEXT STEPS	0.80	$780.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
08/15/25	10629	V. HAWEKOTTE	SEND UPDATE TO BRETT REGARDING COURT RULES ON SUR-REPLIES AND POTENTIAL MOTIONS SEEKING LEAVE	0.40	$216.00
08/15/25	08374	C. CASEY	REVIEW RECENT FILINGS	0.20	$195.00
08/15/25	01902	B. MESSINGER	DISCUSSED WITH ASSOCIATE THE DRAFTING OF RESPONSES AND REPLY TO PENDING MOTIONS.	0.20	$195.00
08/15/25	01902	B. MESSINGER	RECEIVED AND ANALYZED RESPONSE TO DUANE MORRIS'S MOTION TO COMPEL TURN OVER OF RECORDS.	0.20	$195.00
08/15/25	10629	V. HAWEKOTTE	REVIEW BRIEF RESPONSE REQUIREMENTS AND DRAFT SUBPOENA	1.60	$864.00
08/15/25	10629	V. HAWEKOTTE	CALL WITH BRETT AND REVIEW COMMUNICATIONS	0.50	$270.00
08/15/25	10629	V. HAWEKOTTE	FLAG PENDING CORRESPONDENCE AND ACTION ITEMS TO ERIN AND BRETT	0.10	$54.00
08/15/25	10629	V. HAWEKOTTE	FOLLOW UP WITH RAY LAHOUD BANKING CORRESPONDENCE	0.10	$54.00
08/15/25	10629	V. HAWEKOTTE	INTERNAL CALL TO DISCUSS REQUIRED ACTION AND UPCOMING HEARING DATE	0.30	$162.00
08/18/25	08374	C. CASEY	CORRESPONDENCE AMONG DM TEAM RE UPCOMING RULE 16 CONFERENCE, STATUS OF LITIGATION	0.40	$390.00
08/18/25	01902	B. MESSINGER	REVIEWED AND ANALYZED RESPONSE TO RECEIVER'S MOTION TO COMPEL.	0.40	$390.00
08/18/25	01902	B. MESSINGER	[redacted]	1.30	$1,267.50
08/18/25	10629	V. HAWEKOTTE	INTERNAL CORRESPONDENCE REGARDING STATUS OF RECEIVERSHIP	0.50	$270.00
08/18/25	10629	V. HAWEKOTTE	FINISH DRAFTING SUBPOENA	0.60	$324.00
08/19/25	10629	V. HAWEKOTTE	STRATEGIZE SERVICE OF PROCESS WITH INTERNAL TEAM MEMBER	0.20	$108.00
08/19/25	10629	V.	DRAFT NOTICE OF SUBPOENA	0.40	$216.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE			
08/19/25	10629	V. HAWEKOTTE	COORDINATE SUBPOENA WITH PROCESS SERVER	0.30	$162.00
08/19/25	10629	V. HAWEKOTTE	REVIEW ADDITIONAL FILINGS AND UPDATE ERIN AND BRETT	0.40	$216.00
08/19/25	10629	V. HAWEKOTTE	[redacted]	0.30	$162.00
08/19/25	10629	V. HAWEKOTTE	COMPLETE AND SEND OVER SUBPOENA AND ACCOMPANYING LETTER DRAFT TO ERIN AND BRETT	0.90	$486.00
08/19/25	03158	E. DUFFY	ADDRESSING COURT ORDERS AND QUESTIONS FROM JUDGE CHAMBERS	0.60	$585.00
08/20/25	10629	V. HAWEKOTTE	REVIEW SUBPOENA CORRESPONDENCE FROM RAY LAHOUD ON BEHALF OF TRUIST AND SEND FOLLOW UP TO BRETT	0.20	$108.00
08/20/25	10629	V. HAWEKOTTE	REVIEW DATA ROOM PERMISSIONS WITH IT AND CAPABILITY TO IDENTIFY USERS WHO UPLOADED REPORTS, FOR USE IN RECEIVERSHIP REPORTING AND DRAFTING REPLY BRIEF	0.20	$108.00
08/20/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATION REGARDING RULE 26(F) CONFERENCE AND LOOK INTO OBLIGATIONS	0.10	$54.00
08/20/25	10629	V. HAWEKOTTE	REVIEW NEWLY DEPOSITED DOCUMENTS AND DRAFT REPLY BRIEF	2.40	$1,296.00
08/20/25	10629	V. HAWEKOTTE	INTERNAL CALL REGARDING RULE 26(F) REPORT QUESTION	0.20	$108.00
08/20/25	01902	B. MESSINGER	FINALIZED NOTICE OF INTENT TO SERVE SUBPOENA.	0.10	$97.50
08/20/25	01902	B. MESSINGER	RECEIVED AND REVIEWED REPLY MEMORANDUM FILED BY PLAINTIFF REGARDING DISCLOSURE OF INSURANCE DOCUMENTS.	0.20	$195.00
08/20/25	10629	V.	COMPLETE SUBPOENA NOTICE	0.30	$162.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE			
08/20/25	10629	V. HAWEKOTTE	COORDINATE SUBPOENA NOTICE MAILING	0.10	$54.00
08/20/25	03158	E. DUFFY	REVIEW OF ORDERS; SUBPOENA AND OUTSTANDING ISSUES	1.10	$1,072.50
08/21/25	08374	C. CASEY	REVIEW RECENT COURT FILINGS	0.10	$97.50
08/21/25	10629	V. HAWEKOTTE	REVIEW CORRESPONDENCE FROM B. MESSINGER AND DISCUSS SUBPOENA PREFERENCE	0.40	$216.00
08/22/25	10629	V. HAWEKOTTE	FINALIZE DRAFT OF BRIEF	0.80	$432.00
08/26/25	10629	V. HAWEKOTTE	MANAGE SUBPOENA SEVICE ISSUE AND SEND UPDATED SUBPOANA TO TRUIST BANK REPRESENTATIVE	0.20	$108.00
08/27/25	08374	C. CASEY	CALL WITH COLLEAGUE RE STATUS, STRATEGY	0.30	$292.50
08/27/25	10629	V. HAWEKOTTE	REVIEW FILING COMMUNICATIONS	0.20	$108.00
08/27/25	10629	V. HAWEKOTTE	CALL WITH C. CASEY	0.10	$54.00
08/27/25	10629	V. HAWEKOTTE	FLAG BRIEF FOR BRETT	0.10	$54.00
08/28/25	10629	V. HAWEKOTTE	MANAGE FILING, PREPARE SUMMARY OF OUTSTANDING ISSUES, CALL WITH E. DUFFY REGARDING NEXT WEEK'S FOCUS, CALL WITH B. MESSINGER REGARDING FILING, SEND LEASE REVIEW REQUEST TO ANNA WILLS	2.50	$1,350.00
08/28/25	10629	V. HAWEKOTTE	RESPOND TO C. CASEY INQUIRY AND CALL WITH CHRIS CASEY REGARDING PROPERTY MANAGEMENT AND DRAFT NEW SUBPOENAS FOR TENANTS/OPERATORS	1.20	$648.00
08/28/25	08374	C. CASEY	CALLS AND CORRESPONDENCE WITH DM TEAM RE DISCOVERY CONFERENCE WITH COURT, STRATEGY, NEXT STEPS; REVIEW FINAL DRAFT OF REPLY BRIEF IN SUPPORT OF MOTION TO COMPEL; REVIEW ORDER APPOINTING RECEIVER FOR LANGUAGE COVERING MANAGEMENT COMPANIES; REVIEW DRAFT LETTER TO JUDGE HENRY RE ORDER COMPELLING DEFENDANTS TO PRODUCE	2.60	$2,535.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			DOCUMENTS; REVIEW DRAFT SUBPOENAS AND COVER LETTERS TO OPERATORS		
08/28/25	01902	B. MESSINGER	ATTENDED DISCOVERY CONFERENCE WITH COURT.	0.90	$877.50
08/28/25	01902	B. MESSINGER	DISCUSSED SOME OPEN ISSUES WITH PHIL BERGER.	0.20	$195.00
08/28/25	01902	B. MESSINGER	DRAFTED TWO LETTERS TO JUDGE HENRY, ONE REGARDING DISCOVERY OUTSTANDING AND THE OTHER ENCLOSING DOCUMENTS FOR IN CAMERA REVIEW.	1.20	$1,170.00
08/28/25	03158	E. DUFFY	TCW V. HAWEKOTTE RE: ONGOING ISSUES, NEXT STEPS	0.50	$487.50
08/28/25	01902	B. MESSINGER	PREPARED FOR DISCOVERY CONFERENCE.	0.20	$195.00
08/28/25	01902	B. MESSINGER	FINALIZED REPLY MEMORANDUM IN FURTHER SUPPORT OF MOTION TO COMPEL.	0.40	$390.00
08/28/25	09885	A. WILLS	COMMUNICATE WITH TORI HAWEKETTE RE: LEASE REVIEW	0.10	$60.00
08/29/25	01902	B. MESSINGER	FINALIZED LETTER TO COURT, REVIEW SUBPOENAS TO TENANTS AND DRAFTED NEW ATTACHEMENT TO SUBPOENAS.	0.80	$780.00
08/29/25	10629	V. HAWEKOTTE	REVIEW CORRESPONDENCE RELATING TO SUBPOENAS, REVISE SUBPOENAS, AND COORDINATE SERVICE	0.80	$432.00
08/29/25	10629	V. HAWEKOTTE	EMAIL SUBPOENAS TO JOEL WIENER	0.10	$54.00
08/29/25	08374	C. CASEY	CORRRESPONDENCE WITH T. HAWEKOTTE RE SERVICE OF SUBPOENAS TO OPERATING COMPANIES	0.20	$195.00
08/31/25	01902	B. MESSINGER	BEGAN REVIEW OF DOCUMENTS RECEIVED FROM TRUIST.	0.20	$195.00
09/02/25	08374	C. CASEY	MEETING WITH DM TEAM RE UPDATE, REVIEW OF PROGRESS TO DATE, NEXT STEPS (1.5); REVIEW VARIOUS CORRESPONDENCE FROM T. HAWEKOTTE, B. MESSINGER RE MONTHLY REPORT, SUBPOENAS TO TENANTS, AND REVIEW DRAFTS OF REPORT AND FINAL REPORT (.4)	1.90	$1,852.50
09/02/25	01902	B. MESSINGER	RECEIVED AND REVIEWED ORDER GRANTING	0.20	$195.00

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Date	ID#	Timekeeper	Narrative	Hours	Amount
			MOTIONS TO COMPEL.		
09/02/25	01902	B. MESSINGER	[redacted]	1.20	$1,170.00
09/02/25	10629	V. HAWEKOTTE	MEETING TO DISCUSS RECEIVERSHIP PROGRESS AND REQUIRED TASKS AND EDIT AND FILE MONTHLY REPORT	2.10	$1,134.00
09/02/25	10629	V. HAWEKOTTE	PREPARE REPORT AND SEND UPDATE, REVIEW REAL ESTATE TEAM'S ASSESSMENT AND UPDATE REPORT TO REFLECT COMPENSATION AND REAL ESTATE FINDINGS	1.80	$972.00
09/02/25	03158	E. DUFFY	REVIEW OF DRAFT MONTHLY RECEIVERSHIP INVENTORY REPORTS, CONVERSATIONS WITH V. HAWEKOTTE RE: SAME, FILING	0.80	$780.00
09/02/25	09885	A. WILLS	REVIEW LEASE PROVISIONS ON TAXES AND INSURANCE COVERAGE AND COMPARE TO INSURANCE POLICIES AND DRAFT EMAIL TO T. HAWEKOTTE RE: SAME	1.50	$900.00
09/03/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, B. MESSINGER, AND TENANTS' COUNSEL JOEL WEINER RE SUBPOENAS	0.30	$292.50
09/03/25	01902	B. MESSINGER	DRAFTED EMAIL TO PHIL BERGER REGARDING VOIDING OF LEASE AND COLLECTION OF RENT.	0.40	$390.00
09/03/25	10629	V. HAWEKOTTE	DRAFT LETTERS REQUESTING RENT AND MANAGE SUBPOENA	1.70	$918.00
09/05/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE RE DRAFT RENT DEMAND LETTERS, LATEST FILINGS; REVIEW DRAFT LETTERS	0.20	$195.00
09/05/25	10629	V. HAWEKOTTE	REVISE LANDLORD/TENANT LETTERS	0.90	$486.00
09/05/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATIONS REGARDING SUBPOENA	0.10	$54.00
09/05/25	10629	V. HAWEKOTTE	SEND REMINDER REGARDING RENT LETTERS TO BRETT, ADD IN CHRIS CASEY FOR CONSOLIDATION WITH BANK ACCOUNT INQUIRY	0.20	$108.00
09/06/25	01902	B. MESSINGER	FINALIZED LETTERS TO LANDLORDS AND TENANTS FOR TURNOVER OF RENTS.	0.30	$292.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
09/06/25	10629	V. HAWEKOTTE	REVIEW EDITS TO RENTAL DEMAND LETTERS AND EMAIL BRETT	0.10	$54.00
09/09/25	10629	V. HAWEKOTTE	SEND REQUEST FOR MAILING DIRECTION FOR RENTAL DEMAND LETTERS TO B. MESSINGER AND SEND TO ATTORNEYS VIA EMAIL	0.60	$324.00
09/10/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATION WITH J. WIENER AND FLAG FOR B. MESSINGER	0.10	$54.00
09/11/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATIONS REGARDING TAX ASSESSMENT APPEAL AND GO THROUGH DOCUMENTS FILED IN RESPONSE TO MOTION TO COMPEL, CREATE OVERVIEW OF RESPONSIVENESS AND AGENDA FOR 09/12 MEETING TO DISCUSS	3.00	$1,620.00
09/12/25	01902	B. MESSINGER	[redacted]	0.80	$780.00
09/12/25	10629	V. HAWEKOTTE	DRAFT LETTER RESPONSE TO MOTION TO COMPEL	0.80	$432.00
09/12/25	10629	V. HAWEKOTTE	MEET TO REVIEW STEPS FORWARD AND DOCUMENT PRODUCTION RESULTS	0.90	$486.00
09/12/25	03158	E. DUFFY	[redacted]	1.80	$1,755.00
09/13/25	01902	B. MESSINGER	FINALIZED DISCOVERY LETTER TO DEFENDANTS.	0.30	$292.50
09/15/25	01902	B. MESSINGER	RECEIVED AND REVIEWED APPRAISAL.	0.10	$97.50
09/15/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATIONS BETWEEN R. LAHOUD AND B. MESSINGER, DRAFT MOTION FOR SANCTIONS	0.20	$108.00
09/15/25	10629	V. HAWEKOTTE	EMAIL REMINDER REGARDING TAX ASSESSMENT APPEAL	0.10	$54.00
09/15/25	10629	V. HAWEKOTTE	DRAFT MOTION FOR SANCTIONS	1.80	$972.00
09/16/25	08374	C. CASEY	REVIEW RECENT CORRESPONDENCE FROM T. HAWEKOTTE RE RESPONSES TO SUBPOENA	0.30	$292.50
09/16/25	10629	V.	REVIEW AND CALENDAR SUBPOENA DUE DATE	0.10	$54.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE	AND EMAIL BRETT REGARDING RENTAL DEMAND LETTER		
09/17/25	01902	B. MESSINGER	REVIEWED RESPONSES TO SUBPOENA BY TENANTS.	0.20	$195.00
09/17/25	10629	V. HAWEKOTTE	RESEARCH PROCESS FOR RESPONDING TO SUBPOENA OBJECTION	0.60	$324.00
09/18/25	10629	V. HAWEKOTTE	SEND FOLLOW UP REGARDING RENTAL DEMAND LETTERS	0.10	$54.00
09/18/25	10629	V. HAWEKOTTE	CORRESPOND WITH B. MESSINGER REGARDING QUESTIONS ON ALL MOTION DRAFTING TASKS	0.50	$270.00
09/18/25	10629	V. HAWEKOTTE	CALL WITH A. SMOLIJ REGARDING RESPONSE TO SUBPOENA OBJECTION	0.10	$54.00
09/18/25	10629	V. HAWEKOTTE	REVIEW R. LAHOUD COMMUNICATION AND FOLLOW UP WITH B. MESSINGER	0.20	$108.00
09/18/25	10629	V. HAWEKOTTE	REVIEW B. MESSINGER COMMUNICATION REGARDING AGREEMENTS AND REVIEW AGREEMENTS	0.70	$378.00
09/19/25	01902	B. MESSINGER	REVIEWED VARIOUS EMAILS AND DRAFTED EMAIL TO OWNERS' COUNSEL REGARDING FAILURE TO PROVIDE DOCUMENTS.	0.40	$390.00
09/19/25	10629	V. HAWEKOTTE	PREPARE DRAFT SUBPOENA, INCLUDING LOOKING INTO FRCP AND DRAFTING COVER LETTER, DEFINITIONS, AND TOPIC, AND SEND B. MESSINGER WORKING DRAFT WITH REQUIRED QUESTIONS FOR PROGRESSING	1.20	$648.00
09/19/25	10629	V. HAWEKOTTE	FLAG NONRESPONSE TO RENT DEMAND LETTERS	0.10	$54.00
09/21/25	10629	V. HAWEKOTTE	UPDATE MOTION FOR SANCTIONS	1.10	$594.00
09/22/25	10629	V. HAWEKOTTE	COORDINATE MEETING WITH STEVENS & LEE COUNSEL TO DISCUSS SUBPOENA OBJECTIONS	0.10	$54.00
09/22/25	10629	V. HAWEKOTTE	COMPLETE AND SEND MOTION FOR SANCTIONS TO B. MESSINGER	3.50	$1,890.00
09/22/25	03985	S. HABIB	PRICIPALS/OFFICERS OFR WHITEHALL MANOR INC AND SAUCON VALLEY MANOR INC / REQUESTER: V HAWEKOTTE	0.40	$142.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
09/23/25	10629	V. HAWEKOTTE	COMPLETE MOTION FOR SANCTIONS	3.00	$1,620.00
09/23/25	10629	V. HAWEKOTTE	REVIEW MOTION TO QUASH TIMELINE AND PREPARE NOTES AND NARROWED SUBPOENA SUGGESTIONS FOR THIRD PARTY SUBPOENA MEET AND CONFER	1.30	$702.00
09/24/25	10629	V. HAWEKOTTE	SEND OUT DOCUMENTS IN PREPARATION FOR MEETING AND ATTEND SUBPOENA OBJECTION MEETING	1.00	$540.00
09/24/25	01902	B. MESSINGER	PREPARED FOR MEET AND CONFER WITH TENANTS.	0.60	$585.00
09/24/25	01902	B. MESSINGER	ATTENDED MEET AND CONFER SESSION WITH COUNSEL FOR LANDLORD.	0.90	$877.50
09/24/25	01902	B. MESSINGER	BEGAN REVISIONS TO MOTION FOR SANCTIONS FOR FAILURE TO PROVIDE DISCOVERY RESPONSES IN COMPLIANCE WITH COURT ORDER.	0.80	$780.00
09/25/25	08374	C. CASEY	REVIEW RECENT CORRESPONDENCE FROM B. MESSINGER, T. HAWEKOTTE, R. LAHOUD RE COMPLIANCE WITH SUBPOENAS	0.40	$390.00
09/25/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATIONS FOR INSPECTION	0.10	$54.00
09/25/25	10629	V. HAWEKOTTE	FOLLOW UP REGARDING INSPECTION INSTRUCTIONS FOR NURSING HOME INSPECTIONS	0.10	$54.00
09/26/25	10629	V. HAWEKOTTE	CALL WITH B. MESSINGER	0.10	$54.00
09/26/25	01902	B. MESSINGER	TELEPHONE WITH TORI REGARDING SITE INSPECTION.	0.30	$292.50
09/29/25	10629	V. HAWEKOTTE	DRAFT RECEIVERSHIP REPORT AND SEND REQUEST TO COUNSEL REGARDING TAX ASSESSMENT APPEAL	1.50	$810.00
09/30/25	10629	V. HAWEKOTTE	UPDATE RECEIVERSHIP REPORT TO REFLECT INSPECTION, PROVIDE NOTES, AND BRIEF CALL WITH M. KAUFFMAN TO CONFIRM END OF INSPECTION	1.30	$702.00
09/30/25	10629	V. HAWEKOTTE	INSPECT PROPERTIES AND NOTATE	5.30	$2,862.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
09/30/25	10629	V. HAWEKOTTE	TRAVEL TO AND FROM PROPERTIES	2.90	$1,566.00
09/30/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE RE SITE INSPECTIONS OF SAUCON AND WHITEHALL	0.20	$195.00
09/30/25	03158	E. DUFFY	[redacted]	0.90	$877.50
10/01/25	08374	C. CASEY	REVIEW DRAFT MONTHLY REPORT; REVIEW RECENT CORRESPONDENCE; UPDATE CALL WITH DM TEAM	1.20	$1,170.00
10/01/25	01902	B. MESSINGER	CONFERENCE CALL TO PROVIDE UPDATE ON STATUS OF RECEIVERSHIP.	0.50	$487.50
10/01/25	01902	B. MESSINGER	REVISED AND EDITED FOURTH RECEIVER'S REPORT.	0.30	$292.50
10/01/25	01902	B. MESSINGER	REVISED AND DRAFTED MOTION FOR SANCTIONS AGAINST LANDLORDS.	3.20	$3,120.00
10/01/25	10629	V. HAWEKOTTE	FOLLOW UP ON COMPENSATION REPORT REQUIREMENT	0.30	$162.00
10/01/25	10629	V. HAWEKOTTE	ATTEND MEETING TO REVIEW INSPECTION AND DISCUSS NEXT STEPS	0.20	$108.00
10/01/25	10629	V. HAWEKOTTE	FINALIZE RECEIVERSHIP REPORT AND SEND ATTORNEYS NOTICE OF THE REPORT TO BE FILED	0.40	$216.00
10/01/25	10629	V. HAWEKOTTE	CALL WITH E. DUFFY REGARDING INSPECTION	0.10	$54.00
10/01/25	10629	V. HAWEKOTTE	ATTEND MEETING REGARDING RECEIVERSHIP	0.60	$324.00
10/01/25	10629	V. HAWEKOTTE	INTERNAL CALL TO DISCUSS	0.20	$108.00
10/01/25	10629	V. HAWEKOTTE	PROVIDE LIST OF ALL INSPECTOR NOTES TO E. DUFFY	0.30	$162.00
10/01/25	10629	V. HAWEKOTTE	REVIEW BRETT'S EDITS TO MOTION FOR SANCTIONS	0.70	$378.00
10/01/25	10629	V. HAWEKOTTE	SCHEDULE MEETING AND REQUEST COMPENSATION	0.20	$108.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
10/01/25	10629	V. HAWEKOTTE	REVIEW B. MESSINGER EDITS TO REPORT AND EMAIL FOR CONFIRMATION REGARDING TAX PAYMENT	1.50	$810.00
10/01/25	03158	E. DUFFY	[redacted]	1.20	$1,170.00
10/02/25	08374	C. CASEY	REVIEW AND ANALYZE FOURTH RECEIVER'S REPORT AS FILED	0.40	$390.00
10/02/25	10629	V. HAWEKOTTE	FILE RECEIVERSHIP REPORT	0.40	$216.00
10/02/25	10629	V. HAWEKOTTE	REVIEW ANNUAL REPORT FOR DEFENDANT	0.10	$54.00
10/02/25	10629	V. HAWEKOTTE	EDIT MOTION FOR SANCTIONS	1.30	$702.00
10/02/25	03985	S. HABIB	WHITEHALL FIDUCIARY MEMBERS / REQUESTER: V HAWEKOTTE	0.30	$106.50
10/03/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATIONS REGARDING MOTION AND SEND MOTION FOR FORMATTING BY SEC SERVICES, BRIEF RESEARCH ON SANCTIONING A PRINCIPAL OF AN ENTITY	1.40	$756.00
10/03/25	01902	B. MESSINGER	FINALIZED MOTION FOR SANCTIONS FOR FAILURE TO COMPLY WITH DISCOVERY ORDER.	0.60	$585.00
10/03/25	10629	V. HAWEKOTTE	UPDATE MOTION FOR SANCTIONS AND PROPOSED ORDER	0.50	$270.00
10/03/25	10629	V. HAWEKOTTE	REVIEW MOTION FOR SANCTIONS POST-SEC SERVICES EDIT	0.50	$270.00
10/04/25	01902	B. MESSINGER	FINALIZED MOTION FOR SANCTIONS AND CONDUCTED RESEARCH ON STRIKING ANSWER.	1.30	$1,267.50
10/05/25	10629	V. HAWEKOTTE	REVIEW B. MESSINGER ADDITIONAL EDITS TO MOTION	0.60	$324.00
10/05/25	10629	V. HAWEKOTTE	PREPARE EXHIBITS	0.30	$162.00
10/06/25	08374	C. CASEY	REVIEW MOTION FOR SANCTIONS AS FILED; REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, B. MESSINGER RE SAME	0.40	$390.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
10/06/25	10629	V. HAWEKOTTE	CALL REGARDING CURRENT STATUS OF CASE	0.10	$54.00
10/06/25	10629	V. HAWEKOTTE	FINALIZE ALL EXHIBITS AND COORDINATE FILING FOR MOTION, COORDINATE CREATION OF BINDER FOR DELIVERY TO J. HENRY	2.10	$1,134.00
10/06/25	10629	V. HAWEKOTTE	COMMUNCIATE WITH B. TOMLINSON REGARDING THE EXHIBIT BINDER	0.20	$108.00
10/07/25	01902	B. MESSINGER	FINALIZED LETTER TO NURSING FACILITIES.	0.10	$97.50
10/07/25	10629	V. HAWEKOTTE	DRAFT COVER LETTERS TO MAILING AND SEND TO B. MESSINGER FOR REVIEW AND DRAFT CERTIFICATE OF SERVICE FOR TOMORROW'S MAILING	0.70	$378.00
10/07/25	10629	V. HAWEKOTTE	COMMUNICATE WITH B. MESSINGER REGARDING SERVICE FOR MOTION FOR SANCTIONS	0.30	$162.00
10/07/25	10629	V. HAWEKOTTE	COORDINATE SERVICE AND BINDER TO J. HENRY WITH B. TOMLINSON	0.70	$378.00
10/08/25	10629	V. HAWEKOTTE	COORDINATE COURTESY COPY AND INTERNAL COMMUNICATIONS REGARDING CERTIFICATE OF SERVICE FILING	0.60	$324.00
10/09/25	10629	V. HAWEKOTTE	UPDATE CERT OF SERVICE AND SEND TO CRICKETT	0.30	$162.00
10/14/25	10629	V. HAWEKOTTE	REVIEW MOTION AND ORDER AND SEND NOTICE TO TEAM	0.10	$54.00
10/14/25	08374	C. CASEY	REVIEW AND ANALYZE JUDGE HENRY'S OPINION DISMISSING HUD FROM THE CASE	0.20	$195.00
10/15/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM DM TEAM RE FIRM INVOICES	0.10	$97.50
10/15/25	10629	V. HAWEKOTTE	CALL REGARDING BILLING, AND REVIEW ORDER	0.50	$270.00
10/16/25	10629	V. HAWEKOTTE	INTERNAL TEAM COMMUNICATIONS	0.20	$108.00
10/17/25	10629	V. HAWEKOTTE	SEND BILLING DETAILS TO B. MESSINGER	0.10	$54.00
10/20/25	01902	B. MESSINGER	RECEIVED AND ANALYZED RESPONSE TO MOTION FOR SANCTIONS BY NON-PARTY.	0.30	$292.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
10/21/25	08374	C. CASEY	REVIEW AND RESPOND TO CORRESPONDENCE FROM T. HAWEKOTTE RE FILING REPLY BRIEFS IN SUPPORT OF MOTION FOR SANCTIONS	0.20	$195.00
10/21/25	10629	V. HAWEKOTTE	CHECK REPLY BRIEF TIMELINE, INSURANCE POLICIES, AND SEND EMAIL REQUESTING DIRECTION FOR NEXT STEPS, EMAIL R. LAHOUD REGARDING INSURANCE POLICIES	0.80	$432.00
10/23/25	10629	V. HAWEKOTTE	CALL WITH COLLEAGUE TO UPDATE ON STATUS	0.10	$54.00
10/23/25	10629	V. HAWEKOTTE	REVIEW CONSOLIDATED REPLY RULES	0.20	$108.00
10/23/25	01902	B. MESSINGER	RECEIVED AND REVIEWED NOTICE OF APPEAL FROM INTERLOCUTORY ORDER.	0.10	$97.50
10/24/25	10629	V. HAWEKOTTE	REVIEW RESPONSE BRIEFS	0.80	$432.00
10/27/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE RE REPLY BRIEFS	0.10	$97.50
10/27/25	10629	V. HAWEKOTTE	REVIEW BRIEF RESPONSES	3.10	$1,674.00
10/27/25	01902	B. MESSINGER	RECEIVED AND REVIEWED DISCOVERY DEFICIENCY LETTERS FROM PLAINTIFF.	0.10	$97.50
10/28/25	10629	V. HAWEKOTTE	RESEARCH NON-PARTY LIABILITY	1.60	$864.00
10/28/25	10629	V. HAWEKOTTE	CORRESPOND WITH B. MESSINGER REGARDING SUBPOENAS	0.30	$162.00
10/28/25	01902	B. MESSINGER	RECEIVED AND ANALYZED RESPONSES TO MOTION FOR SANCTIONS BY VARIOUS PARTIES.	1.20	$1,170.00
10/29/25	10629	V. HAWEKOTTE	ATTEND INTERNAL MEETING	0.70	$378.00
10/29/25	08374	C. CASEY	CALL WITH DM TEAM RE POTENTIAL MOTION SEEKING PAYMENT OF LEGAL FEES	0.50	$487.50
10/29/25	10629	V. HAWEKOTTE	FOLLOW UP REGARDING TAX ASSESSMENT	0.10	$54.00
10/29/25	10629	V. HAWEKOTTE	PROVIDE RECEIVERSHIP DOCUMENTS TO B. MESSINGER	0.20	$108.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
10/29/25	10629	V. HAWEKOTTE	UPDATE REPLY BRIEF	1.00	$540.00
10/29/25	01902	B. MESSINGER	CONDUCTED RESEARCH ON ABILITY TO HAVE LENDER PAY RECEIVER'S OUTSTANDING INVOICES WHEN THERE IS INSUFFICIENT RESOURES FROM PROCEEDS OF OPERATION OF THE PROPERTY.	2.20	$2,145.00
10/30/25	10629	V. HAWEKOTTE	COMPLETE REPLY BRIEF AND SEND TO B. MESSINGER	3.50	$1,890.00
10/30/25	01902	B. MESSINGER	CONTINUED RESEARCH ON DUTY OF LENDER TO PAY RECEIVER WHEN THERE IS INSUFFICIENT FUNDS.	0.50	$487.50
10/31/25	10629	V. HAWEKOTTE	SEND FINAL DRAFT REPLY BRIEF TO B. MESSINGER	0.40	$216.00
10/31/25	10629	V. HAWEKOTTE	REVIEW P. BERGER COMMUNICATION AND FLAG	0.20	$108.00
10/31/25	01902	B. MESSINGER	FINALIZED LETTER TO GOOD SHEPHERD AND SENT SAME.	0.10	$97.50
10/31/25	01902	B. MESSINGER	DRAFTED LETTER TO GOOD SHEPHERD REGARDING THE PAYMENT OR RENTS.	0.30	$292.50
10/31/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM T. HAWEKOTTE, B. MESSINGER RE DEMAND LETTER TO GOOD SHEPHERD; REVIEW DRAFT LETTER; REVIEW MOTION TO QUASH THIRD-PARTY SUBPOENAS	0.70	$682.50
10/31/25	03158	E. DUFFY	[redacted]	0.60	$585.00
11/02/25	10629	V. HAWEKOTTE	DRAFT RECEIVERSHIP REPORT	0.60	$324.00
11/03/25	10629	V. HAWEKOTTE	FINALIZE AND FILE RECEIVERSHIP REPORT	0.40	$216.00
11/03/25	10629	V. HAWEKOTTE	DISCUSS RECEIVERSHIP REPORT CONTENTS WITH E. DUFFY AND REVIEW ONGOING UPDATES; SEND EMAIL TO TENANTS AND DEFENDANTS' COUNSEL	0.90	$486.00
11/03/25	08374	C. CASEY	REVIEW AND ANALYZE T. HAWEKOTTE DRAFT OF FIFTH RECEIVER'S REPORT; REVIEW T. HAWEKOTTE CORRESPONDENCE RE SAME	0.30	$292.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
11/03/25	01902	B. MESSINGER	REVIEWED AND REVISED RECEIVER'S REPORT.	0.20	$195.00
11/03/25	03158	E. DUFFY	DISCUSSIONS WITH T. HAWEKOTTE RE: OPEN ITEMS FOR RECEIVERSHIP REPORT	0.60	$585.00
11/05/25	08374	C. CASEY	REVIEW DEFENDANTS AND THIRD PARTIES' BRIEFS IN OPPOSITION TO MOTION FOR SANCTIONS; BEGIN REVIEW OF DRAFT REPLY BRIEF IN SUPPORT OF SANCTIONS MOTION; CALL WITH T. HAWEKOTTE RE SAME	1.70	$1,657.50
11/05/25	01902	B. MESSINGER	REVISED REPLY MEMORANDUM IN FURTHER SUPPORT OF MOTION FOR SANCTIONS.	1.40	$1,365.00
11/05/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATIONS AND FOLLOW UP WITH TEAM; CALL WITH C. CASEY REGARDING BRIEF	0.80	$432.00
11/05/25	10629	V. HAWEKOTTE	REVIEW AND REPLY TO CORRESPONDENCE	0.20	$108.00
11/06/25	08374	C. CASEY	REVIEW AND EDIT DRAFT REPLY BRIEF IN FURTHER SUPPORT OF SANCTIONS MOTION	0.80	$780.00
11/06/25	08374	C. CASEY	REVIEW CORRESPONDENCE RE TAX PAYMENTS	0.10	$97.50
11/06/25	10629	V. HAWEKOTTE	RECEIVE AND REVIEW COMMUNICATIONS FROM PORTNOFF AND CORRESPOND WITH E. DUFFY	2.80	$1,512.00
11/06/25	80045	E. STAFFORD	LEGAL RESEARCH CONCERNING REQUEST TO OBTAIN SECRETARY OF STATE FILINGS FOR WHITEHALL FIDUCIARY IN PA.	0.20	$71.00
11/06/25	03158	E. DUFFY	EMAILS FROM, TO V. HAWEKOTTE RE: PORTNOFF CHECK IN, PAYMENT FOLLOW UP	0.30	$292.50
11/07/25	08374	C. CASEY	CORRESPONDENCE WITH T. HAWEKOTTE RE FILING OF REPLY BRIEF IN SUPPORT OF SANCTIONS MOTION	0.10	$97.50
11/07/25	10629	V. HAWEKOTTE	FILE NOTICE OF APPEARANCE AND BRIEF	1.10	$594.00
11/07/25	01902	B. MESSINGER	FINALIZED REPLY IN FURTHER SUPPORT OF MOTION FOR SANCTIONS.	0.20	$195.00
11/09/25	10629	V. HAWEKOTTE	DRAFT MOTION TO COMPEL RESPONSE TO SUBPOENA	2.20	$1,188.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
11/10/25	10629	V. HAWEKOTTE	FINALIZE MOTION TO COMPEL COMPLIANCE WITH SUBPOENAS	5.00	$2,700.00
11/11/25	08374	C. CASEY	REVIEW, ANALYZE AND EDIT DRAFT BRIEF IN SUPPORT OF MOTION TO COMPEL COMPLIANCE WITH SUBPOENAS TO TENANTS (1.2); CALL WITH DM TEAM RE STRATEGY, PREP FOR CALL WITH P. BERGER (0.5)	1.70	$1,657.50
11/11/25	01902	B. MESSINGER	REVISED MOTION TO COMPEL COMPLIANCE WITH SUBPOENA AGAINST TENANTS.	2.80	$2,730.00
11/11/25	01902	B. MESSINGER	CONFERENCE WITH INTERNAL TEAM REGARDING RECEIVERSHIP PLAN.	0.40	$390.00
11/11/25	01902	B. MESSINGER	DISCUSSED LENDERS CONCERNS WITH PHIL BERGER.	0.30	$292.50
11/11/25	10629	V. HAWEKOTTE	REVISIONS TO MOTION TO COMPEL	0.60	$324.00
11/11/25	10629	V. HAWEKOTTE	CORRESPOND WITH P. BERGER AND INTERNAL MEETING SCHEDULE	0.10	$54.00
11/11/25	10629	V. HAWEKOTTE	COORDINATE DELIVER OF INSURANCE DOCUMENTS TO JUDGE	0.30	$162.00
11/11/25	10629	V. HAWEKOTTE	DRAFT SUBPOENA TO GOOD SHEPHERD	1.20	$648.00
11/11/25	10629	V. HAWEKOTTE	DRAFT REVIEW OF RECEIVERSHIP ACTIONS	0.20	$108.00
11/11/25	10629	V. HAWEKOTTE	REVIEW EDITS TO MOTION TO COMPEL	0.40	$216.00
11/11/25	03158	E. DUFFY	TCW V. HAWEKOTTE, B. MESSINGER, P. BERGER RE: PAYMENT IMPASSE, NEXT STEPS; EMAILS FROM, TO HARRIS CONSULTING RE: CALL TO DISCUSS STRATEGY	2.00	$1,950.00
11/12/25	01902	B. MESSINGER	FINALIZED MOTION TO COMPEL.	0.20	$195.00
11/12/25	01902	B. MESSINGER	TELEPHONE WITH POTENTIAL SUBSTITUTE PROPERTY MANAGER.	0.80	$780.00
11/12/25	01902	B. MESSINGER	FINALIZED SUPBOENA TO GOOD SHEPHERD.	0.10	$97.50
11/12/25	10629	V. HAWEKOTTE	ATTEND MEETING WITH G. HARRIS	1.00	$540.00
11/12/25	10629	V.	REVIEW COMMUNICATIONS AND PREPARE	0.50	$270.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE	DOCUMENTS FOR B. MESSINGER		
11/12/25	10629	V. HAWEKOTTE	COMPLETE REVISION OF MOTION TO COMPEL	2.20	$1,188.00
11/12/25	10629	V. HAWEKOTTE	ASSEMBLE EXHIBITS	0.80	$432.00
11/12/25	03158	E. DUFFY	PREP FOR MEETING WITH GREG HARRIS; MEETING WITH G. HARRIS RE: PARAMETERS OF RECEIVERSHIP	1.30	$1,267.50
11/13/25	01902	B. MESSINGER	RECEIVED AND REVIEWED RESPONSE BY PLAINTIFFS TO MOTION TO QUASH SUBPOENAS.	0.30	$292.50
11/13/25	10629	V. HAWEKOTTE	COMPILE SUBPOENA AND SEND NOTICE TO PARTIES	0.60	$324.00
11/13/25	10629	V. HAWEKOTTE	FILE MOTION TO COMPEL AND EMAIL TO NON-PARTY	1.10	$594.00
11/13/25	10629	V. HAWEKOTTE	REVIEW CORRESPONDENCE AND PAYMENT PLAN DOCUMENTS, SEND INTERNAL EMAIL REGARDING FOLLOWING UP ON 2025 PAYMENTS	0.30	$162.00
11/13/25	10629	V. HAWEKOTTE	SEND EMAIL TO E. WARE AND R. LAHOUD REGARDING TAX STATUS	0.10	$54.00
11/14/25	08374	C. CASEY	REVIEW RECENT CORRESPONDENCE; REVIEW AND ANALYZE PLAINTIFF'S RESPONSE TO RESPONDENTS' MOTION TO QUASH SUBPOENAS AND CROSS-MOTION TO ENFORCE SUBPOENAS	0.70	$682.50
11/17/25	10629	V. HAWEKOTTE	SEND FOLLOW UP REGARDING RECEIVERSHIP TASKS	0.10	$54.00
11/17/25	03158	E. DUFFY	TCW G. HARRIS RE: RECEIVERSHIP AUTHORITY STRATEGY	0.50	$487.50
11/17/25	01902	B. MESSINGER	BEGAN DRAFTING LETTER TO PHIL BERGER REGARDING STATUS OF RECEIVER AND OPINIONS OF RECEIVER.	3.80	$3,705.00
11/18/25	08374	C. CASEY	REVIEW AND ANALYZE DRAFT LETTER FROM B. MESSINGER TO P. BERGER RE NEXT STEPS	0.50	$487.50
11/18/25	01902	B. MESSINGER	CONTINUED DRAFTING LETTER TO PHIL BERGER REGARDING ACTIONS AND RECOMMENDATIONS BY RECEIVER.	1.80	$1,755.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
11/18/25	10629	V. HAWEKOTTE	EMAILS TO COORDINATE SUBPOENA	0.50	$270.00
11/19/25	08374	C. CASEY	CALL WITH B. MESSINGER RE LETTER TO P. BERGER; REVIEW LETTER	0.40	$390.00
11/19/25	03158	E. DUFFY	REVIEW AND REVISION TO RECEIVERSHIP LETTER	0.40	$390.00
11/19/25	01902	B. MESSINGER	FINALIZED LETTER TO PHILLIP BERGER.	1.40	$1,365.00
11/20/25	08374	C. CASEY	CORRESPONDENCE WITH B. MESSINGER RE AGREEMENT ON RENTAL PAYMENTS FOR BACK TAXES; REVIEW PREVIOUS CORRESPONDENCE RE SAME	0.40	$390.00
11/20/25	10629	V. HAWEKOTTE	CORRESPOND REGARDING TAX AGREEMENT AND SEND OVER EMAIL THREAD AND PAYMENT PLAN	0.30	$162.00
11/20/25	03158	E. DUFFY	EMAILS AND DISCUSSIONS WITH B. MESSINGER, V. HAWEKOTTE RE: RECEIPT OF LEASE TIMELINE	0.60	$585.00
11/20/25	01902	B. MESSINGER	REVIEWED LEASE AGREEMENTS TO DETERMINE IF TENANTS ARE IN COMPLIANCE WITH OBLIGATIONS.	1.70	$1,657.50
11/24/25	10629	V. HAWEKOTTE	REVIEW COMMUNICATIONS FROM P. BERGER	0.10	$54.00
11/24/25	10629	V. HAWEKOTTE	INTERNAL COMMUNICATION TO REVIEW CASE PROGRESS	0.10	$54.00
11/25/25	08374	C. CASEY	REVIEW LETTER FROM COUNSEL FOR GOOD SHEPHERD REHAB HOSPITAL RE RENT PAYMENTS	0.10	$97.50
11/25/25	01902	B. MESSINGER	RECEIVED AND REVIEWED LETTER TO GOOD SHEPHERD FROM MANOR.	0.10	$97.50
11/25/25	01902	B. MESSINGER	TELEPHONE WITH COUNSEL FOR GOOD SHEPHERD.	0.20	$195.00
11/26/25	08374	C. CASEY	REVIEW DRAFT LETTERS TO TENANTS RE NOTICE OF DEFAULT; REVIEW LETTER FROM COUNSEL FOR GOOD SHEPHERD REHAB HOSPITAL	0.30	$292.50
11/26/25	01902	B. MESSINGER	DRAFTED LETTER TO JOEL WIENER IN RESPONSE TO HIS LETTER TO GOOD	0.30	$292.50

File # B7475.01917 INVOICE# 3412757
LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			SHEPHERD.		
11/26/25	01902	B. MESSINGER	DRAFTED NOTICES OF DEFAULT TO EACH TENANT.	2.20	$2,145.00
11/26/25	10629	V. HAWEKOTTE	REVIEW DEFAULT LETTERS AND REVISE	0.80	$432.00
11/28/25	01902	B. MESSINGER	RECEIVED AND REVIEWED REPLY IN FURTHERS SUPPORT OF NON-PARTIES MOTION TO QUASH SUBPOENAS.	0.20	$195.00
12/01/25	08374	C. CASEY	REVIEW AND ANALYZE TENANTS' BRIEF IN OPPOSITION TO RECEIVER'S MOTION TO ENFORCE COMPLIANCE WITH SUBPOENAS, AND THIRD PARTIES' REPLY BRIEF IN SUPPORT OF MOTION TO QUASH PLAINTIFF'S SUBPOENAS	0.60	$585.00
12/01/25	01902	B. MESSINGER	BEGAN PREPARING FOR ORAL ARGUMENT ON MOTIONS FOR SANCTIONS AND TO ENFORCE SUBPOENAS.	0.50	$487.50
12/01/25	10629	V. HAWEKOTTE	DRAFT MONTHLY REPORT	1.20	$648.00
12/02/25	08374	C. CASEY	REVIEW PLAINTIFF'S MOTION TO COMPEL DISCOVERY AND DEFENDANT'S RESPONSE	0.30	$292.50
12/02/25	01902	B. MESSINGER	BEGAN PREPARATION FOR ORAL ARGUMENT ON MOTIONS TO COMPEL.	1.40	$1,365.00
12/02/25	01902	B. MESSINGER	RECEIVED AND REVIEWED RESPONSES TO MOTION TO COMPEL FILED BY PLAINTIFFS.	0.20	$195.00
12/02/25	10629	V. HAWEKOTTE	CORRESPOND WITH TEAM REGARDING TAX EMAIL	0.20	$108.00
12/03/25	08374	C. CASEY	REVIEW AND EDIT DRAFT RECEIVER'S SIXTH REPORT	0.40	$390.00
12/03/25	01902	B. MESSINGER	REVISED SIXTH RECEIVER'S REPORT.	0.40	$390.00
12/03/25	10629	V. HAWEKOTTE	CORRESPOND RELATED TO REPORT PREPARATION; UPDATE REPORT FOR FILING; FILE COMPENSATION AND RECEIVER REPORT	1.10	$594.00
12/03/25	03158	E. DUFFY	EMAILS FROM, TO V. HAWEKOTTE, B. MESSINGER, C. CASEY RE: MONTHLY RECEIVERSHIP REPORT	0.40	$390.00
12/04/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM DM TEAM	0.10	$97.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			RE UNPAID TAXES, STRATEGY RE MOTIONS PRACTICE		
12/04/25	01902	B. MESSINGER	REVIEWED ACCOUNTING REPORTS FROM GOOD SHEPHERD.	0.20	$195.00
12/04/25	10629	V. HAWEKOTTE	FOLLOW UP WITH CORRESPONDENCE	0.20	$108.00
12/04/25	10629	V. HAWEKOTTE	EMAIL TO FLAG TAX ISSUE AND EMAIL REGARDING REPLY BRIEF	0.40	$216.00
12/05/25	08374	C. CASEY	REVIEW LETTER FROM J. WEINER TO B. MESSINGER AND CORRESPONDENCE WITH TEAM RE SAME; REVIEW COURT'S OPINION DENYING TENANTS' MOTION TO QUASH PLAINTIFF'S SUBPOENAS	0.40	$390.00
12/05/25	01902	B. MESSINGER	RECEIVED AND ANALYZED ORDER ON PLAINTIFF'S MOTION TO COMPEL COMPLIANCE WITH SUBPOENAS DIRECTED TO THIRD PARTIES.	0.20	$195.00
12/05/25	01902	B. MESSINGER	RECEIVED AND REVIEWED LETTER FROM TENANTS REGARDING THEIR SUBLEASES.	0.20	$195.00
12/05/25	10629	V. HAWEKOTTE	REVIEW LETTER FROM TENANTS AND SEND EMAIL SUMMARY	0.20	$108.00
12/07/25	10629	V. HAWEKOTTE	REVIEW RESPONSE BRIEF TO OUTLINE REPLY ARGUMENT	1.40	$756.00
12/08/25	08374	C. CASEY	REVIEW AND ANALYZE B. MESSINGER DRAFT RESPONSE LETTER TO J. WEINER	0.20	$195.00
12/08/25	01902	B. MESSINGER	DRAFTED RESPONSE TO LETTER FROM JOEL WIENER.	0.40	$390.00
12/08/25	01902	B. MESSINGER	FINALIZED REPLY IN FURTHER SUPPORT OF MOTON TO COMPEL TENANT'S PRODUCTION.	0.20	$195.00
12/08/25	10629	V. HAWEKOTTE	REVIEW AND CORRESPOND WITH PORTNOFF AND TENANT COUNSEL REGARDING TAX PAYMENTS	0.20	$108.00
12/08/25	10629	V. HAWEKOTTE	DRAFT REPLY AND REVIEW LETTER	3.40	$1,836.00
12/09/25	01902	B. MESSINGER	TELEPHONE WITH PHIL BERGER REGARDING ORAL ARGUMENT TOMORROW.	0.20	$195.00
12/09/25	01902	B. MESSINGER	RECEIVED AND ANALYZED ORDER AND	0.30	$292.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			OPINION ON MOTION TO COMPEL NON-PARTY SUBPOENAS.		
12/09/25	10629	V. HAWEKOTTE	REVIEW AND ACKNOWLEDGE EXTERNAL CORRESPONDENCE; CORRESPOND WITH B. MESSINGER REGARDING ORAL ARGUMENT	0.20	$108.00
12/09/25	10629	V. HAWEKOTTE	FILE REPLY	0.30	$162.00
12/10/25	08374	C. CASEY	REVIEW RECENT FILINGS, CORRESPONDENCE, AND COURT'S OPINION GRANTING RECEIVER'S MOTION TO COMPEL	0.40	$390.00
12/10/25	01902	B. MESSINGER	PROVIDED REPORT OF HEARING TO ERIN DUFFY.	0.10	$97.50
12/10/25	01902	B. MESSINGER	ATTENDED HEARING ON MOTION FOR SANCTIONS AND TO COMPEL.	4.50	$4,387.50
12/10/25	10629	V. HAWEKOTTE	INTERNAL CALL FOR UPDATES ON RECEIVERSHIP	0.10	$54.00
12/11/25	10629	V. HAWEKOTTE	DRAFT AFFIDAVIT	1.30	$702.00
12/13/25	01902	B. MESSINGER	REQUESTED INFORMATION FROM GOOD SHEPHERD REGARDING RENTAL PAYMENTS.	0.10	$97.50
12/15/25	10629	V. HAWEKOTTE	REVIEW CORRESPONDENCE AND DIRECT BILLING	0.10	$54.00
12/16/25	01902	B. MESSINGER	DRAFTED EMAIL TO COUNSEL TO ATTEMPT TO RESOLVE THE MOTION FOR SANCTIONS.	0.20	$195.00
12/17/25	01902	B. MESSINGER	RECEIVED AND REVIEWED RESPONSE BY HUD TO MOTION TO CERTIFY JUDGMENT AS FINAL.	0.20	$195.00
12/17/25	01902	B. MESSINGER	FINALIZED AFFIDAVIT SHOWING ATTORNEYS' FEES AND COSTS.	0.30	$292.50
12/17/25	10629	V. HAWEKOTTE	REVIEW AFFIDAVIT INFORMATION TO UPDATE NUMBER	0.70	$378.00
12/18/25	08374	C. CASEY	REVIEW DECLARATION IN SUPPORT OF MOTION FOR SANCTIONS, PROPOSED ORDER, CORRESPONDENCE RE SAME	0.30	$292.50
12/18/25	09935	M. BAUER	[redacted]	0.40	$366.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
12/18/25	01902	B. MESSINGER	PREPARED FOR AND ATTENDED ORAL ARGUMENT ON MOTION FOR SANCTIONS.	4.50	$4,387.50
12/18/25	01902	B. MESSINGER	REVIEWED FILED MOTIONS AND DRAFTED PROPOSED ORDER ON MOTION FOR SANCTIONS AND MOTION TO VOID LEASE AMENDMENTS.	1.60	$1,560.00
12/18/25	10629	V. HAWEKOTTE	INTERNAL CALL AND SEND FEE ESTIMATE	0.10	$54.00
12/19/25	08374	C. CASEY	REVIEW CORRESPONDENCE FROM B. MESSINGER RE REPORT OF HEARING BEFORE JUDGE HENRY AND CORRESPONDENCE TO PLAINTIFF'S COUNSEL; REVIEW TENANTS' LETTER TO COURT RE RECEIVER'S PROPOSED ORDER ON SANCTIONS MOTION	0.20	$195.00
12/19/25	01902	B. MESSINGER	DRAFTED EMAIL TO COUNSEL REGARDING RECEIVER'S POSITION ON TERMINATION OF LEASE AMENDMENTS.	0.20	$195.00
12/22/25	08374	C. CASEY	REVIEW COURT'S ORDER ON VARIOUS ISSUES FOLLOWING HEARING; REVIEW B. MESSINGER DRAFT LETTER TO TENANTS; CORRESPONDENCE WITH B. MESSINGER RE SAME	0.30	$292.50
12/22/25	01902	B. MESSINGER	REVIEWED LEASE AND DRAFTED SECOND NOTICE OF DEFAULT TO WHITEHALL.	1.20	$1,170.00
12/22/25	01902	B. MESSINGER	RECEIVED AND REVIEWED MOTION GRANTING SANCTIONS AGAINST RESPONDENTS.	0.20	$195.00
12/23/25	08374	C. CASEY	REVIEW CORRESPONDENCE RE DEFAULT LETTERS	0.10	$97.50
12/23/25	01902	B. MESSINGER	DRAFTED SECOND NOTICE OF DEFAULT TO SAUCON.	0.80	$780.00
12/23/25	10629	V. HAWEKOTTE	INTERNAL CALL AND REVIEW PAST EMAIL REGARDING PROPERTY TAXES, SEND REQUEST TO TEAM	0.20	$108.00
12/26/25	01902	B. MESSINGER	RECEIVED AND REVIEWED VOLUNTARY PETITIONS FILED BY MANORS.	0.30	$292.50
12/26/25	01902	B. MESSINGER	[redacted]	0.30	$292.50

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
12/28/25	01902	B. MESSINGER	[redacted]	0.20	$195.00
12/29/25	01902	B. MESSINGER	[redacted]	0.80	$780.00
12/29/25	01902	B. MESSINGER	[redacted]	0.40	$390.00
12/29/25	09935	M. BAUER	[redacted]	1.60	$1,464.00
12/29/25	08374	C. CASEY	[redacted]	0.30	$292.50
12/29/25	10629	V. HAWEKOTTE	REVIEW EMAIL AND DRAFT RECEIVERSHIP REPORT	0.90	$486.00
12/29/25	10629	V. HAWEKOTTE	[redacted]	0.10	$54.00
12/29/25	10629	V. HAWEKOTTE	[redacted]	0.10	$54.00
12/30/25	01902	B. MESSINGER	REVIEWED RECEIPT OF PAYMENT FROM GOOD SHEPHERD.	0.10	$97.50
12/30/25	01902	B. MESSINGER	[redacted]	0.40	$390.00
12/30/25	01902	B. MESSINGER	ATTENDED FIRST DAY MOTIONS HEARING.	2.40	$2,340.00
12/30/25	08374	C. CASEY	REVIEW FILINGS IN BANKRUPTCY COURT; REVIEW AND ANALYZE RECEIVER'S 7TH REPORT	0.20	$195.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
12/30/25	10629	V. HAWEKOTTE	UPDATE REPORTS AND EXHIBITS	0.20	$108.00
01/02/26	10629	V. HAWEKOTTE	REVIEW AND FINALIZE REPORT	0.30	$183.00
01/02/26	01902	B. MESSINGER	REVISED SEVENTH RECEIVER REPORT.	0.30	$292.50
01/05/26	08374	C. CASEY	[redacted]	0.10	$97.50
01/05/26	01902	B. MESSINGER	FINALIZED COMPENSATION REPORT.	0.20	$195.00
01/05/26	10629	V. HAWEKOTTE	DRAFT COMPENSATION REPORT	0.30	$183.00
01/05/26	03158	E. DUFFY	REVIEW OF MONTHLY INVENTORY REPORT DRAFTS, EMAILS FROM, TO B. MESSINGER, V. HAWEKOTTE RE: SAME	0.40	$424.00
01/06/26	09935	M. BAUER	[redacted]	0.50	$550.00
01/06/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/06/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/07/26	09935	M. BAUER	[redacted]	0.30	$330.00
01/07/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/07/26	01902	B. MESSINGER	[redacted]	0.70	$682.50
01/08/26	09935	M. BAUER	[redacted]	0.60	$660.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
			[redacted]		
01/08/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/08/26	01902	B. MESSINGER	[redacted]	0.60	$585.00
01/08/26	10629	V. HAWEKOTTE	[redacted]	0.20	$122.00
01/09/26	09935	M. BAUER	[redacted]	0.10	$110.00
01/14/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/14/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/14/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/14/26	01902	B. MESSINGER	[redacted]	0.30	$292.50
01/17/26	09935	M. BAUER	[redacted]	0.10	$110.00
01/17/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/19/26	09935	M. BAUER	[redacted]	0.80	$880.00
01/20/26	09935	M. BAUER	[redacted]	0.50	$550.00
01/20/26	10629	V.	[redacted]	0.80	$488.00

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LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

Date	ID#	Timekeeper	Narrative	Hours	Amount
		HAWEKOTTE	[redacted]		
01/21/26	01902	B. MESSINGER	[redacted]	0.30	$292.50
01/23/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/24/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/24/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
01/25/26	09935	M. BAUER	[redacted]	0.30	$330.00
01/26/26	01902	B. MESSINGER	RECEIVED AND REVIEWED RESPONSE BY DEBTOR REGARDING TURNOVER OF FUNDS RELEASED BY RECEIVER.	0.20	$195.00
01/26/26	09935	M. BAUER	[redacted]	0.10	$110.00
01/27/26	01902	B. MESSINGER	[redacted]	0.40	$390.00
01/27/26	09935	M. BAUER	[redacted]	0.10	$110.00
01/27/26	04332	G. HEATON	INVESTIGATE, REVIEW AUTHORITIES RE RECEIVER ADMIN CLAIM	0.50	$712.50
01/28/26	04332	G. HEATON	REVIEW AND ANALYSIS OF AUTHORITIES RE GROUNDS FOR RECEIVER'S ADMINISTRATIVE EXPENSE; REVIEW DOCKETS IN CHAPTER 11 CASES.	1.50	$2,137.50
01/28/26	09935	M. BAUER	[redacted]	0.20	$220.00
01/29/26	04332	G. HEATON	INVESTIGATE, REVIEW AUTHORITIES RE RECEIVER ADMIN CLAIM.	0.30	$427.50

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Date	ID#	Timekeeper	Narrative	Hours	Amount
01/31/26	04332	G. HEATON	INVESTIGATE, REVIEW AUTHORITIES RE ADMIN CLAIM FOR RECEIVER.	0.20	$285.00
01/31/26	01902	B. MESSINGER	[redacted]	0.10	$97.50
02/01/26	09935	M. BAUER	[redacted]	0.10	$99.50
02/02/26	01902	B. MESSINGER	[redacted]	0.10	$97.50
02/05/26	09935	M. BAUER	[redacted]	0.10	$99.50
02/06/26	01902	B. MESSINGER	[redacted]	0.20	$195.00
02/10/26	01902	B. MESSINGER	BEGAN DRAFTING FACTUAL BACKGROUND FOR MOTION TO TREAT RECEIVER'S FEES AS AN ADMINISTRATIVE EXPENSE.	1.50	$1,462.50
02/11/26	01902	B. MESSINGER	CONTINUED DRAFTING MOTION FOR TREATMENT OF FEES AND COSTS AS ADMINISTATIVE EXPENSE OF BANKRUTPCY ESTATE.	2.40	$2,340.00
02/11/26	01902	B. MESSINGER	[redacted]	0.10	$97.50
02/12/26	01902	B. MESSINGER	CONTINUED DRAFTING MOTION TO TREAT RECEIVER'S FEES AS ADMINISTRATIVE EXPENSE.	2.80	$2,730.00
02/13/26	01902	B. MESSINGER	[redacted]	0.30	$292.50
02/13/26	01902	B. MESSINGER	FINALIZED DRAFT OF MOTION TO TREAT FEES AS ADMINISTRATIVE EXPENSES.	0.70	$682.50
			Total Services:	396.10	$294,856.50

DISBURSEMENTS

12/03/2025	0006	TRAVEL - LOCAL	$27.00
12/18/2025	0038	PACER FEDERAL DOCKET COSTS	$198.50

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DISBURSEMENTS

11/13/2025	0059	PRINTING - INTERNAL	$79.20
11/15/2025	0086	MESSENGER SERVICE	$32.00
05/21/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$160.40
05/29/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$310.80
05/30/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$10.00
06/25/2025	0036	WESTLAW LEGAL RESEARCH - WILLS,ANNA	$20.00
06/26/2025	0036	WESTLAW LEGAL RESEARCH - WILLS,ANNA	$40.00
06/26/2025	0036	WESTLAW LEGAL RESEARCH - WILLS,ANNA	$40.00
07/25/2025	0029	OVERNIGHT MAIL SENT TO REBECCA J PRICE AT NORRIS MCLAUGHLIN PA OF 515 W HAMILTON STREET STE 5 ALLENTOWN, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #391411915969)	$21.66
07/25/2025	0029	OVERNIGHT MAIL SENT TO BENJAMIN P SHEPPARD AT NORRIS MCLAUGHLIN PA OF 515 W HAMILTON STREET STE 5 ALLENTOWN, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #391412003897)	$21.66
07/25/2025	0029	OVERNIGHT MAIL SENT TO RAYMOND GABRIEL LAHOUD AT LAHOUD LAW GROUP PC OF 600 HAMILTON STREET STE 330 ALLENTOWN, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #391412346019)	$21.66
07/25/2025	0029	OVERNIGHT MAIL SENT TO MS NIMITA KAPOOR ATIYEH PRES AT SAUCON VALLEY MANOR INC OF 1177 6TH ST WHITEHALL, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #391412993363)	$21.66
07/25/2025	0029	OVERNIGHT MAIL SENT TO MR ABRAHAM R ATIYEH PRESIDE AT WHITEHALL MANOR OF 1177 6TH ST WHITEHALL, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #391413110383)	$21.66
07/25/2025	0029	OVERNIGHT MAIL SENT TO JOAN E LONDON AT	$25.53

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DISBURSEMENTS

		KOZLOFF STOUDT OF 2630 WESTVIEW DRIVE BLAKESLEE, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #391412240121)	
07/31/2025	0036	WESTLAW LEGAL RESEARCH - HUFFORD-BUCKLIN,ANNAMAR	$360.80
08/08/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$2,858.40
08/20/2025	0029	OVERNIGHT MAIL SENT TO FRANK ANDREW DELUCCIA AT DOJUSAO OF EASTERN DISTRICT OF PENNSYLVAN PHILADELPHIA, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392332961135)	$22.82
08/20/2025	0029	OVERNIGHT MAIL SENT TO ERIN E LINDGREN AT UNITED STATES ATTORNEY OFFICE OF 615 CHESTNUT STREET SUITE 1250 PHILADELPHIA, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392333030642)	$22.82
08/20/2025	0029	OVERNIGHT MAIL SENT TO RAYMOND GABRIEL LAHOUD AT LAHOUD LAW GROUP P C OF 600 HAMILTON STREET SUITE 330 ALLENTOWN, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392333089894)	$22.82
08/20/2025	0029	OVERNIGHT MAIL SENT TO REBECCA J PRICE AT NORRIS MCLAUGHLIN PA OF 515 W HAMILTON STREET SUITE 5 ALLENTOWN, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392333137639)	$22.82
08/20/2025	0029	OVERNIGHT MAIL SENT TO JOAN E LONDON AT KOZLOFF STOUDT OF 2640 WESTVIEW DR READING, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392333181017)	$22.82
08/20/2025	0029	OVERNIGHT MAIL SENT TO PHILLIP D BERGER AT BERGER LAW GROUP PC OF 919 CONESTOGA ROAD BRYN MAWR, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392333236510)	$22.82
08/21/2025	0029	OVERNIGHT MAIL SENT TO FRANK ANDREW DELUCCIA AT DOJUSAO OF EASTERN DISTRICT OF PENNSYLVAN PHILADELPHIA, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392373758898)	$22.82

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DISBURSEMENTS

08/21/2025	0029	OVERNIGHT MAIL SENT TO ERIN E LINDGREN AT UNITED STATES ATTORNEY OFFICE OF 615 CHESTNUT STREET SUITE 1250 PHILADELPHIA, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392373799442)	$22.82
08/21/2025	0029	OVERNIGHT MAIL SENT TO RAYMOND GABRIEL LAHOUD AT LAHOUD LAW GROUP P C OF 600 HAMILTON STREET SUITE 330 ALLENTOWN, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392373832651)	$22.82
08/21/2025	0029	OVERNIGHT MAIL SENT TO REBECCA J PRICE AT NORRIS MCLAUGHLIN PA OF 515 W HAMILTON STREET SUITE 5 ALLENTOWN, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392373862460)	$22.82
08/21/2025	0029	OVERNIGHT MAIL SENT TO JOAN E LONDON AT KOZLOFF STOUDT OF 2640 WESTVIEW DR READING, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392373889352)	$22.82
08/21/2025	0029	OVERNIGHT MAIL SENT TO PHILLIP D BERGER AT BERGER LAW GROUP PC OF 919 CONESTOGA ROAD BRYN MAWR, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #392373911553)	$26.72
08/29/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$85.54
09/21/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$20.00
09/22/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$380.80
09/22/2025	0114	PA SOS - DOCS FOR HAWEKOTTE	$9.00
09/22/2025	0114	PA SOS - DOCS FOR HAWEKOTTE	$6.00
09/23/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$180.40
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09/23/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$0.00
10/02/2025	0114	PA DEPT OF STATE - DOC FOR HAWEKOTTE	$3.00

File # B7475.01917 INVOICE# 3412757
LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

DISBURSEMENTS

10/03/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$160.40
10/04/2025	0016	LEXIS LEGAL RESEARCH MESSINGER, BRETT	$171.07
10/07/2025	0029	OVERNIGHT MAIL SENT TO ABRAHAM ATIYEH AT LAHOUD LAW GROUP P C OF C/O RAYMOND G LAHOUD ESQUIRE ALLENTOWN, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #393993927134)	$28.37
10/07/2025	0029	OVERNIGHT MAIL SENT TO NIMITA KAPOOR ATIYEH AT STEVENS & LEE OF 111 N 6TH ST READING, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #393994179490)	$28.37
10/08/2025	0029	OVERNIGHT MAIL SENT TO HON CATHERINE HENRY AT USDC EDPA OF 101 LARRY HOLMES DR EASTON, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #394051942449)	$28.37
10/23/2025	0090	FEDEX REFUND.	$-3.90
10/28/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$1,398.80
10/30/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$150.40
10/31/2025	0029	OVERNIGHT MAIL SENT TO AT GOOD SHEPHERD REHAB SAUCON MAN OF 1050 MAIN ST HELLERTOWN, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #394847708745)	$25.28
10/31/2025	0029	OVERNIGHT MAIL SENT TO AT GOOD SHEPHERD REHABILITATION H OF 850 S 5TH ST ALLENTOWN, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #394847821929)	$22.78
11/06/2025	0114	PA SOS DOC FOR T. HAWEKOTTE	$3.00
11/09/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$160.40
11/10/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$621.60
11/10/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$427.68
11/10/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$0.00

File # B7475.01917 INVOICE# 3412757
LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

DISBURSEMENTS

11/10/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$0.00
11/10/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$0.00
11/10/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$10.26
11/11/2025	0016	LEXIS LEGAL RESEARCH MESSINGER, BRETT	$256.61
11/11/2025	0016	LEXIS LEGAL RESEARCH MESSINGER, BRETT	$0.00
11/13/2025	0029	OVERNIGHT MAIL SENT TO PHILLIP D BERGER AT BERGER LAW GROUP PC OF 919 CONESTOGA RD BRYN MAWR, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395316857084)	$24.32
11/13/2025	0029	OVERNIGHT MAIL SENT TO REBECCA J PRICE AT NORRIS MCLAUGHLIN PA OF 515 HAMILTON ST STE 502 ALLENTOWN, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395317009146)	$24.32
11/13/2025	0029	OVERNIGHT MAIL SENT TO JOAN E LONDON AT KOZLOFF STOUDT OF 2640 WESTVIEW DR READING, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395317100932)	$24.32
11/13/2025	0029	OVERNIGHT MAIL SENT TO RAYMOND GABRIEL LAHOUD AT LAHOUD LAW GROUP P C OF 600 HAMILTON ST STE 300 ALLENTOWN, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395317212505)	$24.32
11/13/2025	0029	OVERNIGHT MAIL SENT TO FRANK ANDREW DELUCCIA AT DOJUSAO EDPA OF 615 CHESTNUT ST STE 1250 PHILADELPHIA, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395317339088)	$24.32
11/13/2025	0029	OVERNIGHT MAIL SENT TO ERIN E LINDGREN AT US ATTORNEY S OFFICE OF 615 CHESTNUT ST STE 1250 PHILADELPHIA, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395317436563)	$24.32
11/13/2025	0029	OVERNIGHT MAIL SENT TO ELIZABETH A WARE AT INDEPENDENCE BLUE CROSS OF 1901 MARKET ST FL 43 PHILADELPHIA, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395317541598)	$24.32

File # B7475.01917 INVOICE# 3412757
LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

DISBURSEMENTS

11/14/2025	0029	OVERNIGHT MAIL SENT TO ELIZABETH WARE AT STEVENS & LEE OF 111 N 6TH ST READING, PA FROM VICTORIA HAWEKOTTE AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395326918106)	$34.70
11/28/2025	0029	OVERNIGHT MAIL SENT TO JOEL B WIENER ESQUIRE AT STEVENS & LEE OF 840 W HAMILTON STREET SUITE ALLENTOWN, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395837021430)	$17.68
11/28/2025	0029	OVERNIGHT MAIL SENT TO WHITEHALL MANOR INC AT INFORMATION NOT SUPPLIED OF 1177 SIXTH STREET WHITEHALL, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395837089756)	$17.68
11/28/2025	0029	OVERNIGHT MAIL SENT TO SAUCON VALLEY MANOR INC AT INFORMATION NOT SUPPLIED OF 1177 SIXTH STREET WHITEHALL, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #395837116043)	$17.68
12/04/2025	0161	VENDOR: VERITEXT CORP. INVOICE#: 8840643 DATE: 12/4/2025 - INVOICE NO. 8840643 - PROCESS SERVICE OF 3RD PARTY SUBPOENA|5109649712091432	$136.25
12/07/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$85.54
12/07/2025	0016	LEXIS LEGAL RESEARCH HAWEKOTTE, VICTORIA	$0.00
12/07/2025	0036	WESTLAW LEGAL RESEARCH - HAWEKOTTE,VICTORIA	$20.00
12/23/2025	0029	OVERNIGHT MAIL SENT TO JOEL B WIENER ESQUIRE AT STEVENS & LEE OF 840 W HAMILTON ST STE 521 ALLENTOWN, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #397116869177)	$24.28
12/23/2025	0029	OVERNIGHT MAIL SENT TO SAUCON VALLEY MANOR INC AT INFORMATION NOT SUPPLIED OF 1177 6TH ST WHITEHALL, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING #397116944371)	$24.28
12/23/2025	0029	OVERNIGHT MAIL SENT TO WHITEHALL MANOR INC AT INFORMATION NOT SUPPLIED OF 1177 6TH ST WHITEHALL, PA FROM BRETT MESSINGER AT DUANE MORRIS LLP - PHILADELPHIA, PA (TRACKING	$24.28

File # B7475.01917 INVOICE# 3412757
LEHIGH VALLEY 1 LLC V. WHITEHALL FIDUCIARY LLC

DISBURSEMENTS

		#397117652871)	
02/12/2026	0016	LEXIS LEGAL RESEARCH MESSINGER, BRETT	$1.73
02/12/2026	0016	LEXIS LEGAL RESEARCH MESSINGER, BRETT	$0.00

Total Disbursements: $9,382.78

Timekeeper No.	Name	Hours	Amount
01902	B. MESSINGER	90.30	$88,042.50
03158	E. DUFFY	53.50	$52,196.50
03985	S. HABIB	0.70	$248.50
04272	C. JACOBY	1.80	$1,008.00
04332	G. HEATON	2.50	$3,562.50
08374	C. CASEY	29.50	$28,762.50
09885	A. WILLS	8.20	$4,920.00
09935	M. BAUER	5.80	$5,989.00
10629	V. HAWEKOTTE	198.60	$107,356.00
10630	A. HUFFORD-BUCKLIN	5.00	$2,700.00
80045	E. STAFFORD	0.20	$71.00
		396.10	$294,856.50

TOTAL FEES	$294,856.50
TOTAL DISBURSEMENTS	$9,382.78
TOTAL FEES AND DISBURSEMENTS	$304,239.28

CURRENT INVOICE $304,239.28

Exhibit H

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;

A N D

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;

A N D

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: _____
Nikita 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 hercin), 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 I

Stevens & Lee

840 West Hamilton Street, Suite 521
Allentown, PA 18101
(610) 691-7111
www.stevenslee.com

T: (610) 997-5097
F: (610) 988-7214
joel.wiener@stevenslee.com

June 20, 2025

Jeffrey Kelly, Esq.
Portnoff Law Associates
Via Email to JKelly@portnoffonline.com

RE: 1177 6th Street, Unit 1, Whitehall Twp, PA
Your collection for Whitehall Coplay School District

Dear Jeff:

This letter is to confirm that the payment plan set forth in your email of June 10, 2025 was accepted by Whitehall Manor, Inc., the tenant, by which it will make the payments under the plan to allow for it to remain in occupancy by not having the property exposed to sale or other collection for the 2023-24 or 2024-25 School taxes due – at least one year of which was liened. The Receiver for the Property Owner, Whitehall Trust, is advised to have been informed of the plan to avoid a Sheriff Sale, by Whitehall Manor, Inc. directly paying to your firm the monthly payments of $22,679.69 to be applied to the payment of above stated school district taxes due by the landlord, and taking a credit for those amounts paid for the taxes against its rental as may now be due and as comes due under its lease.

The first payment shall be made on July 1, 2025 to your office.

Very truly yours
STEVENS & LEE

Joel

Joel B. Wiener

Copy:
Robert Daday, Esq. (rdaday@portnoffonline.com)
Whitehall Manor, Inc.
Ray Lahoud, Esq.

Exhibit J

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 1st day of January, 2006 between ABRAHAM R. ATIYEH ("**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: pres

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;

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: _____
Nanita 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;

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 K

Stevens & Lee

840 West Hamilton Street, Suite 521
Allentown, PA 18101
(610) 691-7111
www.stevenslee.com

T: (610) 997-5097
F: (610) 988-7214
joel.wiener@stevenslee.com

June 20, 2025

Jeffrey Kelly, Esq.
Portnoff Law Associates
Via Email to JKelly@portnoffonline.com

RE: 1050 Main Street, Hellertown, PA (Unit 1)
Your collection for Saucon Valley School District

Dear Jeff:

This letter is to confirm that the payment plan set forth in your email of June 10, 2025 was accepted by Saucon Valley Manor, Inc., the tenant, under which it will make the monthly payments under the plan to allow for it to remain in occupancy by not having the property exposed to Sheriff Sale (C-48-CV-2024-6488). The Receiver for the Property Owner, Saucon Trust, is advised to have been informed of the plan to avoid the Sheriff Sale, by the tenant making the monthly payments directly to your firm of $22,090.40 to be applied to the payment of 2023-24 and 2024-25 Saucon Valley School District taxes due, and the tenant taking a credit for the amounts so paid against rental as may now be due and as comes due under its lease.

The first payment shall be made on July 1, 2025 to your office.

Very truly yours
STEVENS & LEE

JBWiener

Joel B. Wiener

Copy:
Robert Daday, Esq. (rdaday@portnoffonline.com)
Saucon Valley Manor, Inc.
Ray Lahoud, Esq.

Exhibit L

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 Plaintiff, v. **WHITEHALL FIDUCIARY LLC, AS TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007** Defendant.	CIVIL ACTION NO. 5:24-cv-02627-CH
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 Plaintiff, v. **SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007** Defendant.	CIVIL ACTION NO. 5:24-cv-02709-CH

PLAINTIFF'S MOTION TO VOID AND SET ASIDE LEASE AMENDMENTS AND FOR DECLARATORY JUDGMENT

Plaintiff Lehigh Valley 1 LLC ("LV1"), by and through undersigned counsel, respectfully moves this Honorable Court pursuant to Federal Rule of Civil

Procedure 12(f) and the Court's inherent equitable powers to void and set aside certain lease amendments executed on September 21, 2023, and for a declaratory judgment regarding LV1's rights under the Security Agreements. In support thereof, and as more fully set forth in the accompanying Memorandum of Law, LV1 states as follows:

1. LV1 seeks to void and set aside the Sixth Amendment to Lease Agreement executed on September 21, 2023 affecting the Hellertown property and the Fourth Amendment to Lease and Memorandum of Lease Extension executed on September 21, 2023 affecting the Whitehall property (collectively, the "Challenged Amendments") on the grounds that such amendments materially breach the Security Agreements' consent provisions, constitute bad faith conduct designed to strip collateral value, and were strategically timed to frustrate the creditor's recovery efforts. True and correct copies of the Leases for each of the Properties, including the Challenged Amendments, are attached hereto as Exhibits "A" and "B", respectively.

2. The properties at issue are senior living facilities located in Whitehall, Pennsylvania and Hellertown, Pennsylvania, securing mortgage loans totaling approximately $35 million dollars that were originated by M&T Realty Capital Corporation in 2012.

3. Both borrowers have been in continuous default since February 2021, failing to make required monthly payments for over four years without any meaningful effort to cure their defaults or propose a workout plan.

4. The Promissory Notes, Mortgages, and Security Agreements were assigned from M&T to HUD in November 2022, then from HUD to Windstream Capital LLC on September 20, 2023, and finally from Windstream Capital to LV1 on May 15, 2024. True and correct copies of the Security Agreements for each of the loans are attached hereto as Exhibits "C" and "D", respectively.

5. This assignment chain establishes LV1's current position as holder of all rights under the comprehensive Security Agreements.

6. The Challenged Amendments were executed on September 21, 2023, just one day after the assignment from HUD to Windstream Capital LLC – timing that cannot be coincidental.

7. This timing demonstrates defendants' deliberate attempt to restructure lease terms immediately upon learning of the loan transfer to a private investment entity, thereby attempting to lock in favorable terms for Defendants' related operating entities while stripping value from the newly transferred collateral.

8. The Security Agreements contain an absolute prohibition in Section 2(c) against disposing of any collateral, without the prior written consent of the secured party – a requirement that Defendants completely ignored.

9. This provision applies to all lease modifications, amendments, and extensions affecting the collateral properties; yet defendants executed the Challenged Amendments without seeking or obtaining any such consent from Windstream Capital LLC.

10. The Security Agreements' collateral definition encompasses far more than the underlying real estate, specifically including all rents, leases, income, revenues, and operational agreements related to the properties.

11. This comprehensive definition establishes LV1's rights to control not merely the real estate but the entire business enterprises operating on the properties.

12. The Challenged Amendments contain economically destructive terms that completely eliminate all base rent obligations for the entire 2024 calendar year, establish nominal rent payments for subsequent years that fall dramatically below market rates, and then extend the lease terms through December 31, 2028 to lock in these below-market rates for an additional four year period.

13. These terms can only be explained as deliberate value destruction designed to benefit Defendants' related operating entities, all at the creditor's expense.

14. The Challenged Amendments benefit the operating entities that are controlled by the same individuals and/or family who control the property-owning borrowers, creating a clear conflict of interest where the insiders are benefitting at the expense of the secured creditor.

15. The Challenged Amendments provided no meaningful consideration to the property-owning entities, while transferring substantial economic value to the related tenant operators – a classic case of insider self-dealing.

16. In its May 2, 2025 Memorandum Opinion, this Court found that Defendants' financial condition was dire, and appointed Erin Duffy, Esq. of Duane Morris LLP, as Receiver specifically to manage the properties and to preserve their value.

17. However, the artificially low lease rates established by the Challenged Amendments substantially impair the Receiver's ability to generate adequate cash flow for essential operations and debt service.

18. The Challenged Amendments should be declared void based on Defendants' material breach of both Security Agreements' consent provisions, the

Defendants' bad faith conduct designed to frustrate creditor recovery, inadequate consideration constituting constructive fraudulent transfers, and the Defendants' interference with this Court's appointed Receiver's duties.

19. As successor to all rights under the Security Agreements, LV1 possesses comprehensive rights to control lease terms, rental income, and operational decisions affecting the collateral properties.

WHEREFORE, LV1 respectfully requests that this Honorable Court:

A. Declare that both the Sixth Amendment to Lease Agreement executed on September 21, 2023 affecting the Hellertown property and the Fourth Amendment to Lease and Memorandum of Lease Extension executed on September 21, 2023 affecting the Whitehall property, and all similar amendments affecting the subject properties, are null, void, and of no legal effect;

B. Declare that such amendments were executed in material breach of Section 2(c) of the Security Agreements and constitute bad faith conduct designed to strip collateral value;

C. Declare that LV1 possesses superior rights under the Security Agreements to approve all lease terms, to control rental income, and to direct operational decisions affecting the collateral properties;

D. Direct the appointed Receiver to reject the Challenged Amendments, and to negotiate replacement lease agreements (with non-related operating companies) consistent with market terms and with the requirements of the Security Agreements;

E. Enjoin defendants from executing any further lease modifications or operational agreements affecting the collateral without LV1's prior written consent;

F. Award attorneys' fees and costs incurred in bringing this motion; and

G. Grant such other relief as the Court deems just and proper.

Respectfully submitted,

BERGER LAW GROUP, P.C.

Date: 7/9/25

By: _____

PHILLIP D. BERGER, ESQUIRE
919 Conestoga Road, Building 3, Suite 114
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Counsel for Plaintiff

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 Plaintiff, v. **WHITEHALL FIDUCIARY LLC, AS TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007** Defendant.	CIVIL ACTION NO. 5:24-cv-02627-CH
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 Plaintiff, v. **SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007** Defendant.	CIVIL ACTION NO. 5:24-cv-02709-CH

MEMORANDUM OF LAW IN SUPPORT OF MOTION TO VOID AND SET ASIDE LEASE AMENDMENTS AND FOR DECLARATORY JUDGMENT

I. INTRODUCTION

This motion addresses Defendants' calculated scheme to strip value from collateral securing over thirty-five million dollars in defaulted mortgage debt through lease amendments executed in deliberate violation of express contractual prohibitions. The challenged amendments, executed on September 21, 2023, were strategically timed to coincide with the transfer of the mortgage notes to Plaintiff's predecessor, Windstream Capital LLC, demonstrating Defendants' deliberate attempt to lock in artificially favorable lease terms for Defendants' related operating entities immediately upon learning of the note assignment to a new creditor. These amendments violate the lender's clear consent requirements established in the Security Agreements, constitute bad faith conduct designed to frustrate creditor recovery, and warrant judicial intervention to protect the integrity of the collateral and to preserve value for legitimate creditor claims.

II. FACTUAL BACKGROUND

A. The Comprehensive Security Structure and Loan Defaults

The real properties at issue are senior living facilities that serve as collateral for mortgage loans totaling approximately $35 million dollars. The Whitehall property, located at 1177 Sixth Street, Whitehall, Pennsylvania, secures a loan of $15,788,700, while the Hellertown property at 1050 Main Street, Unit #1, Hellertown, Pennsylvania, secures a loan of $19,462,800. Both loans were

originated by M&T Realty Capital Corporation on January 26, 2012, and December 1, 2012, respectively, with comprehensive Security Agreements executed contemporaneously to protect the lender's interests in both collateral properties.

The borrowing entities, Defendant Whitehall Fiduciary LLC as Trustee of Whitehall Trust, and Defendant Saucon Trust, have been in continuous and material default since February 2021, and have failed to make required monthly debt service payments for over four years. This extended default period demonstrates not merely temporary financial distress, but the Defendants' fundamental inability to service the debt obligations, and have created substantial risk of collateral deterioration and creditor loss.

B. Assignment Chain And Strategic Timing Of Note Transfers

The mortgage notes and associated Security Agreements followed a clear assignment chain that provides crucial context for understanding the timing and motivation behind the challenged lease amendments. M&T Realty Capital Corporation initially assigned both Promissory Notes, Mortgages, and Security Agreements to the United States Secretary of Housing and Urban Development, with this assignment becoming effective November 16, 2022. HUD subsequently sold and assigned both Promissory Notes, Mortgages, and Security Agreements to Windstream Capital LLC on September 20, 2023, marking the entry of a private

investment entity as the secured creditor. Windstream Capital then assigned both Promissory Notes, Mortgages, and Security Agreements to Plaintiff LV1 on May 15, 2024, completing the chain of title that establishes Plaintiff LV1's current position as holder of all rights under the Security Agreements.

C. The Security Agreements' Comprehensive Collateral Coverage And Express Lender Consent Requirements

The Security Agreements establish a sophisticated framework for protecting the secured party's interests that extends far beyond traditional real estate mortgages. Section 1(a) grants "a continuing security interest in all of [Debtor's] right, title and interest in and to the property described on Exhibit B," while Exhibit B provides an exhaustive definition of Collateral that encompasses the entire business enterprise operating on the properties.

The Collateral definition specifically includes "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." This broad language ensures that the secured party's interest extends to all revenue streams generated by both properties, not merely the underlying real estate.

Additionally, the Collateral encompasses "all licenses, permits, certificates and agreements for the provision of property or services," including Medicare and

Medicaid provider agreements that are essential to operating assisted living facilities.

Section 2(c) establishes an absolute prohibition against disposition of Collateral without lender's consent, stating unambiguously: "The [Debtor] will not sell, assign, lease, or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party." This provision serves the essential purpose of ensuring that the Defendants cannot unilaterally modify the economic terms affecting collateral values, particularly through lease arrangements that could diminish the income-generating capacity of the properties!

D. The Destructive Terms Set Forth In The Strategically Timed Lease Amendments

The Sixth Amendment to Lease Agreement for the Hellertown property, and the Fourth Amendment to Lease and Memorandum of Lease Extension for the Whitehall property were executed on September 21, 2023 (the "Challenged Amendments"), just one day after HUD's assignment of the notes to Windstream Capital LLC. This timing cannot be coincidental and demonstrates Defendants' deliberate strategy to restructure the lease terms of its related operating companies immediately upon learning of the loan transfer to a private investment entity that might more aggressively pursue collection efforts than a government agency.

The economic terms of the Challenged Amendments reveal the destructive nature of the Defendants' scheme. The Challenged Amendments completely eliminates all base rent obligations for the entire 2024 calendar year, effectively transferring hundreds of thousands of dollars in value from the property-owning entities, to the related tenant operators. For subsequent years, the Challenged Amendments establish rental rates that fall dramatically below market levels for comparable senior living facilities, with base rental amounts that appear insufficient to cover basic property maintenance, insurance, and debt service obligations.

The Challenged Amendments also extend lease terms through December 31, 2028, thereby locking in these artificially depressed rental rates for an extended period of time, that encompasses the likely duration of any foreclosure proceeding and subsequent ownership transition. This extension ensures that even if Plaintiff/secured creditor LV1 ultimately obtains control of the properties through foreclosure or other means, it will inherit assets encumbered by below-market lease obligations that impair the properties' income-generating capacity and market value.

Crucially, the Challenged Amendments are with the related party tenants/operators who are directly connected to the Defendants. As established in *LVL Co., LLC v. Abraham Atiyeh, et al.*, No. 19-3406 (E.D. Pa.), the wife of

Defendants' managing member, Abraham Atiyeh, owns and operates the tenant/operator businesses, creating inherent conflicts of interest and potential for self-dealing that require the Receiver's oversight.

E. Absence Of Required Consent And Pattern of Non-Cooperation

The record contains no evidence that Defendants sought or obtained written consent from Windstream Capital LLC before executing the Challenged Amendments, despite the clear requirement in Section 2(c) set forth in both of the Security Agreements. This omission cannot be characterized as mere oversight, given that Defendants were sophisticated parties operating substantial business enterprises, who had actual notice of the Security Agreements' requirements.

Moreover, Defendants' failure to obtain the lender's consent fits within the broader pattern of Defendants' non-cooperation with the secured creditor that this Court has already recognized. In its May 2, 2025 Memorandum Opinion, this Court noted that defendants had "failed to provide Lehigh with evidence of insurance on the Properties" and "failed to provide Lehigh with a current financial report," demonstrating ongoing disregard for their obligations to the secured party.

F. This Court's Recognition Of Defendants' Management Failures And Appointment Of The Receiver

This Court's comprehensive analysis in its May 2, 2025 Memorandum Opinion provides crucial context for understanding the necessity of voiding the challenged lease amendments. The Court found that Defendants' financial health was "dire" and that there were legitimate concerns about "diminution in value of the Properties." The Court specifically noted that Defendants had failed to provide current financial statements, had failed to demonstrate insurance coverage, and had failed to show any plan for resolving their defaults.

Based on these findings, the Court appointed Erin Duffy, Esq. of Duane Morris LLP, as Receiver with authority to manage the properties and to preserve their value for creditor benefit. It was through the Receiver's efforts that the Challenged Amendments came to light, and were provided by the Defendants.

The artificially depressed lease rates with a related party established by the Challenged Amendments substantially impair the Receiver's ability to generate adequate cash flow for essential property maintenance, insurance coverage, and operational expenses while maximizing recovery for creditors.

III. LEGAL ARGUMENT

A. Material Breach Of Security Agreement Consent Provisions Mandates Voiding The Amendments

The Security Agreement's consent requirement in Section 2(c) represents a fundamental protection that courts consistently enforce to preserve collateral value for secured creditors. *See, e.g., In re Phx. Pipe & Tube, L.P.,* 174 B.R. 688, 691 (E.D. Pa. 1994) (finding that preservation of the going concern value of a business can constitute a benefit to the secured creditor); *Thor 725 8th Ave. LLC v. Goonetilleke*, Civil Action No. 17-318, 2019 U.S. Dist. LEXIS 180282 (D.N.J. Oct. 17, 2019).

The provision's language admits no ambiguity: debtors "will not sell, assign, lease, or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party."

This prohibition extends to lease modifications that alter the economic terms affecting collateral properties, as such modifications directly impact the income-generating capacity that comprises a substantial component of the collaterals' value.

The Challenged Amendments constitute a clear violation of Section 2(c) because the amendments fundamentally alter the lease terms affecting both collateral properties, without obtaining the lender's required consent. The

Challenged Amendments' total elimination of rent obligations for 2024, and the establishment of below-market rates through 2028 directly impact both properties' income-generating capacity, thereby affecting the collateral values in precisely the manner that the consent requirement set forth in the Security Agreements were designed to prevent.

B. Bad Faith Conduct And Strategic Timing Justify Equitable Intervention

The timing and terms of the Challenged Amendments demonstrate bad faith conduct that warrants judicial intervention under established equitable principles. The Challenged Amendments' execution on September 21, 2023 with the Defendants' related parties, just one day after the note assignment to Windstream Capital LLC, reveals Defendants' deliberate strategy to restructure lease terms immediately upon learning of the creditor change, thereby attempting to lock in favorable terms for related operating entities before the new creditor could assert its rights. *See, e.g.,Harold v. McGann,* 406 F. Supp. 2d 562, 571 (E.D. Pa. 2005) ("if such a [related] relationship between contracting parties is found, the transaction is presumed void unless the party defending the contract can show that he or she acted in good faith and that the transaction is fair").

The economic terms of the Challenged Amendments reinforce the inference of bad faith conduct. Eliminating all rent obligations for an entire year, then

establishing minimal payments through 2028 serves no legitimate business purpose, and can only be explained as value stripping designed to benefit the related operating entities. The Challenged Amendments' extension of lease terms through 2028, with the Defendants' related parties, further demonstrates Defendants' intent to lock in these artificially favorable terms for an extended period during (and potentially after) the foreclosure proceedings.

C. Constructive Fraudulent Transfer Analysis Supports Voiding The Challenged Amendments

The Challenged Amendments satisfy the essential elements of constructive fraudulent transfers under federal common law, providing an additional ground for judicial intervention. See, e.g., *Bohm v. Dolata (In re Dolata)*, 306 B.R. 97, 143 (Bankr. W.D. Pa. 2004). Constructive fraudulent transfer analysis focuses on whether a transfer was made for less than reasonably equivalent value while the debtor was insolvent or rendered insolvent thereby, without requiring proof of actual fraudulent intent. *Id.*

The Challenged Amendments clearly fail the reasonably equivalent value test because they eliminate, and then substantially reduce the rental income for the Defendants (the property-owning entities), while providing no corresponding benefit. The elimination of rent obligations for 2024 alone represents hundreds of thousands of dollars in lost income, while the below-market rates to be effective

through 2028 compound this value destruction over time. The related tenant operators receive substantial benefits through reduced rental obligations, but the property-owning entities receive no consideration that could be characterized as reasonably equivalent to the value transferred.

Moreover, the Challenged Amendments either maintained or exacerbated the Defendants' insolvent condition. Defendants, as the property-owning entities, were already unable to service their debt obligations, having been in default since February 2021. The Challenged Amendments' one year elimination of any rent, then reduction of rental income through 2028 further impairs the Defendants' ability to generate cash flow necessary for debt service, property maintenance, and operational expenses. Further, the Challenged Amendments present an even stronger case for judicial intervention because these amendments involve related-party transactions that benefit entities controlled by the same individuals who control the Defendants.

D. Comprehensive Collateral Definition Establishes LV1's Superior Rights To Control Operations

The Security Agreements' expansive collateral definitions in Exhibit B establish LV1's rights that extend far beyond traditional real estate interests to encompass comprehensive control over the business enterprises operating on the properties. The Collateral includes not merely "all rents, leases, lease contracts,

lease agreements, income, revenues, issues, profits, royalties and other benefits" derived from the properties, but also "all licenses, permits, certificates and agreements for the provision of property or services," including Medicare and Medicaid provider agreements essential to assisted living facility operations.

This comprehensive definition means that LV1's rights encompass the entire business enterprise, rather than merely the underlying real estate. The Security Agreements grant LV1 control over operational decisions that affect income generation, including lease terms, management agreements, and provider relationships that determine both properties' ability to generate revenue sufficient for debt service and creditor recovery.

The Challenged Amendments directly impair these rights by locking in rental terms that reduce the income-generating capacity of the collateral. By eliminating rent obligations and establishing below-market rates, the amendments transfer value that should be available for debt service to the Defendants' related operating entities, thereby diminishing the collateral's value and Plaintiff/secured creditor LV1's recovery prospects.

E. Interference With Court-Appointed Receiver's Duties Requires Voiding The Challenged Amendments

This Court's appointment of the Receiver with authority to manage the properties and preserve their value creates an additional imperative for voiding the

Challenged Amendments to the operating company leases. This Court's May 2, 2025 Memorandum Opinion recognized that Defendants had demonstrated an inability to manage the properties effectively, noting their failure to maintain insurance, to provide financial reporting, to pay mortgage payments, to pay taxes, or to develop any plan for resolving their defaults.

The Receiver's appointment was designed to address these management failures and to ensure that both properties are operated in a manner that preserves their value. However, the elimination of any rent for one year, then the artificially depressed lease rates through 2028 set forth in the Challenged Amendments substantially impairs the Receiver's ability to fulfill these Court-ordered responsibilities. The elimination of rent obligations for 2024, and the below-market rates thereafter constrain the Receiver's ability to generate adequate cash flow for essential property maintenance, insurance coverage, regulatory compliance, tax payments, and debt service.

Allowing the Challenged Amendments to remain in effect would effectively nullify this Court's Receiver appointment by constraining the Receiver's operational flexibility and impairing the properties' income-generating capacity. The Receiver cannot fulfill the Court's mandate to preserve and maximize property value while operating under lease terms that artificially depress rental income below market levels.

F. Pattern Of Related-Party Transactions Reinforces Defendants' Bad Faith Inference

The Challenged Amendments to the leases must be evaluated within the context of the relationship between the Defendants who own the Properties, and their related tenant operators, which involves common control by the same individuals/family. This related-party structure creates inherent conflicts of interest, and the new lease terms were put into place solely to benefit the operating entities, all at the expense of the secured creditor.

Such related-party transactions receive heightened judicial scrutiny because they present substantial risk of self-dealing that prejudices creditor interests. *See, Mack v. Progressive Corp.*, No. 23-2430, 2024 U.S. Dist. LEXIS 45459, at *14 (E.D. Pa. Mar. 13, 2024) ("[w]here one party is under the domination of another, or by virtue of the relation between them is justified in assuming that the other party will not act in a matter inconsistent with his welfare, a transaction induced by unfair persuasion of the latter, is induced by undue influence and is voidable").

The Challenged Amendments present precisely this type of related-party value stripping that Courts are designed to prevent. The Challenged Amendments transfer substantial economic value from the property-owning entities to their related operating entities without providing corresponding benefits to the property owners or their creditors. The timing of these Challenged Amendments

immediately following the note assignment to Windstream Capital further reinforces the inference that the amendments were designed to benefit insiders rather than serve any legitimate business purpose.

IV. CONCLUSION

The Challenged Amendments to the operating company leases executed on September 21, 2023, represent a calculated attempt to strip value from the collateral which secure over $35 Million dollars in defaulted debt. These Challenged Amendments deliberately violate the express contractual prohibitions set forth in the Security Agreements, and was bad faith conduct directed and designed to benefit the related operating entities, all at the creditor's expense. These Challenged Amendments violate the clear consent requirements established in Section 2(c) of the Security Agreements, constitute constructive fraudulent transfers lacking reasonably equivalent value, and impair this Court's appointed Receiver's ability to preserve and maximize the properties values.

The strategic timing of these Challenged Amendments, executed just one day after the note assignment to Plaintiff's predecessor, Windstream Capital LLC, demonstrates defendants' deliberate attempt to lock in artificially favorable lease terms before the new creditor could assert its rights under the Security Agreements.

The Challenged Amendments ' elimination of rent obligations for an entire year, combined with below-market rates for subsequent years, and extended lease

terms through 2028, creates a structure designed to transfer substantial value to the Defendants' related operating entities, while deliberately impairing creditor recovery prospects on the loans which are in significant default.

This Court should declare the Challenged Amendments as null and void, should confirm LV1's superior rights under the Security Agreements, and should direct the appointed Receiver to negotiate replacement lease agreements with new, unrelated operators, consistent with market terms and the Security Agreements' requirements. Such relief is necessary to prevent Defendants from benefiting from their deliberate breach of contractual obligations, and to preserve the collateral value that this Court's receiver appointment was designed to protect.

Respectfully submitted,

BERGER LAW GROUP, P.C.

Date: 7/9/25

By: _____

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(610) 668-0774
Berger@BergerLawPC.com
Counsel for Plaintiff

EXHIBIT A

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 1st day of January, 2006 between ABRAHAM R. ATIYEH ("**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. 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;

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: _____
Nanita 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

EXHIBIT B

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;

A N D

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: _____
Nikita 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

EXHIBIT C

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.

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 "D"

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.

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.

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 Plaintiff, v. **WHITEHALL FIDUCIARY LLC, AS TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007** Defendant.	CIVIL ACTION NO. 5:24-cv-02627-CH
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 Plaintiff, v. **SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007** Defendant.	CIVIL ACTION NO. 5:24-cv-02709-CH

[PROPOSED] ORDER

AND NOW, this ___ day of _____, 2025, upon consideration of Plaintiff's Motion to Void and Set Aside Lease Amendments and for Declaratory

Judgment, and for the reasons set forth in the accompanying Memorandum of Law,

IT IS HEREBY ORDERED that:

1. Plaintiff's Motion is GRANTED in all respects.
2. 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, are hereby DECLARED NULL, VOID, and OF NO LEGAL EFFECT.
3. Said amendments were executed in material breach of Section 2(c) of the Security Agreements, without required prior written consent of lender, and constitute bad faith conduct designed to strip collateral value.
4. LV1's superior rights under the Security Agreements to approve lease terms, control rental income, and direct operational decisions affecting the collateral properties are hereby CONFIRMED and DECLARED.
5. The appointed Receiver is DIRECTED to reject the voided lease amendments and to negotiate replacement lease agreements with non-related operating companies consistent with market terms and Security Agreements' requirements.
6. Defendants are ENJOINED from executing any lease modifications or operational agreements affecting the collateral properties without LV1's prior written consent.
7. LV1 is awarded reasonable attorneys' fees and costs incurred in bringing this motion.

BY THE COURT:

_____

HONORABLE CATHERINE HENRY
UNITED STATES DISTRICT JUDGE

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 Plaintiff, v. **WHITEHALL FIDUCIARY LLC, AS TRUSTEE OF WHITEHALL TRUST U/T/A DATED AUGUST 1, 2007** Defendant.	CIVIL ACTION NO. 5:24-cv-02627-CH
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 Plaintiff, v. **SAUCON TRUST, U/T/A DATED OCTOBER 1, 2007** Defendant.	CIVIL ACTION NO. 5:24-cv-02709-CH

CERTIFICATE OF SERVICE

I, Phillip D. Berger, Esquire, hereby certify that a true and correct copy of the forgoing was served on all parties on this date via the Court's ECF filing system.

Respectfully submitted,
BERGER LAW GROUP, P.C.

Date: 7/9/25

By: _____

PHILLIP D. BERGER, ESQUIRE
919 Conestoga Road, Building 3, Suite 114
Bryn Mawr, PA 19010
(610) 668-0774
Berger@BergerLawPC.com
Counsel for Plaintiff

Exhibit M

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ALLIANCES IN MEXICO

VIA FEDERAL EXPRESS

July 25, 2025

Rebecca J. Price, Esquire
Norris McLaughlin, PA
515 W. Hamilton Street, Ste. 502
Allentown, PA 18101

Benjamin P. Sheppard, Esquire
Norris McLaughlin PA
515 Hamilton Street, Ste. 502
Allentown, PA 18101

Joan E. London, Esquire
Kozloff Stoudt
2630 Westview Drive
Wyomissing, PA 18610

Raymond Gabriel Lahoud, Esquire
Lahoud Law Group, PC
600 Hamilton Street, Ste. 330
Allentown, PA 18101

Ms. Nimita Kapoor Atiyeh
President
Saucon Valley Manor, Inc.
1177 N. 6th Street
Whitehall, PA 10852

Mr. Abraham R. Atiyeh
President
Whitehall Manor, Inc.
1177 N. 6th Street
Whitehall, PA 10852

Re: <u>That Certain Lease Agreement dated as of January 1, 2006, as amended from time to time & That Certain Lease Agreement dated as of August 14, 2008, as amended</u>

Dear Ladies and Gentlemen:

This firm acts for Duane Morris (through Erin Duffy, Esquire) in its capacity as Receiver for the properties owned by Whitehall Fiduciary LLC, as Trustee of Whitehall Trust U/T/A Dated August 1, 2007 (the "Whitehall Trust"), located at 1177 6th Street, Whitehall, Pennsylvania (the "Whitehall Property"), and by Saucon Trust U/T/A Dated October 1, 2007 (the "Saucon Trust"), located at 1050 Main Street, Unit #1, Hellertown, Pennsylvania (the "Hellertown Property"). I am writing to you in your capacities as attorneys for the Whitehall Trust and the Saucon Trust, and as tenants of each of those properties. Please be advised that the

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Fourth Amendment to the Lease as it relates to the Whitehall Property, and the Sixth Amendment to the Lease as it relates to the Hellertown Property, are rejected by the Receiver and will be treated as null and void. As a result, all rent obligations under the prior amendments remain in full force and effect, and all unpaid amounts are immediately due and payable.

The Whitehall Lease

Reference is made to that certain Lease Agreement dated as of August 14, 2008, by and between Whitehall Trust, as landlord, and Whitehall Manor, Inc. ("WMI"), as tenant, as amended by the First Amendment dated as of January 1, 2010, the Second Amendment dated as of January 1, 2012, the Third Amendment dated as of August 31, 2018, and the Fourth Amendment dated as of September 21, 2023. It is noted that the control of both the landlord and the tenant as of September 21, 2023, was incestuous, insofar as both the landlord and tenant were controlled by members of the Atiyeh family.

As relevant here, the Second Amendment set the annual rent in the amount of $1,668,000 per year, with monthly payments due in equal monthly installments of $80,000, with an additional payment of $708,000 to be paid on or before December 31st of the applicable calendar year. The Lease and Second Amendment (which incorporates the HUD Addendum to Operating Lease) also contains an acknowledgement to the U.S. Department of Housing and Urban Development ("HUD"), that the rent, additional rent, and sums payable under the 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." In addition, the Assignment of Lease Rider to Mortgage, which is attached to the Mortgage Agreement, provides, in paragraph 3, the following, "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 written approval of Mortgagee."* Finally, Tenant subordinated its leasehold interest to the Mortgage.

Whitehall Trust allegedly experienced financial difficulties in 2021, and (i) failed to make a payment under its Loan Agreements with Lehigh Valley 1 LLC ("Mortgagee") due February 5, 2021; and (ii) after applying money in a reserve account to the missed payment, it failed to make its payment to Mortgagee for the payment due July 2023, and each month thereafter.

Despite the financial difficulties being experienced by Whitehall Trust, and in a joint effort and scheme as between Whitehall Trust and WMI, the parties entered into the Fourth

Amendment to Lease and Memorandum of Lease Extension (the "Whitehall Fourth Amendment"). In the Whitehall Fourth Amendment, Whitehall Trust and WMI purported to, among other things, memorialized an extension of the Whitehall Lease for a period of five additional years, or until December 31, 2028. The Whitehall Fourth Amendment also forgave rental arrears, provided for no rent payment through December 31, 2024, and reduced the Base Rent for the years 2025 through 2028 from $1,668,000, to the greater of: (i) $120,000 per year; or (ii) 25% of the net operating profit of Tenant, up to a limit of $300,000, and, to the extent the Lease is extended for another term beginning on January 1, 2029, to the greater of: (i) $240,000 per year, or (ii) 25% of the net operating profit of Tenant, up to a limit of $500,000. This represents a reduction of over 80% from the contractual rent amount. Finally, as relevant here, the Fourth Amendment purports to terminate any applicable HUD-Regulatory Agreement.

The Saucon Lease

A similar scheme was employed as it relates to the Saucon Lease Agreement. In that regard, reference is made to that certain Lease Agreement dated as of January 1, 2006, between Abraham R. Atiyeh,[1] as landlord, and Saucon Valley Manor, Inc. ("SVM"), as tenant, the Lease Amendment dated as of December 8, 2006, the Addendum to Lease Agreement dated as of October 1, 2007, the Second [sic] Addendum to Lease Agreement dated as of August 29, 2008, the Third Amendment dated as of January 1, 2010, the Fourth Amendment dated as of November 1, 2012, the Fifth Amendment dated as of July 1, 2018, and the Sixth Amendment dated as of September 21, 2023. At some point the Saucon Property was transferred and placed into the Saucon Trust.

As with the Whitehall Trust, the control of both the landlord and the tenant of the Saucon Property were, as of September 21, 2023, controlled by members of the Atiyeh family.

The Saucon Trust also allegedly began to experience financial difficulties and (i) failed to make a payment under its Loan Agreements with Lehigh Valley 1 LLC ("Mortgagee") due February 5, 2021; and (ii) after applying money in a reserve account to the missed payment, it failed to make its payment to Mortgagee for the payment due July 2023, and each month thereafter.

As relevant here, the Saucon Fifth Amendment set the annual minimum rent at $1,705,421 per year, payable in equal monthly installments. The Lease and Fifth Amendment

[1] At some point, the ownership interest was transferred to

(which incorporates the HUD Addendum to Operating Lease) contains an acknowledgement to HUD, that the rent, additional rent, and sums payable under the 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."

Despite the financial difficulties being experienced by Saucon Trust, and in a joint effort and scheme as between Saucon Trust and SVM, they entered into the Sixth Amendment to Lease Agreement (the "Saucon Sixth Amendment"). In that the Saucon Sixth Amendment, Saucon Trust and SVM purported to, among other things, memorialize an extension of the Saucon Lease for a period of five additional years, or until December 31, 2028. The Saucon Sixth Amendment also forgave rental arrears, provided for no rent to be paid through December 31, 2024, reduced the Base Rent for the years 2025 through 2028 from $1,705,421, to the greater of: (i) $120,000 per year; or (ii) 25% of the net operating profit of Tenant, up to a limit of $300,000, and, to the extent the Lease is extended for another term beginning on January 1, 2029, to the greater of: (i) $240,000 per year, or (ii) 25% of the net operating profit of Tenant, up to a limit of $500,000. This represents a reduction of over 82% from the contractual rent amount. Finally, as relevant here, it purports to terminate any applicable HUD-Regulatory Agreement.

The Whitehall Fourth Amendment and Saucon Sixth Amendment are hereby rejected and of no force and effect for, among other reasons: (i) they are not supported by any consideration[2], (ii) they were executed for the self-interest of the Atiyeh family; (iii) they were executed for the sole purpose of defrauding creditors and reducing payment to the Whitehall Trust and Saucon Trust, and decreasing the value of the Properties that were destined and then eventually placed under the control of the Receiver; (iv) they were executed to divert money away from the payment of monthly obligations owed to Mortgagee and instead to WMI and SVM, to the exclusion of Mortgagee; and (v) they were executed without the consent of Mortgagee.

Additionally, both amendments constitute fraudulent transfers under Pennsylvania's Uniform Voidable Transfer Act, 12 Pa.C.S. § 5101 et seq., as they were made: (a) with actual intent to hinder, delay or defraud creditors; (b) without receiving reasonably equivalent value in exchange; and (c) at a time when the landlords were insolvent or became insolvent as a result of the transfers.

[2] *See e.g., In re Com. Trust Co. of Pittsburgh,* 347 Pa. 349 (1947); *Nicolella v. Palmer,* 432 Pa. 502 (1968).

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Insofar as the Whitehall Fourth Amendment and Saucon Sixth Amendment are rejected, void and without effect, both WMI and SVM are to immediately, and without delay, remit to the Receiver, the sum of $3,058,000 as it relates to the Whitehall Property, and $3,126,605, as it relates to the Saucon Property. Absent immediate payment, but in no event later than August 11, 2025, an event of default will be declared under each of the leases, and the Receiver will pursue all available remedies including, without limitation, eviction proceedings, personal judgments for all amounts due, and damages for breach of fiduciary duty. If you have made any payments towards these amounts, please provide proof of such payments and then deduct any such amounts from the total amount due.

Please be advised that if the above referenced amounts are not paid in full by August 11, 2025, the Receiver will exercise its authority under the Court's Receivership Orders to immediately terminate both WMI and SVM as the operating companies for the Whitehall and Saucon properties. The Receiver has already identified qualified replacement operators and is prepared to effectuate an immediate transition of operations. This termination will be permanent and will be result in the complete loss of your client's operating rights at both facilities.

The Court's Receivership Orders grant the Receiver full authority to operate, manage, and control all aspects of the Properties, including the right to terminate existing management and operating agreements and to engage new operators. The Receiver is prepared to exercise these powers immediately upon your failure to remit the amounts due.

Please be further advised that the Receiver reserves all rights to pursue claims against the individual members of the Atiyeh family who orchestrated these transactions, including claims for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, conspiracy, and fraudulent transfer.

We trust that you will give immediate attention to this letter and remit the payments without delay.

Yours sincerely,



Brett L. Messinger

DuaneMorris

BLM

Exhibit N

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November 26, 2025

Joel B. Wiener, Esq.
Stevens & Lee
840 W. Hamilton St., Ste. 521
Allentown, PA 18101

Re: Saucon/Whitehall- Good Shepherd, LV1, et al

Dear Joel:

We are in receipt of your letter of November 25, 2025 to Graig Schultz, Esquire, written on behalf of Whitehall Manor, Inc. and Saucon Valley Manor, Inc. You letter is in violation of the Receiver Order, which specifically provides that Receiver has the Power to "enter and take immediate possession of the Property, and to demand, collect and receive the rents, income, revenues, proceeds and profits derived from tenants at the Property, *their sublessees or any occupant in possession*."

Section V of the Receiver Order further precludes Whitehall Manor, Inc. and Saucon Valley Manor, Inc., from "Interfering with the Receiver, directly or indirectly, in the management of the operation of the Properties or in *the collection of Rents*."

Your letter is in complete dereliction of the Receiver Order and is actionable. You will immediately retract it. Not only is Good Shepherd required to pay the rent directly to Receiver, but so too are occupants and residents of the Properties, whether under a lease or some sort of other agreement. We will hold your clients liable for any amounts that they received from any source.

Reference is further made to the source of why Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are bound by the Receiver Order, specifically, the Lessee Security Agreements (the "Security Agreements"). One Security Agreement was executed by each of Whitehall Manor, Inc. and Saucon Valley Manor, Inc, with the Original Lender (to which Lehigh Valley is the assignee).

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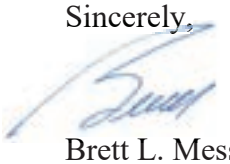
The Security Agreements provide certain rights in favor of Lehigh Valley, including a security interest in all Whitehall Manor, Inc. and Saucon Valley Manor, Inc.'s Property. Property is described in Exhibit B of the Security Agreements, which includes, among other property, the following items:

> (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 the property described in this item (c) constitutes accounts, chattel paper, documents, intangibles, instruments or money; . . .

Section 2(c) of the Security Agreements provides that the Property is to be turned over to Lehigh Valley upon an Event of Default. Section 8 defines an "Event of Default," to include Saucon Trust and Whitehall Trust's failure to make payment of the underlying Obligations.

Your continued interference in the Receiver's actions is actionable and illegal.

Sincerely,



Brett L. Messinger

BLM:ecm
cc: Phillip D. Berger, Esq.
Graig Schulz, Esquire

Exhibit O

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 P

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December 23, 2025

Whitehall Manor, Inc.
1177 Sixth Street
Whitehall, PA 18052

Joel B. Wiener, Esquire
Stevens & Lee
840 W. Hamilton Street, Suite 521
Allentown, PA 18101

RE: SECOND NOTICE OF DEFAULT
Lease Agreement between Whitehall Fiduciary, LLC as Trustee and Whitehall Manor, Inc. dated August 14, 2008 (the "Lease")

Dear Sirs/Madams:

As you know, this firm acts for Duane Morris LLP, by and through Erin Duffy, Esquire, which was appointed Receiver of the Property owned by Whitehall Fiduciary, LLC, as Trustee of Whitehall Trust u/t/a dated August 1, 2007 ("Whitehall").

Reference is made to: (i) the Lease and (ii) the Court's December 19, 2025 Order which invalidated the Fourth Lease Amended to Lease. As a result of the Order, the term of the Lease has expired, and Whitehall has been continuing as a holdover tenant. As a holdover, Whitehill was obliged to pay the monthly sum of $80,000, plus an additional sum of $708,000 on December 31, 2023 and December 31, 2024. Accordingly, from the time beginning with the rent payment due October 1, 2023 (September 1, 2023 seemingly being the last month of payments being made), there is now due and owing the sum of $3,439,971.86 (27 x $80,000 + $708,000 + $708,000 - $136,028.14 in taxes paid). Of course, if you are able to show proof of any payment directly to Whitehall Fiduciary, LLC, you may take a credit for that amount.

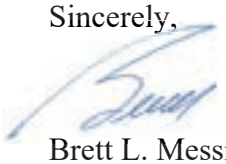
Because the Court's Order was just entered on December 19, 2025, we would like to provide Whitehall Manor with an opportunity to cure its payment default. Therefore, please

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remit payment in the amount of $3,439,971.86 (or a lesser amount if some of this has already been paid) on or before December 31, 2025. If Whitehall Manor cures the defaults contained in this letter, as well as the defaults mentioned in Receiver's prior Notice of Default, Receiver will consider entering in an agreement to extend the Lease terms. In the alternative, Receiver would also consider discussions regarding a Lease Termination Agreement, under which Receiver would consider reducing the amount of arrears in exchange for possession of the Property.

Let me know if you wish to discuss the above.

Sincerely,



Brett L. Messinger

BLM:ecm

Exhibit Q

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NORTH JERSEY
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SYDNEY
MYANMAR

ALLIANCES IN MEXICO

December 23, 2025

Saucon Valley Manor, Inc.
1177 Sixth Street
Whitehall, PA 18052

Joel B. Wiener, Esquire
Stevens & Lee
840 W. Hamilton Street, Suite 521
Allentown, PA 18101

Re: SECOND NOTICE OF DEFAULT
Lease Agreement between Saucon Trust (as successor) and Saucon Valley Manor, Inc. dated January 1, 2006, as amended (the "Lease")

Dear Sirs/Madams:

As you know, this firm acts for Duane Morris LLP, by and through Erin Duffy, Esquire, which was appointed Receiver of the Property owned by Saucon Trust ("Saucon").

Reference is made to: (i) the Lease and (ii) the Court's December 19, 2025 Order which invalidated the Sixth Lease Amended to Lease. The Lease was automatically extended and will expire on August 31, 2026. According to the terms of the Fifth Amendment to Lease Agreement, there was due the annual sum of $1,705,421.00, with a monthly payment of $142,118.42. With the invalidation of the Sixth Lease Amendment to Lease, from the time beginning with the rent payment due October 1, 2023 (September 1, 2023 seemingly being the last month of payments being made), there is now due and owing the sum of $3,704,654.94 (27 x $3,837,197.34 - $132,542.40 in taxes paid). Of course, if you are able to show proof of any payment directly to Saucon, you may take a credit for that amount.

Because the Court's Order was just entered on December 19, 2025, we would like to provide Saucon Valley Manor with an opportunity to cure its payment default. Therefore, please remit payment in the amount of $3,704,654.94(or a lesser amount if some of this has already

DuaneMorris

been paid) on or before December 31, 2025. If Saucon Valley Manor cures the defaults contained in this letter, as well as the defaults mentioned in Receiver's prior Notice of Default, Receiver will consider entering in an agreement to modify the Lease. In the alternative, Receiver would also consider discussions regarding a Lease Termination Agreement, under which Receiver would consider reducing the amount of arrears in exchange for possession of the Property.

Let me know if you wish to discuss the above.

Sincerely,



Brett L. Messinger

BLM:ecm

Exhibit R

From: Lee, Michelle V.
To: Hamermesh, Matthew A.; Messinger, Brett L.; McMichael, Lawrence G.
Cc: Aaronson, Anne M.; Bauer, Morris S.; Hawekotte, Victoria (Tori); Bauer, Morris S.; Phillip Berger
Subject: RE: Whitehall: Rent Payment [IMAN-HASP1.FID196487]
Date: Thursday, January 8, 2026 3:25:12 PM
Attachments: image001.png

Matt:

This is acceptable. Please provide the name/email for the contact at Duane to facilitate the transfer with my accounting department. This way we can transfer the funds today and/or tomorrow morning.

Also, please advise if you are available this afternoon to meet and confer.

Michelle.

Michelle Lee | Dilworth Paxson LLP
1650 Market Street | Suite 1200 | Philadelphia, PA 19103
Tel: (267) 794-0225 | Fax: (856) 494-7801
mlee@dilworthlaw.com | www.dilworthlaw.com

Please use the below link or QR Code to leave a review! Thank you kindly!

Leave a review HERE

From: Hamermesh, Matthew A. <mah@hangley.com>
Sent: Thursday, January 8, 2026 2:50 PM
To: Lee, Michelle V. <mlee@dilworthlaw.com>; Messinger, Brett L. <BLMessinger@duanemorris.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Phillip Berger <berger@bergerlawpc.com>
Subject: RE: Whitehall: Rent Payment [IMAN-HASP1.FID196487]

This message is from an external sender.

Michelle:

I think we all appreciate that we have starkly divergent views about what should happen here and the relevant authorities. However, in the interest of resolving things for the moment without anyone having to run into court, let me propose the following:

- The Receiver will deliver the funds held to you.
- The Debtors agree to hold the funds in your firm's trust account, and that these funds will not be used by the Debtors without a specific order from an appropriate court authorizing the use of those funds.
- We will meet and confer to come up with a reasonable way to place the question of the disposition of those funds before the bankruptcy court in the first instance.

Please let me know if this proposal is acceptable to the Debtors by noon on Friday, January 9, 2026.

Thank you.

Matt

Matthew A. Hamermesh
Hangley Aronchick Segal Pudlin & Schiller
(215) 496-7054 (office)
(267) 240-3893 (mobile)
mhamermesh@hangley.com
www.hangley.com

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From: Lee, Michelle V. <mlee@dilworthlaw.com>
Sent: Wednesday, January 7, 2026 5:21 PM
To: Hamermesh, Matthew A. <mah@hangley.com>; Messinger, Brett L. <BLMessinger@duanemorris.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Phillip Berger <berger@bergerlawpc.com>
Subject: RE: Whitehall: Rent Payment [IMAN-HASP1.FID196487]

[EXTERNAL EMAIL - This message originated outside Hangley Aronchick.]

Perhaps I would agree with you both if the funds were held pre-petition. Here, however, the funds were received POST-petition. This is a clear violation of the automatic stay, specifically 362(a)(3) ("exercise control over property of the estate"). By holding the post-petition, estate property, the receiver and lender are preventing debtor from administering its property for the benefit of the estate. You've held these funds now for over a week, and during that period, Matt could have

decided whether he was going to file a motion.)

And I would point out that there are paths where the receiver can be sued for violation of the automatic stay. We can seek permission from EDPA if the Barton doctrine applies (which it doesn't) or move forward with the BK court, who would have jurisdiction under the ultra vires exception, since the receiver has no authority to seize property of the bankruptcy estate – which is what happened here.

I understand you have trial today. I will need those funds Friday.

Michelle.

Michelle Lee | Dilworth Paxson LLP
1650 Market Street | Suite 1200 | Philadelphia, PA 19103
Tel: (267) 794-0225 | Fax: (856) 494-7801
mlee@dilworthlaw.com | www.dilworthlaw.com

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From: Hamermesh, Matthew A. <mah@hangley.com>
Sent: Wednesday, January 7, 2026 4:46 PM
To: Lee, Michelle V. <mlee@dilworthlaw.com>; Messinger, Brett L. <BLMessinger@duanemorris.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Phillip Berger <berger@bergerlawpc.com>
Subject: RE: Whitehall: Rent Payment [IMAN-HASP1.FID196487]

This message is from an external sender.

Michelle:

In my experience, the lender who sought the appointment of the receiver – not the receiver herself – has standing to file a motion under Section 543(d). Hence my request for some time

to review the issue.

In addition, I have never seen a debtor so desperate for cash that it has demanded turnover from a court-appointed custodian, or insisted that a Section 543(d) be motion be filed, within the first weeks of a case.

I would appreciate some time to review this issue and response appropriately. Thank you.

Matt

Matthew A. Hamermesh
Hangley Aronchick Segal Pudlin & Schiller
(215) 496-7054 (office)
(267) 240-3893 (mobile)
mah@hangley.com

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From: Lee, Michelle V. <mlee@dilworthlaw.com>
Sent: Wednesday, January 7, 2026 4:41 PM
To: Hamermesh, Matthew A. <mah@hangley.com>; Messinger, Brett L. <BLMessinger@duanemorris.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Phillip Berger <berger@bergerlawpc.com>
Subject: RE: Whitehall: Rent Payment [IMAN-HASP1.FID196487]

[EXTERNAL EMAIL - This message originated outside Hangley Aronchick.]

Respectfully Matt,

Its not clear why you need to review anything. This is an issue between the debtors and the receiver, who pursuant to the code, is supposed to turnover the funds in his possession immediately to the trustee (ie the debtors).

Since Brett is in trial, I will give him the courtesy to receive by response tomorrow. Otherwise, I will need to file a motion and seek fees.

Michelle.

Michelle Lee | Dilworth Paxson LLP
1650 Market Street | Suite 1200 | Philadelphia, PA 19103

Tel: (267) 794-0225 | Fax: (856) 494-7801
mlee@dilworthlaw.com | www.dilworthlaw.com

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From: Hamermesh, Matthew A. <mah@hangley.com>
Sent: Wednesday, January 7, 2026 4:13 PM
To: Lee, Michelle V. <mlee@dilworthlaw.com>; Messinger, Brett L. <BLMessinger@duanemorris.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Phillip Berger <berger@bergerlawpc.com>
Subject: RE: Whitehall: Rent Payment [IMAN-HASP1.FID196487]

This message is from an external sender.

Michelle:

Thank you for sending this information. I am just learning of this specific issue, and will need a couple of days to review it. Thank you for your patience.

Matt

Matthew A. Hamermesh
Hangley Aronchick Segal Pudlin & Schiller
(215) 496-7054 (office)
(267) 240-3893 (mobile)
mah@hangley.com

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From: Lee, Michelle V. <mlee@dilworthlaw.com>
Sent: Wednesday, January 7, 2026 3:51 PM
To: Hamermesh, Matthew A. <mah@hangley.com>; Messinger, Brett L. <BLMessinger@duanemorris.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>; Bauer,

Morris S. <MSBauer@duanemorris.com>; Phillip Berger <berger@bergerlawpc.com>
Subject: RE: Whitehall: Rent Payment [IMAN-HASP1.FID196487]

[EXTERNAL EMAIL - This message originated outside Hangley Aronchick.]

Matt

Mr. Berger had notice of the debtors' demand and the receiver report. The Receiver filed a report on January 2, 2026

- On **December 26, 2025**, **Defendants** Saucon Trust, Whitehall Trust, Saucon Manor, Inc. and Whitehall Manor, Inc. **filed Voluntary Petitions for Chapter 11 Relief under the United States Bankruptcy Code; so the matters that were subject to Order Granting Receiver's Motion for Sanctions are automatically stayed.**
- **Good Shepherd Rehabilitation Network on December 28, 2025 sent Receiver $25,258.88** for October, November, and December rental payments.
- **Due to the bankruptcy proceedings, Receiver is currently holding the rental fees from Good Shepherd Rehabilitation Network in a client trust and will notify the Trustee of same.**

Michelle.

Michelle Lee | Dilworth Paxson LLP
1650 Market Street | Suite 1200 | Philadelphia, PA 19103
Tel: (267) 794-0225 | Fax: (856) 494-7801
mlee@dilworthlaw.com | www.dilworthlaw.com

Please use the below link or QR Code to leave a review! Thank you kindly!

Leave a review HERE

From: Hamermesh, Matthew A. <mah@hangley.com>
Sent: Wednesday, January 7, 2026 2:28 PM
To: Messinger, Brett L. <BLMessinger@duanemorris.com>; Lee, Michelle V. <mlee@dilworthlaw.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>

Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Phillip Berger <berger@bergerlawpc.com>
Subject: RE: Whitehall: Rent Payment [IMAN-HASP1.FID196487]

This message is from an external sender.

Michelle:

I am in the process of reviewing the 543(d) issue, but this is the first I have heard that the Debtors had made a demand on the Receiver for property in her custody. Could you please provide me with any documentation you have concerning the property the Receiver is holding as custodian?

Thank you.

Matt

Matthew A. Hamermesh
Hangley Aronchick Segal Pudlin & Schiller
(215) 496-7054 (office)
(267) 240-3893 (mobile)
mah@hangley.com

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From: Messinger, Brett L. <BLMessinger@duanemorris.com>
Sent: Wednesday, January 7, 2026 2:05 PM
To: Lee, Michelle V. <mlee@dilworthlaw.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Phillip Berger <berger@bergerlawpc.com>; Hamermesh, Matthew A. <mah@hangley.com>
Subject: RE: Whitehall: Rent Payment

[EXTERNAL EMAIL - This message originated outside Hangley Aronchick.]

I am in trial in D.C., so I will not have a response today. I am copying Matthew, who I understand will be filing a motion under Section 523.

Brett L. Messinger
Partner

Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103-4196

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F: +1 215 689 4903
C: +1 609 790 0387

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From: Lee, Michelle V. <mlee@dilworthlaw.com>
Sent: Wednesday, January 7, 2026 2:00 PM
To: Messinger, Brett L. <BLMessinger@duanemorris.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>
Subject: RE: Whitehall: Rent Payment

Good afternoon Brett,

I am following up on the turnover request to see if you will return the funds without court intervention. Otherwise, if I am forced to file a turnover motion, I will likely seek fees/costs. Please respond by the end of business today.

Michelle.

Michelle Lee | Dilworth Paxson LLP
1650 Market Street | Suite 1200 | Philadelphia, PA 19103
Tel: (267) 794-0225 | Fax: (856) 494-7801
mlee@dilworthlaw.com | www.dilworthlaw.com

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From: Lee, Michelle V. <mlee@dilworthlaw.com>
Sent: Tuesday, January 6, 2026 9:40 AM
To: Messinger, Brett L. <BLMessinger@duanemorris.com>; McMichael, Lawrence G. <lmcmichael@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>
Subject: Re: Whitehall: Rent Payment

Respectfully,

There is no continued role. These funds were received post petition and deposited after you had notice of the bankruptcy. They should have immediately been turned over to the trustee (here the debtor) under 543(b)(1). The clear language of 543(b)(1) says "shall" not "pending court order."

Thank you kindly
Michelle Lee

From: Messinger, Brett L. <BLMessinger@duanemorris.com>
Sent: Tuesday, January 6, 2026 8:53:03 AM
To: Lee, Michelle V. <mlee@dilworthlaw.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>; Phillip Berger <berger@bergerlawpc.com>; Bauer, Morris S. <MSBauer@duanemorris.com>; Hawekotte, Victoria (Tori) <VHawekotte@duanemorris.com>
Subject: RE: Whitehall: Rent Payment

This message is from an external sender.

The money was received and deposited. We will wait for order of the BK instructing as to the receiver's continue role.

Brett L. Messinger
Partner

Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103-4196
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C: +1 609 790 0387

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From: Lee, Michelle V. <mlee@dilworthlaw.com>
Sent: Tuesday, January 6, 2026 1:04 AM
To: Messinger, Brett L. <BLMessinger@duanemorris.com>
Cc: Aaronson, Anne M. <aaaronson@dilworthlaw.com>
Subject: Whitehall: Rent Payment

Happy New Year.

I represent the Debtors in this case along with Anne/Larry.

The client advised that their tenant sent their October-December payment to your office. Please advise when these funds can be returned to the debtors and in what method you will return the funds (electronic transfer or check). Since you are across the street, I may be able to coordinate someone from my office to pick the check up from your office tomorrow. Please let me know and do not hesitate to contact me.

Michelle.

Michelle Lee | Dilworth Paxson LLP
1650 Market Street | Suite 1200 | Philadelphia, PA 19103
Tel: (267) 794-0225 | Fax: (856) 494-7801
mlee@dilworthlaw.com | www.dilworthlaw.com

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