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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**FORM 8-K**

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CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 18, 2019 (April 15, 2019)

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**Global Medical REIT Inc.**

(Exact name of registrant as specified in its charter)

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**Maryland**  
(State or Other Jurisdiction  
of Incorporation)

**001-37815**  
(Commission  
File Number)

**46-4757266**  
(I.R.S. Employer  
Identification No.)

**2 Bethesda Metro Center, Suite 440**  
**Bethesda, MD**  
**20814**  
(Address of Principal Executive Offices)  
(Zip Code)

**(202) 524-6851**  
(Registrant's Telephone Number, Including Area Code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement.**

On April 15, 2019, Global Medical REIT Inc. (the “Company”), through a wholly-owned subsidiary of Global Medical REIT L.P., the Company’s operating partnership (the “OP”), closed on the acquisition of an aggregate 207,204 square-foot portfolio of four in-patient rehabilitation facilities (the “CNL Portfolio”). The aggregate purchase price of the CNL Portfolio is \$94 million (subject to an additional \$1 million earn-out payment to the CNL Seller, as defined below). The facilities are located in Las Vegas, Nevada; Surprise, Arizona; Oklahoma City, Oklahoma and Mishawaka, Indiana. The Company previously reported on a Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 13, 2019 that it had entered into a purchase and sale agreement, effective March 12, 2019 (the “CNL Purchase Agreement”) with CHP Surprise AZ Rehab Owner, LLC; CHP Las Vegas NV Rehab Owner, LLC; CHP Oklahoma City OK Rehab Owner, LLC; and CHP Mishawaka IN Rehab Owner, LLC (collectively, the “CNL Seller”), to acquire the CNL Portfolio.

Upon the closing of the acquisition of the CNL Portfolio, the Company, through wholly-owned subsidiaries of the OP, assumed the CNL Seller’s interest, as lessor, in four triple-net leases (collectively, the “CNL Portfolio Leases”) with (i) Encompass Health (Las Vegas, Nevada facility); (ii) a joint venture between Cobalt Rehabilitation and Tenet Healthcare (the Surprise, Arizona facility); (iii) a joint venture between Mercy Health and Kindred Healthcare (the Oklahoma City, Oklahoma facility); and (iv) St. Joseph’s Health System (the Mishawaka, Indiana facility). The CNL Portfolio Leases have a weighted average remaining lease term of approximately 8.3 years, with the Las Vegas, Nevada facility lease containing four, five-year renewal options; the Surprise, Arizona facility lease containing two, five-year renewal options; the Oklahoma City, Oklahoma facility lease containing three, 10-year renewal options and the Mishawaka, Indiana facility lease containing two, five-year renewal options. The aggregate initial annual rent for the CNL Portfolio is approximately \$6.9 million, broken down as follows:

- Las Vegas, Nevada Facility – current annual rent of approximately \$1.5 million (\$28.24 per square foot), subject to increases equal to CPI (subject to a 15% cap) every five years, with the next increase due to go into effect in June 2020.
- Surprise, Arizona Facility – current annual rent of approximately \$2.0 million (\$36.12 per square foot), subject to increases equal to the greater of (i) 2.0% or (ii) CPI (subject to a 3% cap) every year, with the next increase due to go into effect in January 2020.
- Oklahoma City, Oklahoma Facility – current annual rent of approximately \$1.9 million (\$35.02 per square foot), subject to 2.5% increases every year, with the next increase due to go into effect in October 2019.
- Mishawaka, Indiana Facility – current annual rent of approximately \$1.5 million (\$31.89 per square foot), subject to 2% increases every year, with the next increase due to go into effect in January 2020.

The above description of the terms and conditions of the CNL Portfolio Leases is only a summary and is not intended to be a complete description of their terms and conditions. All of the terms and conditions of the CNL Portfolio Leases are set forth in the CNL Portfolio Leases that are filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to this Current Report on Form 8-K and are incorporated herein by reference.

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

The information disclosed above in Item 1.01 is incorporated herein by reference.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.***Exercise of Accordion Feature on Credit Facility*

On April 15, 2019, the Company exercised \$75 million of the \$150 million accordion feature (the “Accordion”) of its credit facility (the “Credit Facility”). The partial exercise of the Accordion increases the term loan component of the Credit Facility from \$100 million to \$175 million and the total borrowing capacity under the Credit Facility to \$425 million. The Credit Facility is an agreement by and among the Company, as guarantor, the OP, as borrower, and certain subsidiaries of the OP, as guarantors (such subsidiaries, the “Subsidiary Guarantors”) and BMO Harris Bank, N.A., as Administrative Agent, the terms of which were previously disclosed in Item 5 of the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2018, as filed with the SEC on August 8, 2018 and are herein incorporated by reference. The Subsidiary Guarantors and the Company are guarantors of the obligations under the Accordion. The amount available to borrow from time to time under the Accordion is limited according to a quarterly borrowing base valuation of certain properties owned by the Subsidiary Guarantors.

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## Closing of the CNL Portfolio

In connection with the closing of the acquisition of the CNL Portfolio, the OP incurred approximately \$89.6 million of additional indebtedness under the Credit Facility. As of April 15, 2019, the outstanding balance under the Credit Facility was approximately \$320.2 million.

### Item 7.01 Regulation FD Disclosure.

The Company issued a press release on April 18, 2019, announcing the closing of the acquisition of the CNL Portfolio before this Current Report on Form 8-K was filed. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Exhibit 99.1 referenced in Item 9.01 below is being “furnished” and, as such, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be incorporated by reference into any registration statement or other document filed by the Company pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

### Item 9.01 Financial Statements and Exhibits.

#### (a) Financial statements of businesses acquired.

The financial statements that are required to be filed pursuant to this item will be filed by amendment not later than 71 days after the date on which this initial Current Report on Form 8-K is required to be filed.

#### (b) Pro forma financial information.

The pro forma financial information that is required to be filed pursuant to this item will be filed by amendment not later than 71 days after the date on which this initial Current Report on Form 8-K is required to be filed.

#### (d) Exhibits.

Exhibit No.	Description
<a href="#">10.1</a>	<a href="#">Lease Agreement, dated January 30, 2006, by and between LVRH Properties LLC, a Nevada limited liability company, and Las Vegas Rehabilitation Hospital, a Nevada limited liability company and amendments.</a>
<a href="#">10.2</a>	<a href="#">Lease Agreement, dated December 30, 2015, by and between CHP Surprise AZ Rehab Owner, LLC, a Delaware limited liability company, and Cobalt Rehabilitation Hospital IV, LLC, a Texas limited liability company.</a>
<a href="#">10.3</a>	<a href="#">Lease Agreement, dated October 17, 2011, by and between TST Oklahoma City, LLC and Mercy Rehabilitation Hospital, LLC, an Oklahoma limited liability company.</a>
<a href="#">10.4</a>	<a href="#">Build to Suit Facility Lease Agreement, dated February 27, 2009, by and between Elm Road MOB, II, LLC, an Indiana limited liability company, and Saint Josephs Regional Medical Center-South Bend Campus, Inc., and Indiana not for profit corporation and amendments.</a>
<a href="#">99.1</a>	<a href="#">Press Release, dated April 18, 2019.</a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Global Medical REIT Inc.**

By: /s/ Jamie A. Barber  
Jamie A. Barber  
Secretary and General Counsel

Dated: April 18, 2019

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## LEASE ASSIGNMENT AND AMENDMENT

THIS LEASE ASSIGNMENT AND AMENDMENT TO LEASE AGREEMENT (this "Amendment") is made as of June 1, 2010 by and among LVRH Properties LLC, a Nevada limited-liability company ("Landlord"), Las Vegas Rehabilitation Hospital LLC, a Nevada limited-liability company ("Original Tenant"), and HealthSouth Rehabilitation Hospital of Desert Canyon, LLC, a Delaware limited-liability company ("New Tenant").

## RECITALS:

A. Landlord and Original Tenant entered into that Lease Agreement (Triple-Net/Single-Tenant), dated January 30, 2006, as amended by Amendment No. 1 dated January 30, 2009, Amendment No. 2 dated on or about April 2, 2009, Amendment No. 3 dated March 12, 2009, and Amendment No. 4 dated June 30, 2009 (collectively, the "Lease"), providing for the lease by Original Tenant from Landlord of the building and other real property located at 9175 W. Oquendo Road, Las Vegas, Nevada (the "Demised Premises").

B. Original Tenant owns and operates a 50 bed rehabilitation hospital at the Demised Premises known as Desert Canyon Rehabilitation Hospital (the "Hospital"),

C. New Tenant (as successor in interest to HealthSouth Corporation, a Delaware corporation) and Original Tenant entered into that Asset Purchase Agreement (the "Purchase Agreement"), dated as of April 21, 2010 and amended May 5, 2010, providing for the purchase by New Tenant from Original Tenant of substantially all of the assets owned or leased by Original Tenant in relation to the Hospital.

D. In connection with the Closing, as defined in the Purchase Agreement, Original Tenant has agreed to assign to New Tenant all of Original Tenant's rights under the Lease accruing from and after the Closing Effective Time, as defined in the Purchase Agreement, and New Tenant has agreed to assume all of Original Tenant's obligations and liabilities under the Lease accruing from and after the Closing Effective Time.

E. Also in connection with the Closing, Landlord and New Tenant have agreed to amend the Lease as set forth herein.

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

1. Capitalized terms used herein but not defined herein shall have the meanings given in the Lease. Capitalized terms used in this Amendment but not defined in the Lease shall have the meanings given in this Amendment.

2. Landlord and Original Tenant make the following representations and warranties to New Tenant:

(a) To Landlord's and Original Tenant's knowledge, the Demised Premises, as currently used by Original Tenant, is not in violation of any Applicable Law, as defined in the Purchase Agreement (including without limitation, building, public health, zoning or environmental laws), or any covenant, condition, restriction or easement, affecting the Demised Premises.

(b) The Demised Premises is the only real property used in the operation of the Hospital by Original Tenant.

(c) Landlord and Original Tenant have no knowledge of any pending or threatened condemnation proceedings, lawsuits, or administrative actions relating to the Demised Premises.

(d) Except for the Lease, there are no leases, subleases, licenses, concessions, or other similar agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of the Demised Premises.

(e) There are no outstanding options or rights of first refusal to purchase the Demised Premises, or any portion thereof or interest therein.

(f) There are no parties (other than Original Tenant) in possession of the Demised Premises.

(g) Landlord and Original Tenant have no knowledge of any intended public improvement which may involve any charge being levied or assessed or which may result in the creation of any lien upon the Demised Premises; or any suit, action, claim or legal, administrative, arbitration or other proceeding or governmental investigation pending, threatened or contemplated against or affecting the Demised Premises.

(h) The Lease is valid, binding and enforceable in accordance with its terms and is in full force and effect.

(i) The Lease demises and leases to Original Tenant all of the Demised Premises, and as amended and assigned pursuant hereto, will demise and lease to New Tenant all of the Demised Premises,

(j) There have been no modifications to the Lease.

(k) There are no outstanding payments due to Landlord required to be paid by Original Tenant under the terms and provisions of the Lease. There are no outstanding payments due to any third party required to be paid by Original Tenant under the terms and provisions of the Lease with respect to any period prior to the Closing Effective Time for which New Tenant shall be responsible or liable. Landlord and Original Tenant have no knowledge of any default under the Lease by either Landlord or Original Tenant.

(l) Landlord is not holding, and Original Tenant has not made, any security deposit or pre-payments of rent under the Lease.

(m) No notice of violation of any Applicable Law, or of any covenant, condition, restriction or easement affecting the Real Property, has been given to Original Tenant or Landlord by any Governmental Entity having jurisdiction over the Demised Premises or by any other person or entity entitled to enforce the same. As used herein, "Governmental Entity" means any government, or any agency, bureau, board, directorate, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local.

(n) The execution and delivery of this Amendment has been duly and validly authorized by all necessary action on the part of Landlord and Original Tenant. This Amendment is, and will be, a valid and legally binding obligation of Landlord, enforceable in accordance with its terms.

Landlord and Original Tenant will be deemed to have "knowledge" of a particular fact or other matter only if a Principal, as defined in the Purchase Agreement, has actual knowledge of such fact or other matter.

3. New Tenant makes the following representations and warranties to Landlord and Original Tenant:

(a) The execution and delivery of this Amendment has been duly and validly authorized by all necessary action on the part of New Tenant. This Amendment is, and will be, a valid and legally binding obligation of New Tenant, enforceable in accordance with its terms.

(b) New Tenant does not, and will not during the term of the Lease, as amended by this Amendment, operate under any corporate integrity or similar agreement that would be binding upon any successor tenant or occupant of the Demised Premises other than New Tenant.

4. Upon execution of this Amendment, Landlord shall deliver the following to New Tenant:

(a) Copies of resolutions duly adopted by the Manager of Landlord authorizing and approving Landlord's performance under the Lease and the execution, delivery and performance of this Amendment, certified as true and of full force as of the date hereof by a manager of Landlord.

(b) Certificates of incumbency for the respective managers of Landlord executing this Amendment.

(c) Certificates of existence and good standing of Landlord from the State of Nevada, dated not more than 30 days prior to the date hereof.

5. Original Tenant hereby assigns to New Tenant all of Original Tenant's right, title and interest in and to the Lease. New Tenant hereby accepts such assignment and assumes and agrees to perform all of the obligations and liabilities of Original Tenant arising or accruing under the Lease from and after the Closing Effective Time. Landlord hereby fully consents, in accordance with the Lease, to such assignment and agrees to recognize New Tenant as the Tenant under the Lease from and after the Closing Effective Time. Further, Landlord hereby releases Original Tenant from all such obligations and liabilities assumed by New Tenant from and after the Closing Effective Time. Original Tenant shall indemnify, defend and hold harmless New Tenant and each of the shareholders, members, directors, officers, owners, employees, affiliates, and agents of the New Tenant, against any and all losses, costs, claims, liabilities, fees, penalties, damages, obligations or expenses (including reasonable costs of investigation, court costs and legal fees) of any nature, including any interest charged thereon, resulting from or arising under the Lease prior to the Closing Effective Time. New Tenant shall indemnify, defend and hold harmless Original Tenant and each of the shareholders, members, directors, officers, owners, employees, affiliates, and agents of the Original Tenant, against any and all losses, costs, claims, liabilities, fees, penalties, damages, obligations or expenses (including reasonable costs of investigation, court costs and legal fees) of any nature, including any interest charged thereon, resulting from or arising under the Lease, as amended by this Amendment, from and after the Closing Effective Time.

6. Amendment No. 1, Amendment No. 2, Amendment No. 3 and Amendment No. 4 to the Lease are hereby deleted from the Lease in their entirety.
7. Exhibit A to the Lease is hereby replaced by Exhibit A attached hereto.
8. Section 2 of the Lease is hereby amended to read in its entirety as follows:

*Demised Premises.* Landlord has constructed on the Demised Premises a building containing approximately 53,260 square feet of space (the "Building"). There shall be no deduction or exclusion for any square feet of the Building included within the Demised Premises by reason of corridors, interior partitions or any other interior construction improvements or equipment.

9. The end of the Base Term set forth in Section 3(a) of the Lease is hereby extended to May 31, 2025.
10. Section 3(b) of the Lease is hereby amended to read in its entirety as follows:

*Extension Options.* So long as no "Event of Default" (as hereinbelow defined) is in effect at the time of such exercise by Tenant, Tenant shall have four (4) consecutive rights to extend the Term by a period of five (5) years per each such extension option (each an "Extension Period"); provided, however, that upon any such extension of the Term all of the remaining terms and conditions hereof shall remain in force and effect (except that the Base Rent payable during such extension of the Term shall be calculated in accordance with Section 4(b) below); provided further, that to exercise any such option Tenant must give Landlord written notice of such exercise, in accordance with the provisions hereof, not less than six (6) months prior to the date that the Term would otherwise expire.



11. Section 4(a) of the Lease is hereby amended to read in its entirety as follows:

*Initial Term Base Rent.* Subject to adjustment as hereinafter provided, Tenant shall pay Landlord as base rent (“*Base Rent*”) the sum of One Hundred Fifteen Thousand Dollars (\$115,000) per month in advance on the first day of each month during the Term beginning on the Closing Effective Time. If the Closing Effective Time is not on the first day of a calendar month then (i) Base Rent for the fractional month that includes the Closing Effective Time shall be due on the Closing Effective Time, and (ii) the Base Rent due for such fractional month shall be prorated based upon the actual number of days in such fractional month, On June 1, 2015, and on June 1, 2020, the Base Rent shall be increased by a percentage equal to the lesser of (i) the percentage increase in the CPI-U during the preceding five (5) year period (based upon the CPI-U for the months of May, 2010 and May, 2015 for the June 1, 2015 adjustment date and May, 2015 and May, 2020 for the June 1, 2020 adjustment date), or (ii) fifteen percent (15%); provided, however, that in no event shall the Base Rent be decreased. As used herein, “*CPI-U*” means the U.S. Department of Labor, Bureau of Labor Statistics, Consumers Price Index for all Urban Consumers, All Cities Average, Subgroup “all items” (base reference period 1982-84=100). If during the Term the U.S. Department of Labor, Bureau of Labor Statistics, ceases to publish the CPI-U, such other index or standard as will most nearly accomplish the aim and purpose of the CPI-U and the use thereof herein shall be selected by Landlord and Tenant.

12. Section 4(b) of the Lease is hereby amended to read in its entirety as follows:

*Extension Period Base Rent.* The Base Rent for the first Extension Period shall be the greater of (i) the Fair Market Rent, or (ii) eighty percent (80%) of the Base Rent during the last five (5) years of the initial Term. The Base Rent for the second Extension Period shall be the greater of (i) the Fair Market Rent, or (ii) ninety percent (90%) of the Base Rent during the first Extension Period; provided, however that if the Base Rent during the first Extension Period was equal to or less than ninety percent (90%) of the Base Rent during the last five (5) years of the initial Term, then the Base Rent for the second Extension Period shall not be less than one hundred percent (100%) of the Base Rent during the first Extension Period. The Base Rent for the third Extension Period shall be the greater of (i) the Fair Market Rent, or (ii) ninety percent (90%) of the Base Rent during the second Extension Period; provided, however that if the Base Rent during the second Extension Period was ninety percent (90%) of the Base Rent during the first Extension Period, then the Base Rent for the third Extension Period shall not be less than one hundred percent (100%) of the Base Rent during the second Extension Period. The Base Rent for the fourth Extension Period shall be the greater of (i) the Fair Market Rent, or (ii) ninety percent (90%) of the Base Rent during the third Extension Period; provided, however that if the Base Rent during the third Extension Period was ninety percent (90%) of the Base Rent during the second Extension Period, then the Base Rent for the fourth Extension Period shall not be less than one hundred percent ( 100%) of the Base Rent during the third Extension Period.

As used herein, "Fair Market Rent" shall mean the fair market rental rate for the Demised Premises at the time Tenant notifies Landlord of Tenant's election to exercise its option to extend the Term under Section 3(b) above. Within thirty (30) days of Landlord's receipt of such notice, Landlord shall notify Tenant of Landlord's determination of the Fair Market Rent. Tenant shall have fifteen (15) days from its receipt of such notice from Landlord to notify Landlord that Tenant does not agree with Landlord's determination of the Fair Market Rent. If Tenant fails to so notify Landlord, Tenant shall be deemed conclusively to have accepted Landlord's determination. If Tenant does not agree with Landlord's proposed Fair Market Rent, and Landlord and Tenant cannot agree upon the Fair Market Rent within ten (10) days of Tenant's notice to Landlord of Tenant's disagreement, then Landlord and Tenant shall each submit a new determination of the Fair Market Rent to the appraisers appointed as follows. Landlord and Tenant shall each, within twenty (20) days of Tenant's notice to Landlord of Tenant's disagreement, appoint one (1) independent appraiser who shall by profession be an MAI appraiser with experience appraising property similar in nature to the Demised Premises in the Las Vegas, Nevada metropolitan area. Within thirty (30) days of the date of appointment of the last appointed appraiser each party shall present their respective appraiser's results. If the results of the two appraisers are within 10% of the results of the lower of the two appraisals, then the Fair Market Rent shall be the average of the results of the two appraisals. If the results of the two appraisals are not within 10% of the lower of the two appraisals, then the two (2) appraisers shall within fifteen (15) days agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth above for qualification of the initial two (2) appraisers. The third appraiser shall within thirty (30) days present its opinion of the Fair Market Rent. The Fair Market Rent shall be the average of the results of the third appraiser and the results of the other appraiser closest to that of the third appraiser. The cost of the third appraisal shall be shared equally by the parties.

13. Section 4(d) of the Lease is hereby amended to read in its entirety as follows:

*Property Taxes.* Tenant shall in respect of all periods of the Term pay all real property taxes and general and special assessments on the Demised Premises, and shall pay all taxes charged against trade fixtures, utility installations, furnishings, equipment or any other personal property belonging to Tenant. Landlord shall forward to Tenant in a timely manner all bills and notices with respect to such real property taxes and assessments as are received by Landlord from third parties, and within five (5) days after request by Landlord (and in no event less than quarterly), Tenant shall provide Landlord with written evidence of each such payment. Tenant shall be deemed to have complied with the covenants of this Section 4(d) if payment of such taxes or assessments shall have been made within any period allowed by law or by the governmental authority imposing the same during which payment is permitted without penalty or interest. Tenant or its designees shall have the right to contest or review all such taxes by legal proceedings, or in such other manner as Tenant may deem suitable. If instituted, Tenant or its designees shall conduct such review or contest promptly at its own expense, and free of any expense to Landlord, and, if necessary, in the name of and with the cooperation of Landlord and Landlord shall execute all documents reasonably necessary to accomplish the foregoing. Notwithstanding the foregoing, Tenant shall promptly pay all such taxes if at any time the Demised Premises or any part of the Demised Premises shall be subject to the commencement of any forfeiture proceeding, or if Landlord shall be subject to any civil or criminal liability arising out of the nonpayment thereof, or if nonpayment would result in any default under any loan or other obligation of Landlord secured by any deed of trust or other lien on the Demised Premises. If there shall be any refunds or rebates on account of the taxes paid by Tenant under the provisions of this Lease, such refund or rebate shall belong to Tenant. Tenant shall be solely responsible for payment of any penalties or interest charged with respect to taxes and assessments for which Tenant is responsible, except that Landlord shall be responsible for any such penalties or interest resulting from any failure by Landlord to timely forward to Tenant any bill or notice of such taxes or assessments received by Landlord.

14. Section 4(f) of the Lease is hereby deleted in its entirety.

15. The initial paragraph of Section 6 of the Lease is hereby amended to read in its entirety as follows:

*Use of Demised Premises.* The Demised Premises are leased to Tenant solely for the operation of a rehabilitation hospital and uses incidental thereto. Tenant shall use the Demised Premises solely for this purpose and shall not use or allow to be used the Demised Premises, or any portion thereof, for any other purpose or purposes whatsoever without Landlord's prior written consent.

16. Section 6(c) of the Lease is hereby amended to read in its entirety as follows:

*Compliance with Rules and Regulations.* Tenant hereby covenants and agrees that it, its agents, employees, servants, contractors, subtenants and licensees shall abide by the rules and regulations set forth above and such additional rules and regulations hereafter adopted and amendments and modifications of any of the foregoing as Landlord may, from time to time, reasonably adopt for the safety, care and cleanliness of the Demised Premises, for the preservation of good order thereon; provided the same are customary, in compliance with applicable law and do not materially interfere with Tenant's use of the Demised Premises as a rehabilitation hospital, and copies of the same are furnished to Tenant.

17. Section 6(g) of the Lease is hereby amended to read in its entirety as follows:

*Insurance.* Tenant shall, at Tenant's expense, maintain property insurance on the Demised Premises and appurtenant structures in the amount of 100% of the replacement cost of the Demised Premises. In addition, Tenant shall, at Tenant's expense, obtain and keep in force at all times during the Term of the Lease, a policy or policies of insurance covering loss or damage to all of the improvements, betterments, Tenant's personal property, utility installations, trade fixtures, furnishings, and Tenant's business contents located within the Demised Premises, in the amount of one hundred percent (100%) of the full replacement value thereof as reasonably ascertained by the Tenant's insurance carrier against risks of direct physical loss or damage, normally covered in an "all risk" policy (including the perils of flood and surface waters), as such term is used in the insurance industry; provided, however, that Tenant shall have no obligation to insure against earthquakes or against acts of terror. The proceeds of such insurance shall be used for the repair or replacement of the property so insured (including, without limitation, any repair or replacement of such property in accordance with Section 16 below).

Tenant shall, at Tenant's expense, maintain a policy of Commercial General Liability insurance insuring Tenant and as additional insureds, Landlord and any of Landlord's mortgagees, against liability arising out of the ownership, use, occupancy or maintenance of the Demised Premises. Such insurance shall be on an occurrence basis providing single-limit coverage in an amount not less than Two Million Dollars (\$2,000,000) per occurrence. The amount of such insurance shall be subject to periodic increase requests by Landlord based upon inflation, increased liability awards, recommendation of professional insurance advisers, and other relevant factors. If Landlord requests a change to said limit, Tenant shall review the request but shall not be obligated to change said limit unless such change is necessary to increase said limit to a commercially reasonable amount, in which case such amount shall be mutually agreed upon by Landlord and Tenant. However, the limits of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder.

Insurance required to be maintained by Tenant hereunder shall be in companies holding a "General Policyholders' Rating" of B-plus or better and a "financial rating" of 10 or better, as set forth in the most current issue of "Best's Insurance Guide", or such comparable ratings as Landlord and Tenant shall agree. Tenant shall promptly deliver to Landlord, within thirty (30) days of the Commencement Date, original certificates evidencing the existence and amounts of such insurance. No such policy shall be cancelable or subject to reduction of coverage except after thirty (30) days prior written notice to Landlord. Tenant shall use its best efforts to furnish Landlord with renewal certificates thereof within thirty (30) days prior to the expiration, cancellation or reduction of such policies, but in any event shall furnish Landlord with such renewal certificates as soon as they are available to Tenant. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies required under this Lease.

Tenant shall obtain from the issuers of the insurance policies referred to in this Lease a waiver of subrogation provision in said policies (with respect to Landlord) and Tenant hereby releases and relieves Landlord, and waives any and all rights of recovery against Landlord, or against the employees, officers, agents and representatives of Landlord, for loss or damage arising out of or incident to the perils required to be insured against under this Lease which perils occur in, on or about the Demised Premises, whether due to the negligence of Landlord or Landlord's agents, employees, contractors, subcontractors or invitees (but not if due to the intentional misconduct of Landlord or Landlord's agents or employees).

18. Section 7 of the Lease is hereby amended to delete the next to last sentence of Section 7 and replace the next to last sentence with the following:

Throughout the performance of improvements, Tenant, at its expense, shall carry, or cause to be carried, workers' compensation insurance in statutory limits, and general liability insurance for any occurrence in or about the Demised Premises, insuring Tenant and as additional insureds, Landlord and any of Landlord's mortgagees, in such limits as agreed upon by Landlord and Tenant.

19. Section 10 of the Lease is hereby amended to read in its entirety as follows:

*Indemnification.* Tenant hereby covenants and agrees to indemnify, save and hold Landlord harmless from liability, loss, expenses (including reasonable attorney's fees, judgments, claims, liens and demands) in connection with, (i) Tenant's use of the Demised Premises, or (ii) the conduct of Tenant's business, or (iii) any activity, work or things done in the Demised Premises, or (iv) any default in the performances of any obligation on Tenant's part to be performed under the terms of the Lease, or (v) any negligence of Tenant, or any of Tenant's agents, contractors, or employees. Notwithstanding the foregoing, Tenant shall not be required to defend, save harmless or indemnify Landlord, and Landlord shall indemnify, save and hold harmless Tenant, from any liability for injury, loss, accident or damage to any person or property resulting from Landlord's negligence or willful acts or omissions, or those of Landlord's agents, contractors or employees.

20. Section 16(b) of the Lease is hereby amended to read in its entirety as follows:

*Insurance Proceeds.* All insurance proceeds payable under any fire and extended coverage risk insurance required to be maintained by Tenant pursuant to this Lease shall be payable solely to Landlord or any mortgagee under a mortgage or beneficiary under a deed of trust holding a lien encumbering the Demised Premises (as their respective interests shall appear) to be held and applied to the cost of restoring the Demised Premises, and Tenant shall have no interest therein, except that Tenant shall be entitled to all insurance proceeds payable for the destruction of Tenant's personal property (in no event, however, shall Tenant be entitled to insurance proceeds with respect to destruction of any improvements, betterments or fixtures on the Demised Premises). Tenant shall also be responsible for the amount of any deductible required under any insurance policy covering fire or other casualty. If for any reason any portion of the cost to restore the Demised Premises is not covered by insurance, then Tenant shall pay to Landlord, upon demand, any cost or expense that is not so covered. Such repair and restoration shall be performed by properly insured

and licensed contractors, in accordance with plans and specifications approved by Landlord, and shall comply with the requirements of this Lease and all applicable laws, codes and regulations. In the event Landlord is required to pay any portion of such restoration or repair costs, Tenant shall reimburse Landlord therefore, together with interest at twelve percent (12%) per year, within ten (10) days after receiving demand therefor from Landlord. Tenant shall in no case be entitled to compensation for damages on account of any annoyance or inconvenience in making repairs under any provision of this Lease. Neither the rent payable by Tenant nor any of Tenant's other obligations under any provisions of this Lease shall be affected by any damage to or destruction of the Demised Premises or any portion thereof by any cause whatsoever. Notwithstanding anything to the contrary set forth above, if such damage or destruction shall occur during the last two (2) years of the Lease, Tenant shall not be required to repair or restore the Demised Premises, provided that all insurance proceeds required to be paid to Landlord above are paid to Landlord, Tenant shall pay to Landlord the amount, if any, by which the cost to repair such damage or destruction exceeds the amount of such insurance proceeds received by Landlord, and Tenant shall pay to Landlord all rent and all other sums due under this Lease for the remainder of the Term of this Lease.

21. Section 18(c) of the Lease is hereby amended to read in its entirety as follows:

c. Tenant should vacate or abandon the Demised Premises during the Term of this Lease without continuing to pay the rent due hereunder;

22. Landlord's address for purposes of Section 23(a) of the Lease is hereby changed to 9115 West Russell Road, Suite 210, Las Vegas, Nevada 89148, Attn: Edward M. Nigro.

23. New Tenant's address for purposes of Section 23(b) of the Lease is hereby changed to c/o HealthSouth Corporation 3660 Grandview Parkway, Suite 200, Birmingham, Alabama 35243, Attn: Real Estate Department.

24. Landlord hereby grants to New Tenant a right of first refusal (the "First Refusal Right") to purchase the Demised Premises in the event that Landlord shall desire to sell the Demised Premises. If Landlord receives an offer to purchase the Demised Premises that Landlord desires to accept (a "Purchase Offer"), then Landlord shall notify New Tenant in writing of such Purchase Offer and provide New Tenant with a copy of the same. New Tenant shall have twenty (20) days (the "Right Period") after receiving such notice and copy within which to exercise the First Refusal Right; provided, however that if the Purchase Offer is from a party associated with an inpatient rehabilitation hospital, long term acute care hospital or skilled nursing facility located or to be located within Clark County, Nevada, then the Right Period shall be thirty (30) days from New Tenant's receipt of such notice and copy. If New Tenant elects to so exercises the First Refusal Right, then New Tenant shall purchase the Demised Premises at the same price and otherwise on the same terms and conditions as are specified in the Purchase Offer. If New Tenant does not exercise the First Refusal Right with respect to such Purchase Offer within the Right Period, then the First Refusal Right shall terminate with respect to such Purchase Offer and Landlord may proceed with the sale of the Demised Premises in accordance with the Purchase Offer. The First Refusal Right shall terminate upon the earlier of (a) the expiration or sooner termination of the Lease, or (b) the sale of the Demised Premises pursuant to a Purchase Offer with respect to which New Tenant does not elect to exercise the First Refusal Right.

25. Concurrently with the execution of this Amendment, Landlord and New Tenant agree to execute a Memorandum of Lease in the form attached hereto as Exhibit B and Landlord shall record such Memorandum of Lease in the public records of the county in which the Demised Premises are located within five (5) days of the date of this Amendment. Landlord shall provide New Tenant with a copy of the recorded Memorandum of Lease within thirty (30) days of the date of this Amendment. Landlord and Tenant shall each pay one-half of the costs associated with the recording of the Memorandum of Lease.

26. During the term of the Lease Agreement and upon request from Tenant, Landlord shall use commercially reasonable efforts to obtain a Subordination, Non-Disturbance and Attornment Agreement from any holder or future holder of a mortgage covering the Demised Premises or the Building in a form reasonably satisfactory to Tenant, but in no event shall Landlord be required to pay any amount to obtain any such agreement from any such mortgage holder.

27. The payment and performance obligations of New Tenant under the Lease, as amended by this Amendment, have been guaranteed by HealthSouth Corporation, a Delaware corporation, pursuant to a Guaranty of Lease in the form attached hereto as Exhibit C.

28. Save and except as amended hereby, the Lease Agreement shall remain unmodified and in full force and effect.

29. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Amendment.

30. This Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same amendment.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties have executed this Amendment as of the date firstabove written.

LANDLORD:

LVRH Properties LLC,  
a Nevada limited-liability company

By: LVRH Properties Management LLC,  
a Nevada limited-liability company  
and its Manager

By: /s/ Edward M. Nigro  
Name: Edward M. Nigro  
Title: Manager

NEW TENANT:

HealthSouth Rehabilitation Hospital  
of Desert Canyon, LLC, a Delaware  
limited-liability company

By: /s/ John P. Whittington  
Name: John P. Whittington  
Title: Vice President & Secretary

ORIGINAL TENANT:

Las Vegas Rehabilitation Hospital LLC,  
a Nevada limited-liability company

By: LVRH Operations Management LLC,  
a Nevada limited-liability company  
and its Manager

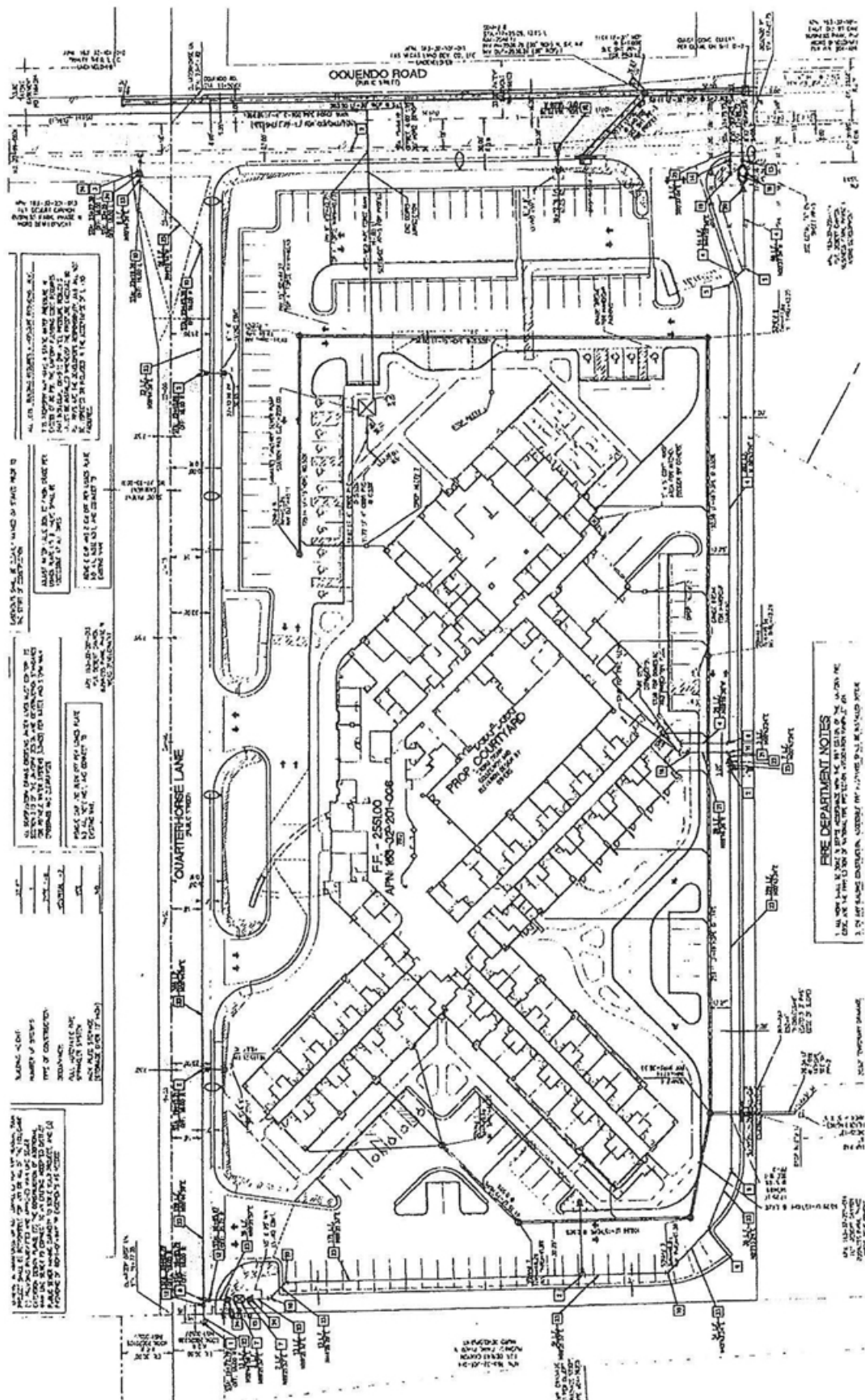
By: /s/ Edward M. Nigro  
Name: Edward M. Nigro  
Title: Manager

EXHIBIT A

SITE PLAN

[See Attached]

1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE (IBC) AND THE CALIFORNIA BUILDING CODE (CBC).  
 2. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA FIRE CODE (CFC).  
 3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA ELECTRICAL CODE (CEC).  
 4. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA MECHANICAL CODE (CMC).  
 5. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA PLUMBING CODE (CPC).  
 6. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA GAS CODE (CGC).  
 7. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA SOILS AND FOUNDATIONS CODE (CSF).  
 8. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA WOOD PRESERVATION CODE (CWP).  
 9. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA CONCRETE AND MASONRY CODE (CCM).  
 10. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA STEEL ERECTORS' INSTITUTE (SEI) CODE.



1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE (IBC) AND THE CALIFORNIA BUILDING CODE (CBC).  
 2. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA FIRE CODE (CFC).  
 3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA ELECTRICAL CODE (CEC).  
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 5. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA PLUMBING CODE (CPC).  
 6. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA GAS CODE (CGC).  
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 9. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA CONCRETE AND MASONRY CODE (CCM).  
 10. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA STEEL ERECTORS' INSTITUTE (SEI) CODE.

**FIRE DEPARTMENT NOTES**  
 1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA FIRE CODE (CFC).  
 2. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA FIRE CODE (CFC).  
 3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA FIRE CODE (CFC).

EXHIBIT B

APN: 163-32-201-006

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MEMORANDUM OF LEASE**

(For recording purposes)

THIS MEMORANDUM OF LEASE is made as of \_\_\_\_\_, 2010, by and between LVRH Properties LLC, a Nevada limited-liability company ("Landlord"), and \_\_\_\_\_, a Delaware limited-liability company ("Tenant"), who agree as follows:

1. Premises. Landlord has leased to Tenant and Tenant has leased from Landlord, for the consideration and upon and subject to the terms and conditions of the unrecorded Lease Agreement, dated January 30, 2006, between Landlord and Las Vegas Rehabilitation Hospital LLC, a Nevada limited liability company ("LVRH"), as amended by that certain Lease Assignment and Amendment, dated \_\_\_\_\_, 2010, among Landlord, LVRH and Tenant (collectively the "Lease") (all of the terms and conditions of which are hereby incorporated into this Memorandum of Lease by reference as though set forth in full herein), that certain real property located at 9175 W. Oquendo Road, Las Vegas, Nevada and more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Demised Premises").

2. Initial Term. The initial term of the Lease expires May 31, 2025.

3. Renewal Terms. Landlord has granted Tenant four (4) successive options to extend the term of the Lease by five (5) years each upon and subject to the terms and conditions of the Lease.

4. Right of First Refusal. In the Lease, Landlord grants to Tenant a right of first refusal to purchase the Demised Premises on the terms and conditions set forth therein.

5. No Modification. This Memorandum of Lease has been executed for the purposes of recordation only and shall not modify the provisions of the Lease, including the terms and conditions of any options contained therein. In the event of any inconsistency or conflict between the provisions of this Memorandum of Lease and the provisions of the Lease, the provisions of the Lease shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day and year first above written.

**LANDLORD:**

LVRH Properties LLC, a Nevada limited-liability company

By: LVRH Properties Management LLC, a Nevada limited-liability company and its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TENANT:**

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF NEVADA                    )  
  ):SS  
COUNTRY OF CLARK                )

This instrument was acknowledged before me on \_\_\_\_\_, 2010 by \_\_\_\_\_ as Manager of LVRH Properties Management LLC, a Nevada limited-liability company and the Manager of LVRH Properties LLC, a Nevada limited-liability company.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF \_\_\_\_\_ )  
 ) :SS  
COUNTRY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

**EXHIBIT A**

**LEGAL DESCRIPTION OF DEMISED PREMISES**

All that land situated in the County of Clark, State of Nevada, more particularly described as follows:

The West Half (W ½) of the Northwest Quarter (NW ¼) of the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 32, Township 21 South, Range 60 East, M.D.M., Clark County, Nevada.

Excepting Therefrom the North 30 feet and the West 30 feet together with that certain spandrel area in the Northwest corner thereof as conveyed to the County of Clark by Grant, Bargain, Sale Deed, Recorded December 05, 2005 in Book 20051205 as Document No. 05274, of Official Records, Clark County Nevada.

APN: 163-32-201-006

EXHIBIT C

GUARANTY OF LEASE

THIS GUARANTY OF LEASE (this "Guaranty") is made as of \_\_\_\_\_, 2010 by HealthSouth Corporation, a Delaware corporation ("Guarantor"), in favor of LVRH Properties LLC, a Nevada limited-liability company ("Landlord").

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby unconditionally and irrevocably guarantees the full and faithful performance by \_\_\_\_\_, a \_\_\_\_\_ ("Tenant"), of all the terms, covenants and conditions of that certain Lease Agreement, dated January 30, 2006, between Landlord and Las Vegas Rehabilitation Hospital LLC, a Nevada limited liability company ("LVRH"), as amended by that certain Lease Assignment and Amendment, dated \_\_\_\_\_, 2010, among Landlord, LVRH and Tenant (collectively, the "Lease"). This Guaranty shall remain in full force and effect regardless of any amendment, modification, extension, compromise or release of any term, covenant or condition of the Lease or of any party thereto, as the case may be.

The undersigned agrees to indemnify Landlord against any and all liability, loss, costs, charges, penalties, obligations, expenses, attorney fees, litigation, judgments, damages, claims and demands of any kind whatsoever in connection with, arising out of or by reason of the failure by Tenant to perform its obligations under the Lease. Guarantor waives any right or claim of rights to cause a marshalling of Tenant's assets or to proceed against Guarantor or Tenant or any security for the Lease or this Guaranty in any particular order and Guarantor agrees that any payments or performance required to be made hereunder shall become due upon demand in accordance with the terms hereof immediately upon the happening of a default under the Lease, whether or not Guarantor has been given notice of such default, and Guarantor hereby expressly waives and relinquishes all rights and remedies accorded by applicable law to guarantors, including, but not limited to, notice of demand, notice of default, any failure to pursue Tenant or its property, or any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation.

The obligations of Guarantor hereunder are independent of the obligations of Tenant and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not Tenant is joined therein or a separate action or actions is or are brought against Tenant. Landlord's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any action or by any number of successive actions until and unless all obligations hereby guaranteed have been paid and fully performed.

No delay on Landlord's part in exercising any right, power or privilege under this Guaranty or any other document executed in connection herewith shall operate as a waiver of any such privilege, power or right.

Guarantor agrees that any judgment rendered against Tenant for monies or performance due Landlord shall in every and all respects bind and be conclusive against Guarantor to the same extent as if Guarantor had appeared in any such proceedings and judgment therein had been rendered against Guarantor.



Any circumstance which operates to toll any statute of limitations as to Tenant shall also toll the statute of limitations as to Guarantor.

In the event any action is commenced by Landlord against Guarantor in connection with this Guaranty, including any bankruptcy proceeding, Landlord shall be entitled to its costs and expenses, including reasonable attorney fees.

The terms, covenants and conditions contained in this Guaranty shall inure to the benefit of the successors and assigns of Landlord.

If any term, covenant or condition of this Guaranty, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, covenants and conditions of this Guaranty, and all applications thereof, not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby,

In this Guaranty, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

This Guaranty shall be construed in accordance with its intent and without regard to any presumption or other rule requiring construction against the party causing the same to be drafted.

The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Guaranty and any legal suit, action or proceeding against Guarantor arising out of or relating to this Guaranty shall be instituted in any federal or state court in Clark County, Nevada, and Guarantor waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Guarantor hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding.

Should Guarantor consist of more than one person or entity, then, in such event, all such persons and entities shall be jointly and severally liable as Guarantor hereunder.

[Signature Page Follows)

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

HealthSouth Corporation, a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

AMENDMENT NO. 4

**THIRD AMENDMENT TO THE LEASE dated JANUARY 30, 2006 by and between LVRH PROPERTIES LLC, a Nevada limited-liability company ( "Landlord") and LAS VEGAS REHABILITATION HOSPITAL, a Nevada limited-liability company ( "Tenant") with respect to the demise by Landlord to Tenant of that certain premises described as 9175 W. Oquendo Road, Las Vegas, Nevada and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the "Demised Premises").**

Landlord has agreed to the following changes:

- (1) Adjusted triple net rent for 2010 is \$115,000 per month.
- (2) See Attachment #1 for a recapture of the rent discounts for January 1, 2011 to March 31, 2017
- (3) All other conditions of the lease agreement dated January 30, 2006, shall remain in full force and effect.

LANDLORD

TENANT

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Date: June 30, 2009

Date: 4/30/09

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## Lease Discount Periods

1st QTR 2009		
Original Rent		128,750
Discounted Rent		(85,000)
Difference		<u>43,750</u>
Total discount @ 3 Months		131,250
2nd QTR 2009 - 4th QTR 2009		
Original Rent		132,612
Discounted Rent		(85,000)
Difference		<u>47,612</u>
Total discount @ 9 Months		428,508
1st QTR 2010		
Original Rent		132,612
Discounted Rent		(115,000)
Difference		<u>17,612</u>
Total discount @ 3 Months		52,836
2nd QTR 2010 - 4th QTR 2010		
Original Rent		136,590
Discounted Rent		(115,000)
Difference		<u>21,590</u>
Total discount @ 9 Months		194,310
Total Discount		806,904

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**Lease Discount Periods**

Additional Rent Calculation	
Remaining Term - 75 Months January 1, 2011 to March 31, 2017	
Total Discount	806,904
Increase monthly costs	806,904
	<u>÷ 75</u>
	10,759

At end of 1st Term (2017) additional rent is terminated

Commencing January 1, 2011	
Original Rent	136,590
Additional Rent	10,759*
Total Rent	<u>147,349</u>

2nd QTR 2011 - 4th QTR 2011	
Original Rent	140,688
Additional Rent	10,759*
Total Rent	<u>151,447</u>

\*Note - Additional rent only payable from hospital quarterly cash flow greater than 1.5 times lease payments.

-Additional rent not subject to 3% increase.

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*Investor Proforma*

<i>Income Property Operating Analysis</i>	<b>YR 2009</b>		<b>YR 2010</b>		<b>YR 2011*</b>		<b>YR 2012*</b>		<b>YR 2013*</b>
Monthly Net Rent	85,000	1.70	115,000	2.30	147,349	2.95	151,447	3.03	155,668
					151,447	3.03	156,067	3.12	160,000
Annual Net Rent	1,020,000		1,380,000		1,805,070		1,855,353		1,907,004
Annual Debt Service	698,000		864,000		864,000		864,000		864,000
Net Income	322,000		516,000		941,070		991,353		1,043,004
Investor Equity	3,700,000		3,700,000		3,700,000		3,700,000		3,700,000
Return	8.7%		13.9%		25.4%		26.8%		28.2%
DCR			1.60		1.92		2.15		2.21

\* increase rent by \$10,759 per month per lease modification \* rate change each April

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AMENDMENT NO. 3

**THIRD AMENDMENT TO THE LEASE** dated **JANUARY 30, 2006** by and between **LVRH PROPERTIES LLC**, a Nevada limited-liability company (“*Landlord*”) and **LAS VEGAS REHABILITATION HOSPITAL**, a Nevada limited-liability company (“*Tenant*”) with respect to the demise by Landlord to Tenant of that certain premises described as **9175 W. Oquendo Road, Las Vegas, Nevada** and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the “*Demised Premises*”).

Landlord has agreed to the following changes:

- (1) Extend the Reduction of the monthly rent under the Lease to \$85,000.00 per month during each month of the year 2009.
- (2) Deferred rent for the fourth quarter of 2008 to be free rent and the lease term extended for 3 months until June 30, 2017.
- (3) All other conditions of the lease agreement dated January 30, 2006, shall remain in full force and effect

LANDLORD

TENANT

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Date: 3/12/09

Date: 3/12/09

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AMENDMENT NO. 2

SECOND AMENDMENT TO THE LEASE dated JANUARY 30, 2006 by and between **LVRH PROPERTIES LLC**, a Nevada limited-liability company ("Landlord") and **LAS VEGAS REHABILITATION HOSPITAL**, a Nevada limited-liability company ("Tenant") with respect to the demise by Landlord to Tenant of that certain premises described as **9175 W. Oquendo Road, Las Vegas, Nevada** and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the "Demised Premises").

Landlord has agreed to the following changes:

- (1) Extend the Reduction of the monthly rent under the Lease during each month of the second quarter of 2009 to \$85,000.
- (2) Allow payment of the monthly rental in respect of each month of the fourth quarter of 2008 to be deferred until expiration or termination of the lease term, at which time all of such unpaid sums will be due and payable to the Landlord as a lease expiration/termination fee.
- (3) All other conditions of the lease agreement dated January 30, 2006, shall remain in full force and effect.

LANDLORD

TENANT

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Date: April 2, 2009

Date: 5/2/09

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AMENDMENT NO. 1

FIRST AMENDMENT TO THE LEASE dated JANUARY 30, 2006 by and between **LVRH PROPERTIES LLC**, a Nevada limited-liability company (“Landlord”) and **LAS VEGAS REHABILITATION HOSPITAL**, a Nevada limited-liability company (“Tenant”) with respect to the demise by Landlord to Tenant of that certain premises described as **9175 W. Oquendo Road, Las Vegas, Nevada** and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the “Demised Premises”).

Landlord has agreed to the following changes:

- (1) Reduction of the monthly rent under the Lease during each month of the fourth quarter of 2008 and the first quarter of 2009 to \$85,000.
- (2) Allow payment of the monthly rental in respect of each month of the fourth quarter of 2008 to be deferred until expiration or termination of the lease term, at which time all of such unpaid sums will be due and payable to the Landlord as a lease expiration/termination fee.
- (3) All other conditions of the lease agreement dated January 30, 2006, shall remain in full force and effect.

LANDLORD

TENANT

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Date: 1/30/09

Date: 1/30/09

---

LEASE AGREEMENT  
(Triple-Net/Single-Tenant)

THIS LEASE AGREEMENT (Triple-Net/Single-Tenant) (this "*Agreement*") is made this 30<sup>th</sup> day of January, 2006, by and between LVRH PROPERTIES LLC, a Nevada limited-liability company ("*Landlord*") and LAS VEGAS REHABILITATION HOSPITAL, a Nevada limited-liability company ("*Tenant*") with respect to the demise by Landlord to Tenant of that certain premises described as 9175 W, Oquendo Road, Las Vegas, Nevada and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the "*Demised Premises*"),

NOW, THEREFORE, for and in consideration of the covenants and agreements set forth herein, Landlord and Tenant agree as follows:

1. *Grant of Leasehold.* Landlord hereby demises and leases the Demised Premises to Tenant for the period, at the rental rate, and subject to the other terms and conditions set forth herein.

2. *Demised Premises.* Landlord shall construct upon the Demised Premises a shell building containing approximately fifty thousand (50,000) square feet as provided in Exhibit B (attached) (the "*Building*"). There shall be no deduction or exclusion for any square feet of the Building included within the Demised Premises by reason of corridors, interior partitions or any other interior construction, improvements or equipment. The actual number of square feet of the Building shall be deemed to be equal to the aforementioned approximation.

3. *Term.*

a. *Base Term.* Unless terminated earlier as provided herein, the term of this Lease (as extended from time to time and until the term hereof expires or is terminated hereunder, the "*Term*") shall be for a period of ten (10) years, beginning at 1:00 A.M. on the earlier of the following dates: (i) the day after Landlord receives a Certificate of Occupancy or Temporary Certificate of Occupancy for the Demised Premises, issued by the applicable building department in the municipality in which the Demised Premises is located, upon completion of Landlord's Work (as hereinafter defined); or (ii) the date Tenant commences to do business in, upon or from the Demised Premises (the "*Commencement Date*"), Lessee shall execute, within seven (7) days of Landlord's request, a Memorandum of Lease in form acceptable to Landlord, reflecting the existence and duration of the Lease, the location of the Demised Premises, and such other information as Landlord may reasonably request, which Memorandum may be placed of record by Landlord.

b. *Extension Options.* So long as no "*Event of Default*" (as hereinbelow defined) is in effect at the time of such exercise by Tenant, Tenant shall have two consecutive rights to extend the Term of this Lease by a period of ten (10) years per each such extension option; provided, however, that upon any such extension of the Term all of the remaining terms and conditions hereof (including, without limitation, the cost of living adjustments to Base Rent set forth in Section 4(a) below) shall remain in force and effect; provided further, that to exercise any such option Tenant must give Landlord written notice of such exercise, in accordance with the provisions hereof, not less than six (6) months prior to the date that the Term would otherwise expire.

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c . *Holdover.* Tenant shall vacate the Demised Premises on the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify and hold Landlord harmless against all damages, claims, losses, penalties, charges, and expenses (including reasonable attorneys' fees) incurred by Landlord resulting from any delay by Tenant in vacating the Demised Premises. If Tenant does not vacate the Demised Premises upon the expiration or earlier termination of the Lease, Tenant's occupancy of the Demised Premises shall be a tenancy at sufferance, subject to all the terms of this Lease applicable to a tenancy at sufferance, except that the "*Base Rent*" (as hereinafter defined) then in effect shall be equal to one hundred fifty percent (150%) of the Base Rent in effect immediately prior to the expiration or earlier termination of this Lease. Nothing contained in this paragraph shall be construed as consent by Landlord to any holding over by Tenant of the Demised Premises, and Landlord expressly reserves the right to require Tenant to surrender possession of the Demised Premises to Landlord upon the expiration or earlier termination of the Lease.

4. *Rent.*

a . *Base Rent.* Subject to adjustment as hereinafter provided, Tenant shall pay Landlord as base rent ("*Base Rent*") for the Term of this Lease the sum of *TWO DOLLARS FIFTY CENTS (\$2.50)* per square foot of the Demised Premises (i.e., *\$225,000*) per month in advance on the first day of each month during the Term of this Lease beginning on the Commencement Date. If the Commencement Date is not the first day of a calendar month then: (i) Base Rent for such fractional portion of the first month shall be due on the Commencement Date, and (ii) the Base Rent due for such fractional month shall be prorated based upon the actual number of days in such fractional month.

b . *Cost of Living Adjustment. Cost of Living Adjustment.* The Base Rent shall be increased from the amount then in effect on the first day of the thirteenth (13th) full calendar month following the Commencement Date and on each annual anniversary thereof (each, an "*Adjustment Date* ") during the Term of the Lease (including any extension option periods) in the amount of *three percent (3%)* per year of the Base Rent amount then in effect. Landlord shall notify Tenant of each increase by delivering a written statement setting forth the new amount of the Base Rent. Tenant shall pay the new Base Rent from its effective date until the next annual increase,

c . *Utilities.* Tenant shall in respect of all periods of the Term pay all costs and charges of any kind (including all usage charges) for the provision of all utilities and services at the Demised Premises, including without limitation water, gas, heat, electricity, power, garbage service, air conditioning, telephone service, sewer service charges and sewer rentals charged or attributable to the Demised Premises, cleaning of the Demised Premises and all other services or utilities used in, upon or about the Demised Premises by Tenant or any of its subtenants, licensees, or concessionaires during the term hereof (collectively "*Utilities and Services*"). Tenant shall contract with, and pay directly to the appropriate supplier the cost of all Utilities and Services supplied to the Demised Premises.

d . *Property Taxes.* Tenant shall in respect of all periods of the Term pay all real property taxes and general and special assessments on the Demised Premises, and shall pay all taxes charged against trade fixtures, utility installations, furnishings, equipment or any other personal property belonging to Tenant. Except to the extent Landlord elects to bill for any taxes and/or assessments under Section 4(f) below, Landlord shall forward to Tenant in a timely manner all bills and notices with respect to such real property taxes and assessments as are received by Landlord from third parties, and within five (5) days after request by Landlord (and in no event less than quarterly), Tenant shall provide Landlord with written evidence of each such payment,

e . *Other Costs.* The parties acknowledge that this Lease is intended to be a fully net lease to the Landlord and that Tenant shall be responsible for all costs and expenses of any kind or nature incurred in connection with the ownership or operation of the Demised Premises including, without limitation; those set forth in Sections 4(c) and 4(d) hereinabove; all repairs required to be made to the Demised Premises, except to the extent of such roof or structural repairs as are expressly required to be made by Landlord pursuant to Section 9 hereinbelow; all costs of landscaping, parking, sweeping, maintenance and repairs, power, water, other utilities, decorative features, wages for on-site cleaning, parking, and/or security personnel, management fees, insurance premiums and deductibles, license and permit fees and associated costs, professional fees, waste disposal (except as set forth below), heating, ventilation and air conditioning costs and repairs, and materials and supplies. Tenant shall be solely responsible (and at its sole cost and expense) for all waste disposal including all medical, special, infectious, and other waste disposal and for all Hazardous Waste disposal and Tenant shall in all respects indemnify, defend (with counsel designated by Landlord) and hold Landlord harmless with respect thereto.

f . *Monthly and Other Payment of Non-Base Rent Charges.* Landlord may in its discretion from time to time estimate the aggregate amount of all charges to be paid by Tenant hereunder other than for Base Rent and bill Tenant for one-twelfth of such amount on a monthly rental invoice, in which event such billed amount must be paid punctually together with the Base Rent due (it being understood that such additional amount shall for all purposes be treated as "*Rent*" hereunder). Promptly after each anniversary of the Commencement Date, Landlord shall calculate the actual sum that would be due under this Lease (i.e., for all charges from Tenant other than for Base Rent) in respect of the 12-month period immediately prior to such anniversary and refund any overpaid amount resulting from Tenant's prior monthly payments or bill Tenant for any underpaid amount resulting notwithstanding Tenant's prior monthly payments (with any underpaid sum to be due promptly upon billing). In addition to the foregoing, Landlord may from time to time in its discretion establish such further procedures with respect to payment of non- Base Rent sums due under this Lease as Landlord may from time to time reasonably designate.

g . *Payment.* Each payment of rent or any other obligation of the Tenant shall be paid in lawful money of the United States of America without prior demand or notice and without any deduction, set off or counterclaim whatsoever by delivering the rent payment including all adjustments thereto to the office of the Landlord or at such other place or places as may from time to time be designated in writing by the Landlord. All sums to be paid under this Lease by Tenant, including, without limitation, all Base Rent, and all other charges required to be paid under this Section 4, shall for all purposes be deemed to be "Rent."

5. *Possession and Surrender of Demised Premises.*

a . *Acceptance of Demised Premises.* Tenant shall by entering upon and occupying the Demised Premises be deemed to have accepted the Demised Premises in its "as is" condition as of the Commencement Date, subject to all recorded matters and laws. Tenant acknowledges that neither Landlord nor its agents have made any representations or warranties as to the suitability or fitness of the Demised Premises for the conduct of Tenant's business or for any other purpose, nor has Landlord or its agents or employees agreed to undertake any alterations or construct any further tenant improvements to the Demised Premises except as expressly provided in this Lease. Notwithstanding anything to the contrary, upon Landlord's request Tenant shall hereafter execute and deliver such Memorandum of Commencement Date, in form reasonably designated by Landlord, certifying the date that is the Commencement Date, Tenant's acceptance and approval of the Demised Premises without reservation, and such other matters as Landlord may reasonably request.

b. *Removal of Tenant's Property.* Upon the expiration or sooner termination of the term of this Lease, Tenant shall, at its sole cost and expense, remove all personal property and trade fixtures which Tenant has installed or placed on the Demised Premises (all of which are hereinafter referred to as "Tenant's property") from the Demised Premises and repair all damage thereto resulting from such removal and Tenant shall thereupon surrender the Demised Premises in the same condition as on the date when the Demised Premises was ready for occupancy, reasonable wear and tear excepted. In the event Tenant shall fail to remove any of Tenant's property as provided herein, Landlord may, but is not obligated to, at Tenant's expense, remove all of such property not so removed and repair all damage to the Demised Premises resulting from such removal, and Landlord shall have no responsibility to Tenant for any loss or damage to said property caused by or resulting from such removal or otherwise.

6 . *Use of Demised Premises.* The Demised Premises are leased to Tenant solely for the operation of a rehabilitation hospital and uses incidental thereto. Tenant shall continuously use the Demised Premises for this purpose and shall not use or allow to be used the Demised Premises, or any portion thereof, for any other purpose or purposes whatsoever without Landlord's prior written consent. Tenant shall conduct business under the trade name of "DESERT CANYON REHABILITATION HOSPITAL" and no other without prior written consent of Landlord.

a. *Tenant's Duty to Keep Demised Premises Repaired and in Good Order.* Tenant shall keep and maintain in good order, condition, and repair (including any such replacement and restoration as is required for that purpose) the Demised Premises and every part thereof and any and all appurtenances thereto wherever located, including, but not limited to, the exterior and interior portion of all doors, door checks, windows, plate glass, store front, all plumbing and sewage facilities within the Demised Premises, fixtures, heating and air conditioning and electrical systems, sprinkler system, if any, and walls, floors and ceilings, and any work performed by or on behalf of Tenant after the Commencement Date. Tenant shall also keep and maintain in good order, condition and repair (including any such replacement and restoration as is required for that purpose) any special equipment, fixtures or facilities other than the usual and ordinary plumbing and utility facilities, which special facilities shall include but not be limited to grease traps, located outside the Demised Premises. Tenant shall contract with a service company for the maintenance of air-conditioning equipment, with a copy of the service contract to be furnished to the Landlord within ten (10) days after opening for business, and a copy of any subsequent contracts to be furnished from time to time during the Term of this Lease. Landlord agrees to assign to Tenant any warranties Landlord may have pertaining to those parts of the Demised Premises Tenant is responsible for maintaining hereunder. Tenant shall store all trash and garbage in metal containers located where designated by Landlord and so as not to be visible or create a nuisance to customers and business invitees in the Demised Premises, and so as not to create or permit any health or fire hazard and arrange for the prompt and regular removal thereof. If Tenant fails to maintain or repair the Demised Premises as required hereunder, Landlord may, upon ten (10) days prior notice to Tenant (except that no notice shall be required in the case of an emergency), enter the Demised Premises and perform such maintenance or repair on behalf of Tenant, In such case, Tenant shall reimburse Landlord for all costs incurred in performing such maintenance or repair, immediately upon demand.

b. *Compliance with Law; Due Licensure of Medical Personnel.* Tenant will not use the Demised Premises or any portion thereof: (i) in violation of any law, ordinance, rule, regulation, certificate of occupancy, or (ii) for any business or purpose that creates risks of fire or other hazards that would in any way increase, suspend or void the rate or amount of insurance of any type to the Landlord on any part of the Demised Premises. Tenant shall at all times during the Term of this Lease, and at Tenant's sole cost and expense, comply with all governmental rules, regulations, ordinances, statutes and laws, (including, without limitation, the Americans with Disabilities Act of 1990 (and all rules and regulations promulgated thereunder)), and the orders and regulations of the National Board of Fire Underwriters or any other body now or hereafter exercising similar functions, now or hereafter in effect pertaining to the use, occupancy, condition or alteration of the Demised Premises, Landlord makes no representation or warranty as to the condition of the Demised Premises with respect to any law or the suitability of the Demised Premises for Tenant's intended use or whether such use complies with any or all laws. Tenant covenants that all persons who furnish medical services or related activities of any kind at the Demised Premises shall be and remain appropriately licensed and in good standing with the applicable state licensing board(s) and any applicable federal, state or local certification or licensing agency or office.

c. *Compliance with Rules and Regulations.* Tenant hereby covenants and agrees that it, its agents, employees, servants, contractors, subtenants and licensees shall abide by the rules and regulations set forth above and such additional rules and regulations hereafter adopted and amendments and modifications of any of the foregoing as Landlord may, from time to time, adopt for the safety, care and cleanliness of the Demised Premises, for the preservation of good order thereon,

d. *Use of Plumbing.* The plumbing facilities in the Demised Premises shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Tenant who shall, or whose employees, agents, servants, customers or invitees shall have caused it.

e. *Pest Control.* Tenant shall keep the Demised Premises free from pests and vermin.

f. *Trash.* Tenant shall not burn any trash or garbage of any kind in or about the Demised Premises.

g. *Insurance.* Tenant shall, at Tenant's expense, maintain property insurance on the Demised Premises and appurtenant structures in such amount as Landlord and any mortgagees may deem necessary or appropriate. In addition, Tenant shall, at Tenant's expense, obtain and keep in force at all times during the Term of the Lease, a policy or policies of insurance covering loss or damage to all of the improvements, betterments, personal property, utility installations, trade fixtures, furnishings, and business contents located within the Demised Premises, in the amount of one hundred percent (100%) of the full replacement value thereof as reasonably ascertained by the Tenant's insurance carrier against risks of direct physical loss or damage, normally covered in an "all risk" policy (including the perils of flood and surface waters), as such term is used in the insurance industry; provided, however, that Tenant shall have no obligation to insure against earthquakes or against acts of terror. The proceeds of such insurance shall be used for the repair or replacement of the property so insured (including, without limitation, any repair or replacement of such property in accordance with Section 16 below).

Tenant shall, at Tenant's expense, maintain a policy of Commercial General Liability insurance insuring Tenant and as additional insureds, Landlord and any of Landlord's mortgagees, against liability arising out of the ownership, use, occupancy or maintenance of the Premises. Such insurance shall be on an occurrence basis providing single-limit coverage in an amount not less than Two Million Dollars (\$2,000,000) per occurrence. The initial amount of such insurance shall be subject to periodic increases upon reasonable demand by Landlord based upon inflation, increased liability awards, recommendation of professional insurance advisers, and other relevant factors. However, the limits of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder.

Insurance required to be maintained by Tenant hereunder shall be in companies holding a "General Policyholders' Rating" of B-plus or better and a "financial rating" of 10 or better, as set forth in the most current issue of "Best's Insurance Guide," or such comparable ratings as Landlord shall approve, in its sole discretion. Tenant shall promptly deliver to Landlord, within thirty (30) days of the Commencement Date, original certificates evidencing the existence and amounts of such insurance. No such policy shall be cancelable or subject to reduction of coverage except after thirty (30) days prior written notice to Landlord. Tenant shall, within thirty (30) days prior to the expiration, cancellation or reduction of such policies, furnish Landlord with renewals or "binders" thereof. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies required under this Lease.

Tenant shall obtain from the issuers of the insurance policies referred to in this Lease a waiver of subrogation provision in said policies (with respect to Landlord) and Tenant hereby releases and relieves Landlord, and waives any and all rights of recovery against Landlord, or against the employees, officers, agents and representatives of Landlord, for loss or damage arising out of or incident to the perils required to be insured against under this Lease which perils occur in, on or about the Demised Premises, whether due to the negligence of Landlord or Landlord's or their agents, employees, contractors or invitees.

h. *Signs.* Tenant shall not place any signs on the exterior of the Demised Premises without Landlord's consent, which consent shall not be unreasonably withheld.

i. *Hazardous Substances, Including Medical, Special, and Infectious Waste.* The term "Hazardous Substance" as used in this Lease shall mean any product, substance, chemical, material or waste (i.e., whether medical, special, infectious, or otherwise), whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be on the Demised Premises, is: (i) potentially injurious to the public health, safety or welfare, the environment, or the Demised Premises; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of Landlord to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof, or any hazardous or toxic substance, material or waste, regulated or listed pursuant to any federal, state or local environmental law, including without limitation, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act, and the Occupational Safety and Health Act., Tenant shall not engage in any activity in or about the Demised Premises which constitutes a "Reportable Use" (as hereinafter defined) of Hazardous Substances without the express prior written consent of Landlord and compliance in a timely manner (at Tenant's sole cost and expense) with all Applicable Requirements (as defined below). "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and (iii) the presence in, on or about the Demised Premises of a Hazardous Substance with respect to which any Applicable Requirements require that a notice be given to persons entering or occupying the Demised Premises or neighboring properties. Notwithstanding the foregoing, Tenant may, without Landlord's prior consent, but upon notice to Landlord and in compliance with all Applicable Requirements, use any ordinary and customary materials reasonably required to be used by Tenant in the normal course of the uses permitted under Section 6 of the Lease, so long as such use is not a Reportable Use and does not expose the Demised Premises or neighboring properties to any meaningful risk of contamination or damage or expose Landlord to any liability therefor. In addition, Landlord may (but without any obligation to do so) condition its consent to any Reportable Use of any Hazardous Substance by Tenant upon Tenant's giving Landlord such additional assurances as Landlord, in its reasonable discretion, deems necessary to protect itself, the public, the Demised Premises and the environment against damage, contamination or injury and/or liability therefor, including but not limited to the installation (and, at Landlord's option, removal on or before Lease expiration or earlier termination) of reasonably necessary protective modifications to the Demised Premises.

To the extent necessary to Tenant's business and consistent with the prudent operation of Tenant's business and all applicable laws, rules, and regulations, Tenant may store and/or utilize Hazardous Substances; provided, however, that Tenant shall from time to time furnish Landlord with a comprehensive list of all such Hazardous Materials (i.e., medical, special, infectious, or otherwise) so stored and/or utilized at the Demised Premises. In addition, prior to the installation and use of any equipment, Tenant shall provide Landlord with a list of such equipment and its intended use; a list of any Hazardous Substances which will be used or generated in connection with such equipment; and Tenant's proposed procedures for the use, storage and disposal of any Hazardous Substances, including, but not limited to, the procedure for silver recovery for any radiology equipment.

If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Demised Premises, other than as set forth above or as previously consented to by Landlord, Tenant shall immediately give Landlord written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, business plan, license, claim, action, or proceeding given to, or received from, any governmental authority or private party concerning the presence, spill, release, discharge of, or exposure to, such Hazardous Substance including but not limited to all such documents as may be involved in any Reportable Use involving the Demised Premises, Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Demised Premises (including, without limitation, through the plumbing or sanitary sewer system).

Tenant shall indemnify, protect, defend and hold Landlord, its agents, employees, lenders and ground lessor, if any, and the Demised Premises, harmless from and against any and all damages, liabilities, judgments, costs, claims, liens, expenses, penalties, loss of permits and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Demised Premises by or for Tenant or by anyone under Tenant's control. Tenant's obligations under this paragraph shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation, restoration and/or abatement thereof, or of any contamination therein involved, and shall survive the expiration or earlier termination of this Lease. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Landlord in writing at the time of such agreement.



Tenant shall, at Tenant's sole cost and expense, fully, diligently and in a timely manner, comply with all "*Applicable Requirements*" which term is used in this Lease to mean all laws, rules, regulations, ordinances, directives, covenants, easements and restrictions of record, permits, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Landlord's engineers and/or consultants, relating in any manner to the Demised Premises (including but not limited to matters pertaining to (i) industrial hygiene, (ii) environmental conditions on, in, under or about the Demised Premises, including soil and groundwater conditions, and (iii) the use, generation, manufacture, production, installation, maintenance, removal, transportation, storage, spill, or release of any Hazardous Substance), now in effect or which may hereafter come into effect. Tenant shall, within five (5) days after receipt of Landlord's written request, provide Landlord with copies of all documents and information, including but not limited to permits, registrations, manifests, applications, reports and certificates, evidencing Tenant's compliance with any Applicable Requirements specified by Landlord, and shall immediately upon receipt, notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving failure by Tenant or the Demised Premises to comply with any Applicable Requirements.

Landlord, Landlord's agents, employees, contractors and designated representatives, and any mortgagee under a mortgage or beneficiary under a deed of trust encumbering the Demised Premises shall have the right to enter the Demised Premises at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Demised Premises and for verifying compliance by Tenant with this Lease and all Applicable Requirements, and Landlord shall be entitled to employ experts and/or consultants in connection therewith to advise Landlord with respect to Tenant's activities, including but not limited to Tenant's installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Demised Premises. The costs and expenses of any such inspections shall be paid by the party requesting same, unless a default of this Lease by Tenant or a violation of Applicable Requirements or a contamination, caused or materially contributed to by Tenant, is found to exist or to be imminent, or unless the inspection is requested or ordered by a governmental authority as the result of any such existing or imminent violation or contamination. In such case, Tenant shall upon request reimburse Landlord or Landlord's Mortgagee, as the case maybe, for the costs and expenses of such inspections.

7 . *Alteration and Improvements.* Tenant shall not make any additions, alterations, improvements or changes (“*improvements*”) in or to the Demised Premises without the prior written approval of Landlord, which approval shall not be unreasonably withheld. In no event shall any consent be granted if Tenant is in default hereunder. Notwithstanding the foregoing, Tenant shall have the right to make improvements without Landlord’s consent where such improvements; (i) are non-structural; (ii) do not affect the electrical, mechanical, plumbing, HVAC or other systems of the building containing the Demised Premises; and (iii) cost no more than *One Hundred Thousand Dollars (\$100,000)* in any calendar year. Any improvements shall be made promptly and in a good and workmanlike manner and in compliance with all insurance requirements and with all applicable permits, authorizations, building regulations, zoning laws and all other governmental rules, regulations, ordinances, statutes and laws, now or hereafter in effect pertaining to the Demised Premises or Tenant’s use thereof shall be performed in such manner as not to delay or impose any additional expense upon Landlord in construction, maintenance or operation of the building containing the Demised Premises. Throughout the performance of improvements, Tenant, at its expense, shall carry, or cause to be carried, workers’ compensation insurance in statutory limits, and general liability insurance for any occurrence in or about the Demised Premises, of which Landlord and its managing agent shall be named as additional parties insured, in such limits as Landlord may reasonably prescribe. Tenant further covenants and agrees that any mechanic’s lien filed against the Demised Premises for work claimed to have been done for, or materials claimed to have been furnished to Tenant, will be discharged by Tenant, by bond or otherwise, within ten (10) days after the filing thereof, at the cost and expense of Tenant.

8 . *Liens.* Tenant shall at all times indemnify, save, and hold Landlord and the Demised Premises, free, clear and harmless from any claims, liens, demands, charges, encumbrances, litigation and judgments arising directly or indirectly out of any use, occupancy or activity of tenant, or any person or entity holding through or under Tenant or out of any work performed, material furnished, or obligations incurred by Tenant in, upon or otherwise in connection with the Demised Premises. Tenant shall give Landlord written notice at least ten (10) business days prior to the commencement of any such work on the Demised Premises to afford Landlord the opportunity of filing appropriate notices of non-responsibility. Tenant shall, at its sole cost and expense, within fifteen (15) days after filing of any lien of record, obtain the discharge and release thereof. Nothing contained herein shall prevent Landlord, at the cost and for the account of Tenant, from obtaining said discharge and release in the event Tenant fails or refuses to do the same within said fifteen (15) day period,

9 . *Landlord’s Repairs.* Except as set forth herein, Landlord shall have no maintenance, repair or restoration obligations whatsoever under this Lease or otherwise. Tenant expressly waives the benefit of any statute in effect now or in the future which might give Tenant the right to make repairs at the Landlord’s expense or to terminate this Lease due to the Landlord’s failure to keep the Demised Premises in good order, condition, or repair. Notwithstanding anything to the contrary, Landlord shall, at its cost and expense, be obligated to maintain the roof and structure of the Premises and to make all requisite repairs thereto and restorations thereof, except to the extent that such maintenance, repair or restoration is required as a result of the willful misconduct or negligence of Tenant or any of its personnel, patients, agents, licensees or invitees, in which event the cost of such maintenance, repair or restoration shall be borne by Tenant.

10. *Indemnification.* Tenant hereby covenants and agrees to indemnify, save and hold Landlord harmless from any and all liability, loss, expenses (including attorney's fees, judgments, claims, liens and demands of any kind whatsoever) in connection with, (j) Tenant's use of the Demised Premises, or (ii) the conduct of Tenant's business, or (iii) any activity, work or things done in the Demised Premises, or (iv) any default in the performances of any obligation on Tenant's part to be performed under the terms of the Lease, or (v) any negligence of Tenant, or any of Tenant's agents, contributors or employees. Notwithstanding the foregoing, Tenant shall not be required to defend, save harmless or indemnify Landlord, and Landlord shall indemnify, save and hold harmless Tenant, from any liability for injury, loss, accident or damage to any person or property resulting from Landlord's negligence or willful acts or omissions, or those of Landlord's agents, contractors or employees.

11. *Subordination.* Tenant agrees upon request of Landlord to subordinate this Lease and its rights hereunder to the lien of any mortgage, deed of trust or other encumbrance, together with any renewal, extensions or replacements thereof, now or hereafter placed, charged or enforced against the Demised Premises, or any portion thereof, or any property of which the Demised Premises is a part, and to execute and deliver at any time, and from time to time, upon demand by Landlord, such documents as may be required to effectuate such subordination, and in the event that Tenant shall fail, neglect or refuse to execute and deliver any such documents to be executed by it, Tenant hereby appoints Landlord, its successors and assigns, the attorney-in-fact of Tenant irrevocably to execute and deliver any and all such documents for and on behalf of Tenant; provided, however, Tenant shall not be required to effectuate such subordination, nor shall Landlord be authorized to effectuate such subordination on behalf of Tenant, unless the mortgagee or beneficiary named in such mortgage, deed of trust, or other encumbrance shall first agree in writing, for the benefit of Tenant, that so long as Tenant is not in default under any of the provisions, covenants or conditions of this Lease on the part of Tenant to be kept and performed, that neither this Lease nor any of the rights to Tenant hereunder shall be terminated or modified or be subject to termination or modification, nor shall Tenant's possession of the Demised Premises be disturbed by proceedings to foreclose said mortgage, deed of trust or other encumbrance. In the event that the mortgagee or beneficiary of any such mortgage or deed of trust elects to have this Lease a prior lien to its mortgage or deed of trust, then and in such event, upon such mortgagee's or beneficiary's giving written notice to Tenant to that effect, this Lease shall be deemed prior in lien to such mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of recordation of such mortgage or deed of trust. Tenant shall, in the event any proceedings are brought for the foreclosure of the Demised Premises or in the event of exercise of the power of sale under any deed of trust made by the Landlord covering the Demised Premises, attend to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

12. *Estoppel Certificate.* Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying; (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other matters as may be reasonably required by Landlord or the holder of a mortgage, deed of trust or lien to which the Demised Premises is or becomes subject. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Demised Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been canceled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease, In such event, Tenant shall be estopped from denying the truth of such facts.

13 . *Assignment and Subletting.* Tenant shall not assign, mortgage, pledge, hypothecate or encumber this Lease nor the leasehold estate hereby created or any interest herein or sublet the Demised Premises or any portion thereof, or license the use of all or any portion of the Demised Premises without prior written consent of the Landlord which consent shall not be withheld: (i) for any sublease, so long as Tenant has not subleased in the aggregate over one-third of the Demised Premises giving effect to such sublease; and (ii) for an assignment, if the proposed assignment is being made to an assignee of good repute with equal or superior credit-worthiness to that of Landlord, and such assignee will only utilize the Demised Premises as *an inpatient rehabilitation hospital*. Neither the consent by Landlord to any assignment or subletting, nor the act of any such assignment or subletting, shall constitute a waiver of the necessity for such consent to any subsequent assignment subletting, nor shall it constitute a release of any obligations of Tenant under this Lease. Tenant shall pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in processing, documenting, or administering any request of Tenant for Landlord's consent required pursuant to this Section. If this Lease be assigned, or if the Demised Premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained,

a . *Assignor Remains Liable.* In the absence of an express agreement in writing to the contrary, executed by Landlord, no assignment, mortgage, pledge, hypothecation, encumbrance, subletting or license hereof or hereunder shall act as a release of Tenant from any of the provisions, covenants and conditions of this Lease on the part of Tenant to be kept and performed.

b . *No Merger.* The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation hereof, or the termination of this Lease by Landlord pursuant to any provision contained herein, shall not work a merger, but at the option of Landlord, shall either terminate any or all existing subleases or sub-tenancies, or operate as an assignment to the Landlord of any and all such subleases or sub-tenancies.

14. *Insolvency.* It is understood and agreed that neither this Lease nor any interest herein or hereunder, nor any estate hereby created in favor of Tenant, shall pass by operation of law under any state or federal insolvency or bankruptcy act, or any similar law now or hereafter in effect, to any trustee, receiver, assignee for the benefit of creditors, or any other person whomsoever without the express prior written consent of Landlord.

15. *Condemnation.* Should the whole or any part of the Demised Premises be condemned or taken by a competent authority for any public or quasi-public purpose, all awards payable on account of such condemnation and taking shall be payable to Landlord, and Tenant hereby waives any and all interest therein. If the whole of the Demised Premises shall be so condemned and taken, then this Lease shall terminate upon such taking. If greater than one-third (1/3) of the floor space of the Demised Premises is condemned or taken, and if the remaining portion thereof will not be reasonably adequate for the operation of Tenant's business after Tenant completes such repairs or alterations as are necessary to restore such part of the Demised Premises to as near its former condition immediately preceding the taking as the circumstances will permit, either Landlord or Tenant shall have the option of terminating this Lease by notifying the other party hereto of such election in writing within twenty (20) days after such taking. If by such condemnation and taking one-third (1/3) or less of the Demised Premises has been taken, or if a part only of the Demised Premises is taken and the remaining part thereof is suitable for the purposes for which Tenant has leased said premises, this Lease shall continue in full force and effect, and Tenant shall proceed with reasonable diligence to restore such part of the Demised Premises to as near its former condition immediately preceding the taking as the circumstances will permit, but the Base Rent shall be reduced in an amount equal to that proportion of the Base Rent which the floor space of the portion taken bears to the total floor space of the Demised Premises. Landlord shall reimburse Tenant for Tenant's reasonable restoration costs, to the extent Landlord has recovered same from the condemning authority, within thirty (30) days after Landlord's receipt of Tenant's written demand and documentation evidencing the cost of such restoration.

16. *Destruction of Premises.* In the case of (i) the total destruction of the Demised Premises or any portion thereof substantially interfering with Tenant's use of the Demised Premises, whether by fire or other casualty, not caused by the default or negligence of Tenant, its agents, employees, servants, contractors, subtenants, licensees, customers or business invitees, or (ii) in the event any mortgagee under a mortgage or beneficiary under a deed of trust hold a lien encumbering the Demised Premises shall require payments of insurance proceeds, or (iii) in the event of a natural uninsured loss to the Demised Premises, Landlord, at its option, may terminate this Lease by notifying Tenant of such termination within ninety (90) days after the date of such casualty. If Landlord does not thus elect to terminate the Lease, Tenant shall repair such damage within 180 days, this Lease shall not terminate, but shall continue in full force and effect. If this Lease is terminated pursuant to this Section and if Tenant is not in default hereunder, rent shall be prorated as of the date of termination, and all rights and obligations hereunder shall cease and terminate.

a . *Lease Does Not Terminate If Damage by Tenant.* Notwithstanding the foregoing provisions, in the event the Demised Premises, or any portion thereof, shall be damaged by fire or other casualty due to the fault or negligence of Tenant, its agents, employees, servants, contractors, subtenants, licensees, customers or business invitees, then, without prejudice to any other rights and remedies of Landlord, this Lease shall not terminate, the damage shall be repaired by Tenant, and there shall be no apportionment or abatement of any rent.

b. *Insurance Proceeds.* All insurance proceeds payable under any fire and extended coverage risk insurance required to be maintained by Tenant pursuant to this Lease shall be payable solely to Landlord or any mortgagee under a mortgage or beneficiary under a deed of trust holding a lien encumbering the Demised Premises (as their respective interests shall appear) to be held and applied to the cost of restoring the Demised Premises, and Tenant shall have no interest therein, except that Tenant shall be entitled to all insurance proceeds payable for the destruction of Tenant's personal property (in no event, however, shall Tenant be entitled to insurance proceeds with respect to destruction of any improvements, betterments or fixtures on the Demised Premises). Tenant shall also deposit with Landlord the amount of any deductible required under any insurance policy covering fire or other casualty. If for any reason any portion of the cost to restore the Demised Premises is not covered by insurance, then Tenant shall pay to Landlord, upon demand, any cost or expense that is not so covered. Such repair and restoration shall be performed by properly insured and licensed contractors, in accordance with plans and specifications approved by Landlord, and shall comply with the requirements of this Lease and all applicable laws, codes and regulations. In the event Landlord is required to pay any portion of such restoration or repair costs, Tenant shall reimburse Landlord therefor, together with interest at twelve percent (12%) per year, within ten (10) days after receiving demand therefor from Landlord. Tenant shall in no case be entitled to compensation for damages on account of any annoyance or inconvenience in making repairs under any provision of this Lease. Neither the rent payable by Tenant nor any of Tenant's other obligations under any provisions of this Lease shall be affected by any damage to or destruction of the Demised Premises or any portion thereof by any cause whatsoever. Notwithstanding anything to the contrary set forth above, if such damage or destruction shall occur during the last two (2) years of the Lease, Tenant shall not be required to repair or restore the Demised Premises, provided that all insurance proceeds and deductibles required to be paid to Landlord above are paid to Landlord, and Tenant shall pay to Landlord all rent and all other sums due under this Lease for the remainder of the Term of this Lease.

c . *Tenant must Notify Landlord of Damage.* If Tenant becomes aware of any casualty affecting the Demised Premises, Tenant shall notify Landlord in writing as to the details pertaining to such casualty (so far as known to Tenant) within forty-eight (48) hours after Tenant gains knowledge of such casualty.

17. *Expenditures by Landlord.* Whenever under any provision of this Lease, Tenant shall be obligated to make any payment or expenditure, or to do any act or thing, or to incur any liability whatsoever, and Tenant fails, refuses or neglects to perform as herein required, Landlord shall be entitled, but shall not be obligated, to make any such payment or to do any such act or thing, or to incur any such liability, all on behalf of and at the cost and for the account of Tenant. In such event, the amount thereof with interest thereon at the rate of 12% per year or at the maximum rate per annum rate allowed by law, if lower than 12%, at the time and said sum shall constitute and be collectable as additional rent on demand,

18. *Default.* Tenant's compliance with each and every covenant and obligation hereof on its part to be performed hereunder is a condition precedent to each and every covenant and obligation of Landlord hereunder. Landlord shall have all the rights and remedies provided in this Section or elsewhere herein, in the event that:

a. Tenant shall default in the payment or any sum of money required to be paid hereunder and such default continues for ten (10) days after written notice thereof from Landlord to Tenant; or

b. Tenant shall default in the performance of any other provision, covenant or condition of this Lease on the part of Tenant to be kept and performed and such default continues for twenty (20) days after written notice thereof from Landlord to Tenant; provided, however, that if the default complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such default shall be deemed to be rectified or cured if Tenant shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence, and in any event, within sixty (60) days from the date of giving such notice; or

c. Tenant should vacate or abandon the Demised Premises during the Term of this Lease;

d. There is filed any petition in bankruptcy or the Tenant is adjudicated as a bankrupt or insolvent, or there is appointed a receiver or trustee to take possession of Tenant or of all or substantially all of the assets of Tenant, or there is a general assignment by Tenant for the benefit of creditors, or any action is taken by or against Tenant under any state or federal insolvency or bankruptcy act, or any similar law now or hereafter in effect, including, without limitation, the filing of execution or attachment against Tenant and such levy continues in effect for a period of twenty (20) days.

e. In the event of a default as designated in this Section or elsewhere herein, in addition to any other rights or remedies provided for herein or at law or in equity, Landlord, at its sole option, shall have the following rights:

(1) The right to declare the Term of this Lease ended and to reenter the Demised Premises and take possession thereof, and to terminate all of the rights of Tenant in and to the Demised Premises, or

(2) The right without declaring the Term of this Lease ended, to reenter the Demised Premises and to occupy the same, or any portion thereof, for or on account of Tenant as hereinafter provided, applying any monies received first to the payment of such expenses as Landlord may have paid, assumed or incurred in recovering possession of the Demised Premises, including costs, expenses of attorney's fees in placing the same in good order and condition, or preparing or altering the same for reletting, and all other expenses, commissions and charges paid, assumed or incurred by Landlord in or in connection with reletting the Demised Premises and then to the fulfillment of the covenants of Tenant. Any such reletting as provided for herein may be for the remainder of the Term of this Lease or for a longer or shorter period. Such reletting shall be for such rent and on such other terms and conditions as Landlord, in its sole discretion, deems appropriate. Landlord may execute any lease made pursuant to the terms hereof either in Landlord's own name or in the name of Tenant, or assume Tenant's interest in and to any existing subleases to any tenant of the Demised Premises, as Landlord may see fit, and Tenant shall have no right or authority whatsoever to collect any rent from such tenants, subtenants, licensees or concessionaires on the Demised Premises. In any case, and whether or not the Demised Premises or any part thereof be relet, Tenant, until the end of what would have been the Term of this Lease in the absence of such default and whether or not the Demised Premises or any part thereof shall have been relet, shall be liable to Landlord and shall pay to Landlord monthly an amount equal to the amount due as rent hereunder, less the net proceeds for said month, if any, of any reletting effected for the account of Tenant pursuant to the provisions of this paragraph, after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorney's fees, expenses of employees, alteration costs, and expenses of preparation for such reletting (all said costs are cumulative and shall be applied against proceeds of reletting until paid in full), or

(3) The right, even though it may have relet all or any portion of the Demised Premises in accordance with the provisions of subparagraph (2) of this section, to thereafter at any time elect to terminate this Lease for such previous default on the part of Tenant, and to terminate all of the rights of Tenant in and to the Demised Premises. Pursuant to said rights of reentry, Landlord may remove all persons from the Demised Premises and may, but shall not be obligated to, remove all property therefrom, and may, but shall not be obligated to, enforce any rights Landlord may have against said property or store the same in any public or private warehouse or elsewhere at the cost and for the account of Tenant or the owner or owners thereof. Tenant agrees to hold Landlord free, and harmless of any liability whatsoever for the removal and/or storage of any such property, whether of Tenant or any third party whomsoever. Anything contained herein to the contrary notwithstanding, Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any rent or other sum of money thereafter to accrue hereunder, or Tenant's liability for damages under any of the provisions hereof, by any such reentry, or by any action in unlawful detainer or otherwise to obtain possession of the Demised Premises, unless Landlord shall have specifically, with reference to this Section, notified Tenant in writing that it has so elected to terminate this Lease, Tenant covenants and agrees that the service by Landlord pursuant to such notice shall not (unless Landlord elects to the contrary at the time of, or at any time subsequent to, the service of such notice thereof to Tenant) be deemed to be a termination of this Lease or the termination of any liability of Tenant hereunder to Landlord.



f. *No Waiver.* The waiver by Landlord of any default or breach of any of the provisions, covenants or conditions hereof on the part of Tenant to be kept and performed shall not be a waiver of any preceding or subsequent breach of the same or any other provision, covenant or condition contained herein. The subsequent acceptance of rent or any other payment hereunder by Tenant to Landlord shall not be construed to be a waiver of any preceding breach by Tenant of any provision, covenants or condition of this Lease other than the failure of Tenant to pay the particular rental or other payment or portion thereof so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rental or other payment. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein provided shall be deemed to be other than on account of the earliest rent due and payable hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease. This paragraph may not be waived.

19. *Quiet Possession.* Tenant, upon paying the rentals and other payments herein required from Tenant, and upon Tenant's performance of all of the provisions, covenants and conditions of this Lease on its part to be kept and performed, may quietly have, hold and enjoy the Demised Premises during the Term of this Lease without any disturbance from Landlord or from any other person claiming through Landlord, however, Landlord and its agents shall have free access to the Demised Premises for the purpose of examining them and Tenant's compliance with this Lease and exhibit them to prospective purchasers and prospective tenants.

20. *Sale by Landlord.* In the event of any sale or exchange of the Demised Premises by Landlord, Landlord shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease, arising out of any act, occurrence or omission relating to the Demised Premises occurring after the consummation of such sale or exchange. Tenant agrees to attorn to such purchaser or grantee.

23. *Default by Landlord.* It is agreed that in the event Landlord fails or refuses to perform any of the provisions, covenants or conditions of this Lease on Landlord's part to be kept or performed, that Tenant, prior to exercising any right or remedy Tenant may have against Landlord on account of such default, shall give a twenty(20) day written notice to Landlord of such default, specifying in said notice the default with which Landlord is charged. Notwithstanding any other provision hereof, Tenant agrees that if the default complained of in the notice provided for by this Section is of such a nature that the same can be rectified or cured by Landlord, but cannot with reasonable diligence be rectified or cured within said twenty (20) day period, then such default shall be deemed to be rectified or cured if Landlord within said twenty (20) day period shall commence the rectification and curing thereof and shall continue thereafter with all due diligence to cause such rectification and curing to proceed and so does complete the same, with the use of diligence as aforesaid. The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the lesser of: (i) the interest of Landlord in the Demised Premises; or (ii) the interest Landlord would have in the Demised Premises if the Demised Premises were encumbered by third party debt in an amount equal to eighty percent (80%) of the value of the Demised Premises (as such value is determined by Landlord) and Tenant agrees to look solely to such amount for recovery of any judgment from Landlord, it being intended that Landlord shall not be personally liable for any judgment or deficiency.

22. *Force Majeure.* Whenever a day is appointed herein on which, or a period of time is appointed in which, either party hereto is required to do or complete any act, matter, or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or things because of labor disputes, civil commotion, war, warlike operation, sabotage, governmental regulations or control, fire or other casualty, inability to obtain any materials, or to obtain fuel or energy, weather or other acts of God, or other causes beyond such party's reasonable control (financial inability excepted), provided, however, that nothing contained herein shall excuse Tenant from the prompt payment of any rent or charge required of Tenant hereunder.

23. *Notices.* Any and all notices and demands by or from Landlord to Tenant, or by or from Tenant to Landlord, required or desired to be given hereunder shall be in writing and shall be validly given or made if served either personally or if deposited in the United States mail, certified or registered postage prepaid, return receipt requested. If such notice or demand be served by registered or certified mail in the manner provided herein, service shall be conclusively deemed given three (3) days after mailing or upon receipt, whichever is sooner.

a. *Notice to Landlord.* Any notice or demand to Landlord shall be addressed to Landlord at the address listed on the signature page of this Lease.

b. *Notice to Tenant.* Any notice or demand to Tenant shall be addressed to Tenant at the address listed on the signature page of this Lease.

c. *Change of Address.* Any party herein may change its address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner aforesaid to the other party hereto.

24. *Brokers.* Tenant warrants that it has had no dealings with any broker or agent in connection with this Lease, and covenants to pay, hold harmless and indemnify Landlord from and against any and all cost, expense or liability for any compensation, commissions and charges claimed by any broker or agent with respect to this Lease or the negotiations thereof.

25. *Work Prior to Opening.*

a. *Landlord's Work.* At Landlord's cost and expense, Landlord shall cause the Demised Premises to be constructed in substantial accordance with plans and specifications prepared or to be prepared by Landlord's architect. Said construction shall include all work described in Exhibit B attached hereto and incorporated herein by reference ("*Landlord's Work*"). Landlord shall use reasonable efforts to substantially complete Landlord's Work as soon as is practicable.

b. *Tenant's Work.*

(1) Landlord shall also perform all work described in Exhibit C attached hereto ("*Tenant's Work*"). All such Tenant's Work shall be promptly and diligently completed in accordance with the terms of this Section 25, and in strict compliance with zoning, building and other applicable codes, laws and ordinances. The cost of Tenant's Work shall be borne by Landlord and/or Tenant as follows: Landlord shall pay for the initial *\$85 per square foot (i.e. an aggregate of \$4,250,000)* of Tenant's Work ("*Landlord's Contribution*") and Tenant shall, in accordance with such timing and procedures as Landlord may reasonably designate, pay all sums in excess thereof.

(2) Tenant shall promptly furnish Landlord with proof that Tenant has: (i) complied with Landlord's timing and procedures with respect to the funding of its share of the costs of Tenant's Work; and (ii) deposited into an account under Landlord's control (the "*Tenant's Construction Contribution Account*") the entire amount Tenant reasonably estimates is necessary to perform Tenant's Work (the "*Tenants Contribution Funds*"), co-terminus with application of Landlord's Contribution. The Tenant's Contribution Funds shall be used solely to pay for the construction and performance of the Tenant's Work pursuant to this Lease. Tenant agrees that if an "*Event of Default*" occurs under this Lease, or if Landlord elects to do so in connection with performing Tenant's Work as set forth in Section 25(b)(1) above, Landlord may:

(A) Enter upon the Demised Premises and take possession of any materials or equipment, and construct, perform and complete the Tenant's Work, at the risk and expense of Tenant. Landlord shall have the right at any time to discontinue work commenced by it in respect of the Tenant's Work or to change course of action undertaken and shall not be bound by any limitations or requirements of time. In connection with any construction of the Tenant's Work undertaken, Landlord may (i) engage contractors, engineers and others for the purpose of furnishing labor, materials and equipment in connection with any construction of the Tenant's Work, (ii) cause to be paid, settled or compromised, out of the Tenant's Construction Contribution Account, all bills or claims which may become liens against the Demised Premises or the Tenant's Work, or which have been or may be incurred in connection with the construction, completion and/or performance of the Tenant's Work or for the discharge of liens, encumbrances or defects in the title of the Demised Premises or the Tenant's Work, and (iii) take such action or refrain from acting under this Lease as Landlord may in its sole discretion from time to time determine without limitation.

(B) Employ watchmen at Tenant's expense, out of the Tenant's Construction Contribution Account, to protect the Tenant's Work, including any building materials stored on the Demised Premises, from depreciation or injury.

(C) For the purpose of carrying out this Section 25 and exercising these rights, powers and privileges, Tenant hereby irrevocably appoints and appoints Landlord as its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and do and perform any acts such as are referred to in Section 25 in the name and on behalf of Tenant.

(D) Exercise any other remedies provided under this Lease or applicable law or in equity, any and/or all of which remedies Landlord may exercise concurrently or consecutively at any time.

(3) At such time as Landlord or Tenant shall have received the requisite approvals from any municipality or governmental agency having jurisdiction over the completion of the Tenant's Work, such party hereto shall provide such documentation to the other party hereto.

(4) The provisions of this Section 25 shall survive any termination of this Lease.

(5) "Tenant's Plans," prepared in conformity with Exhibit C attached hereto, and containing a layout for Tenant's intended use of the Demised Premises and exterior sign drawing, **are included in the Building Plans in Exhibit B.**

(6) Tenant shall not install any fixtures or equipment which can exceed the capacity of any utility facilities serving the Demised Premises. Any additional utility facilities required in connection with any equipment installed by Tenant shall be installed at Tenant's expense and shall comply with all applicable code requirements and with plans and specifications which are approved in writing by Landlord.

26. *Miscellaneous Additional Provisions.*

a. *Captions.* The captions appearing at the commencement of the sections hereof are descriptive only and for convenience in reference to this Lease and in no way whatsoever define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

b. *Remedies Cumulative.* The various rights, options, elections and remedies of Landlord contained in this Lease shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law and not expressly waived in this Lease.

c. *Successors and Assigns.* Subject to the provisions restricting assignment, the terms, provisions, covenants and conditions contained in this Lease shall apply to, bind and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and permitted assigns of Landlord and Tenant, respectively.

d. *Partial invalidity.* If any term, provision, covenant or condition of this Lease, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Lease, and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

e. *Time of the Essence.* Time is of the essence of this Lease and all of the terms, provisions, covenants and conditions hereof.

f. *Entire Agreement.* This Lease contains the entire agreement between the parties and cannot be changed or terminated orally.

g. *No Partnership.* Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant. Neither the method of computation of rent nor any other provisions contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of Landlord and Tenant.

h. *Attorney's Fees and Costs.* In any action brought by Landlord to enforce any of its rights under or arising from this Lease, Landlord shall be entitled to receive its cost and legal expenses including reasonable attorney's fees, whether such action is prosecuted to judgment or not. The parties hereto shall And they hereby do waive trial by jury in any action, proceeding or counterclaims 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 the Demised Premises, and/or any claim of injury or damage. In the event Landlord commences any proceedings for nonpayment of rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceedings. This shall not, however, be construed as a waiver of the Tenant's rights to assert such claims in any separate action or actions brought by Tenant. The parties hereto covenant and agree that Landlord shall have no duty to mitigate damages arising in any way out of Tenant's failure to comply with any term, condition, covenant or agreement of this Lease.

i. *Number and Gender.* Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution or substitutions.

j. *Governing Law.* The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Lease, exclusive of the conflict of laws provisions thereof.

k . *Joint Liability of All Tenants.* In the event Tenant now or hereafter shall consist of more than one person, firm or corporation, then and in such event, all such persons, firms or corporations shall be jointly and severally liable as Tenant hereunder.

l . *No Lease until Signed by the Parties.* The submission of this Lease for examination does not constitute a reservation of or option for the Demised Premises and this Lease becomes effective as a Lease only upon execution and delivery thereof by Landlord and Tenant.

m. *Tenant must Advise Landlord of Matters Affecting Title.* Should any claim or lien be filed against the Demised Premises, or any action or proceeding be instituted affecting the title to the Demised Premises, tenant shall give Landlord written notice thereof as soon as Tenant obtains knowledge thereof.

n. *Lease Construed According to its Terms.* Although the printed provisions of those Lease were drawn by Tenant, this Lease shall not be construed either for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of its language.

o . *Acknowledgment of Independent Advice.* Each party whose signature appears below acknowledges that he has read all of the provisions of the foregoing agreement, understands them, has sought independent advice regarding the legal effect of the provisions herein, and agrees to be bound by said provisions.

p . *Warranty.* In the event Tenant shall consist of a corporation, the officer signing this agreement for such corporation shall deliver to Landlord, on or before the date of execution of this Lease, a Resolution of the Board of Directors of such corporation approving this Lease and authorizing execution of this Lease by the above-described officer of the corporation.

q . *Waiver.* No course of dealing or delay between the parties shall operate as a waiver of the rights of any party to this Lease. No default, covenant or condition of this Lease may be waived other than in writing.

r. *Counterparts.* This Lease may be executed in facsimile form and in one or more counterparts, and by the different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first written above.

LANDLORD

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

Landlord's Address:

3965 South Durango Drive  
Suite 106  
Las Vegas, NV 89052

TENANT

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Tenant's Address:

3965 South Durango Drive  
Suite 106  
Las Vegas, NV 89052

EXHIBIT A  
SITE PLAN



EXHIBIT B  
BUILDING SHELL & TENANT IMPROVEMENTS

EXHIBIT C  
DESCRIPTION OF TENANT'S WORK

TENANTS WORK - The following work is required to be completed, placing the Demised Premises in finished condition, ready to open for business, by Landlord at Tenant's and/or Landlord's expense as set forth in Section 25(b)(1) above. Tenant's Work shall be in accordance with the following:

A. GENERAL PROVISIONS

All of Tenant's Work shall be governed in all respect by, and be subject to, the following:

1. Landlord shall have the right to require Tenant to furnish payment and performance bonds, or other security in form satisfactory to Landlord, for the prompt and faithful performance of the cost of Tenant's Work in excess of the Landlord's Contribution, assuring completion of Tenant's Work and conditioned that Landlord will be held harmless from payment of any claim in excess of the Landlord's Contribution either by way of damages or liens on account of bills for labor, material, services or fees, in connection with Tenant's Work. Tenant's Work shall at all times be conducted in such manner that Tenant shall not be in violation of the Lease.
2. It is understood and agreed between Landlord and Tenant that costs incurred by Landlord, if any, as a result of Tenant's failure or delay in providing the information required by this Exhibit and by the Lease to which this Exhibit is attached, shall be the sole responsibility of Tenant, who shall pay such costs, if any, promptly upon Landlord's demand.
3. All Tenant's Work shall conform to applicable statutes, ordinances, regulations and codes and the requirements of various rating bureaus. Landlord shall obtain all approvals with respect to electrical, water, sewer, heating, cooling and telephone work, all as may be required by the utility company supplying the service.
4. No approval by Landlord shall be deemed valid unless in writing and signed by Landlord.

5. Prior to commencement of Tenant's Work and until completion thereof, or commencement of the Lease Term, whichever is the last to occur, Landlord shall effect and maintain Builder's Risk Insurance covering Landlord, Tenant, Tenant's contractors and Tenant's subcontractors, as their interests may appear, against loss or damage by fire, vandalism and malicious mischief and such other risks as are customarily covered by a so-called "extended coverage endorsement" upon all Tenant's Work in place and all materials stored at the site of Tenant's Work, and all materials, equipment, supplies and temporary structures of all kinds incidental to Tenant's Work, and equipment, all while forming a part of or contained in such improvements or temporary structures, or while on the Demised Premises or within 100 feet thereof, or when adjacent thereto, while on sidewalks, streets or alleys, all to the full insurable value thereof at all times on a completed value basis. In addition, Landlord agrees to indemnify and hold Tenant harmless against any and all claims for the injury to persons or damage to property by reason of the use of the Demised Premises for the performance of Tenant's Work, and claims, fines, and penalties arising out of any failure of Landlord or its agents, contractors and employees to comply with any law, ordinance, code requirement, regulations or other requirements applicable to Tenant's Work; and Landlord agrees to require all contractors and subcontractors engaged in the performance of Tenant's Work to effect and maintain certificates evidencing the existence of, and covering Landlord, Tenant, Tenant's contractors, and Tenant's subcontractors, prior to commencement of Tenant's Work and until completion thereof, the following insurance coverages:
- a. Worker's Compensation and Occupational Disease Insurance in accordance with the laws of the State in which the property is located, including Employer's Liability Insurance to the limit of \$100,000.
  - b. Comprehensive General Liability Insurance, excluding "Automobile Liability" against bodily injury, including death resulting therefrom, and personal injury in the limits of \$1,500,000 for any one occurrence and property damage in the limits of \$500,000 for any one occurrence or a combined single limit policy of \$1,500,000 per occurrence,
  - c. Comprehensive Automobile Insurance, including "non-owned" automobiles, against bodily injury, including death resulting therefrom, in the limits of \$1,500,000 for any one occurrence and \$500,000 property damage or a combined single limit of \$1,500,000.

B. TENANT IMPROVEMENTS.

Providing and installing all tenant improvements *per plans*.

C. FURNITURE, FIXTURES, EQUIPMENT AND SIGNS

All furnishings, trade fixtures, equipment, signs, and related parts, including installation. Location and design of all signs subject to prior written consent of Landlord.

D. ELECTRICAL

1. All systems, where required for intercommunication, music antenna, material handling or conveyor, burglar alarm, vault wiring, fire protection alarm, time clock and demand control.
2. All conduit, as required by the utility company supplying the services for necessary telephone wires within the Demised Premises.

E. SUBSEQUENT REPAIRS AND ALTERATIONS

Landlord reserves the right to require changes in Tenant's Work when necessary by reason of code requirements. Tenant shall maintain the Demised Premises and make all repairs thereto, other than repair of the foundation, roof and structural portions of the walls.

F. DOORS AND EXITING REQUIREMENTS

1. All exiting codes must be adhered to.
2. A clear exiting path to Tenant's rear door must be maintained.

EXHIBIT D  
TENANT'S PLANS

ADDENDUM

To the lease dated *January 30, 2006* by and between LVRH Properties LLC, a Nevada limited liability company, "Landlord" and Las Vegas Rehabilitation Hospital LLC, a Nevada limited liability company, "Tenant" for the premises located at 9175 W. Oquendo Road, Las Vegas, Nevada and is composed of a 50,000 square foot free-standing inpatient and outpatient rehabilitation hospital containing 50 private inpatient beds, Las Vegas, Nevada, is hereby incorporated and made a part:

1. Landlord hereby agrees to build out 50,000 square feet of the Tenant Improvements identified in the Lease Agreement attached hereto at a cost of \$85.00 per square foot (\$4,250,000.00). Tenant agrees to reimburse Landlord \$99.00 per square foot (\$4,950,000.00). As these Tenant Improvements are built simultaneously with the construction of the facility the \$4,950,000.00 is due and payable upon commencement of construction.
2. Landlord hereby agrees to provide two (2) months free rent at Lease "Commencement Date".

All other terms and conditions shall remain the same.

**Landlord:**  
**LVRH Properties, LLC**  
**a Nevada limited liability company**

By: [illegible]  
Manager

Date: 1/30/06

INITIALS \_\_\_\_\_  
\_\_\_\_\_

**Tenant:**  
**Las Vegas Rehabilitation Hospital, LLC**  
**a Nevada limited liability company**

By: [illegible]  
Title: Manager

Date: 1/30/06

INITIALS \_\_\_\_\_

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## GUARANTY OF LEASE

THIS GUARANTY OF LEASE (this "Guaranty") is made as of June 1, 2010 by HealthSouth Corporation, a Delaware corporation ("Guarantor"), in favor of LVRH Properties LLC, a Nevada limited-liability company ("Landlord").

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby unconditionally and irrevocably guarantees the full and faithful performance by HealthSouth Rehabilitation Hospital of Desert Canyon, LLC, a Delaware limited liability company ("Tenant"), of all the terms, covenants and conditions of that certain Lease Agreement, dated January 30, 2006, between Landlord and Las Vegas Rehabilitation Hospital LLC, a Nevada limited liability company ("LVRH"), as amended by that certain Lease Assignment and Amendment, dated as of June 1, 2010, among Landlord, LVRH and Tenant (collectively, the "Lease"). This Guaranty shall remain in full force and effect regardless of any amendment, modification, extension, compromise or release of any term, covenant or condition of the Lease or of any party thereto, as the case may be.

The undersigned agrees to indemnify Landlord against any and all liability, loss, costs, charges, penalties, obligations, expenses, attorney fees, litigation, judgments, damages, claims and demands of any kind whatsoever in connection with, arising out of or by reason of the failure by Tenant to perform its obligations under the Lease. Guarantor waives any right or claim of rights to cause a marshalling of Tenant's assets or to proceed against Guarantor or Tenant or any security for the Lease or this Guaranty in any particular order and Guarantor agrees that any payments or performance required to be made hereunder shall become due upon demand in accordance with the terms hereof immediately upon the happening of a default under the Lease, whether or not Guarantor has been given notice of such default, and Guarantor hereby expressly waives and relinquishes all rights and remedies accorded by applicable law to guarantors, including, but not limited to, notice of demand, notice of default, any failure to pursue Tenant or its property, or any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation.

The obligations of Guarantor hereunder are independent of the obligations of Tenant and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not Tenant is joined therein or a separate action or actions is or are brought against Tenant. Landlord's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any action or by any number of successive actions until and unless all obligations hereby guaranteed have been paid and fully performed.

No delay on Landlord's part in exercising any right, power or privilege under this Guaranty or any other document executed in connection herewith shall operate as a waiver of any such privilege, power or right.

Guarantor agrees that any judgment rendered against Tenant for monies or performance due Landlord shall in every and all respects bind and be conclusive against Guarantor to the same extent as if Guarantor had appeared in any such proceedings and judgment therein had been rendered against Guarantor.

Any circumstance which operates to toll any statute of limitations as to Tenant shall also toll the statute of limitations as to Guarantor.

In the event any action is commenced by Landlord against Guarantor in connection with this Guaranty, including any bankruptcy proceeding, Landlord shall be entitled to its costs and expenses, including reasonable attorney fees.

The terms, covenants and conditions contained in this Guaranty shall inure to the benefit of the successors and assigns of Landlord.

If any term, covenant or condition of this Guaranty, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, covenants and conditions of this Guaranty, and all applications thereof, not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

In this Guaranty, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

This Guaranty shall be construed in accordance with its intent and without regard to any presumption or other rule requiring construction against the party causing the same to be drafted.

The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Guaranty and any legal suit, action or proceeding against Guarantor arising out of or relating to this Guaranty shall be instituted in any federal or state court in Clark County, Nevada, and Guarantor waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Guarantor hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding.

Should Guarantor consist of more than one person or entity, then, in such event, all such persons and entities shall be jointly and severally liable as Guarantor hereunder.

[Signature Page Follows]



IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

HealthSouth Corporation, a Delaware Corporation

By: /s/ John P. Whittington  
Name: John P. Whittington  
Title: Executive Vice President & Secretary

LEASE AGREEMENT  
(Triple-Net/Single-Tenant)

THIS LEASE AGREEMENT (Triple-Net/Single-Tenant) (this "*Agreement*") is made this 30<sup>th</sup> day of January, 2006, by and between LVRH PROPERTIES LLC, a Nevada limited-liability company ("*Landlord*") and LAS VEGAS REHABILITATION HOSPITAL, a Nevada limited-liability company ("*Tenant*") with respect to the demise by Landlord to Tenant of that certain premises described as 9175 W. Oquendo Road, Las Vegas, Nevada and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the "*Demised Premises*"),

NOW, THEREFORE, for and in consideration of the covenants and agreements set forth herein, Landlord and Tenant agree as follows:

1. *Grant of Leasehold.* Landlord hereby demises and leases the Demised Premises to Tenant for the period, at the rental rate, and subject to the other terms and conditions set forth herein.

2. *Demised Premises.* Landlord shall construct upon the Demised Premises a shell building containing approximately fifty thousand (50,000) square feet as provided in Exhibit B (attached) (the "*Building*"). There shall be no deduction or exclusion for any square feet of the Building included within the Demised Premises by reason of corridors, interior partitions or any other interior construction, improvements or equipment. The actual number of square feet of the Building shall be deemed to be equal to the aforementioned approximation.

3. *Term.*

a. *Base Term.* Unless terminated earlier as provided herein, the term of this Lease (as extended from time to time and until the term hereof expires or is terminated hereunder, the "*Term*") shall be for a period of ten (10) years, beginning at 1:00 A.M. on the earlier of the following dates: (i) the day after Landlord receives a Certificate of Occupancy or Temporary Certificate of Occupancy for the Demised Premises, issued by the applicable building department in the municipality in which the Demised Premises is located, upon completion of Landlord's Work (as hereinafter defined); or (ii) the date Tenant commences to do business in, upon or from the Demised Premises (the "*Commencement Date*"). Lessee shall execute, within seven (7) days of Landlord's request, a Memorandum of Lease in form acceptable to Landlord, reflecting the existence and duration of the Lease, the location of the Demised Premises, and such other information as Landlord may reasonably request, which Memorandum may be placed of record by Landlord.

b. *Extension Option.* So long as no "*Event of Default*" (as hereinbelow defined) is in effect at the time of such exercise by Tenant, Tenant shall have two consecutive rights to extend the Term of this Lease by a period of ten (10) years per each such extension option; provided, however, that upon any such extension of the Term all of the remaining Term and conditions hereof (including, without limitation, the cost of living adjustments to Base Rent set forth in Section 4(a) below) shall remain in force and effect; provided further, that to exercise any such option Tenant must give Landlord written notice of such exercise, in accordance with the provisions hereof, not less than six (6) months prior to the date that the Term would otherwise expire.

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c . *Holdover.* Tenant shall vacate the Demised Premises on the expiration or earlier termination of this Lease, Tenant shall reimburse Landlord for and indemnify and hold Landlord harmless against all damages, claims, losses, penalties, charges, and expenses (including reasonable attorneys' fees) incurred by Landlord resulting from any delay by Tenant in vacating the Demised Premises, If Tenant does not vacate the Demised Premises upon the expiration or earlier termination of the Lease, Tenant's occupancy of the Demised Premises shall be a tenancy at sufferance, subject to all the terms of this Lease applicable to a tenancy at sufferance, except that the "*Base Rent*" (as hereinafter defined) then in effect shall be equal to one hundred fifty percent (150%) of the Base Rent in effect immediately prior to the expiration or earlier termination of this Lease. Nothing contained in this paragraph shall be construed as consent by Landlord to any holding over by Tenant of the Demised Premises, and Landlord expressly reserves the right to require Tenant to surrender possession of the Demised Premises to Landlord upon the expiration or earlier termination of the Lease.

4. *Rent.*

a . *Base Rent.* Subject to adjustment as hereinafter provided, Tenant shall pay Landlord as base rent ("*Base Rent*") for the Term of this Lease the sum of *TWO DOLLARS FIFTY CENTS (\$2.50)* per square foot of the Demised Premises (i.e., *\$125,000*) per month in advance on the first day of each month during the Term of this Lease beginning on the Commencement Date, If the Commencement Date is not the first day of a calendar month then: (i) Base Rent for such fractional portion of the first month shall be due on the Commencement Date, and (ii) the Base Rent due for such fractional month shall be prorated based upon the actual number of days in such fractional month.

b. *Cost of Living Adjustment.* The Base Rent shall be increased from the amount then in effect on the first day of the thirteenth (13th) full calendar month following the Commencement Date and on each annual anniversary thereof (each, an "*Adjustment Date*") during the Term of the Lease (including any extension option periods) in the amount of *three percent (3%)* per year of the Base Rent amount then in effect. Landlord shall notify Tenant of each increase by delivering a written statement setting forth the new amount of the Base Rent. Tenant shall pay the new Base Rent from its effective date until the next annual increase.

c . *Utilities.* Tenant shall in respect of all periods of the Term pay all costs and charges of any kind (including all usage charges) for the provision of all utilities and services at the Demised Premises, including without limitation water, gas, heat, electricity, power, garbage service, air conditioning, telephone service, sewer service charges and sewer rentals charged or attributable to the Demised Premises, cleaning of the Demised Premises and all other services or utilities used in, upon or about the Demised Premises by Tenant or any of its subtenants, licensees, or concessionaires during the term hereof (collectively "*Utilities and Services*"). Tenant shall contract with, and pay directly to the appropriate supplier the cost of all Utilities and Services supplied to the Demised Premises.

d . *Property Taxes.* Tenant shall in respect of all periods of the Term pay all real property taxes and general and special assessments on the Demised Premises, and shall pay all taxes charged against trade fixtures, utility installations, furnishings, equipment or any other personal property belonging to Tenant. Except to the extent Landlord elects to bill for any taxes and/or assessments under Section 4(f) below. Landlord shall forward to Tenant in a timely manner all bills and notices with respect to such real property taxes and assessments as are received by Landlord from third parties, and within five (5) days after request by Landlord (and in no event less than quarterly), Tenant shall provide Landlord with written evidence of each such payment.

e. *Other Costs.* The parties acknowledge that this Lease is intended to be a fully net lease to the Landlord and that Tenant shall be responsible for all costs and expenses of any kind or nature incurred in connection with the ownership or operation of the Demised Premises including, without limitation; those set forth in Sections 4(c) and 4(d) hereinabove; all repairs required to be made to the Demised Premises, except to the extent of such roof or structural repairs as are expressly required to be made by Landlord pursuant to Section 9 hereinbelow; all costs of landscaping, parking, sweeping, maintenance and repairs, power, water, other utilities, decorative features, wages for on-site cleaning, parking, and/or security personnel, management fees, insurance premiums and deductibles, license and permit fees and associated costs, professional fees, waste disposal (except as set forth below), heating, ventilation and air conditioning costs and repairs, and materials and supplies. Tenant shall be solely responsible (and at its sole cost and expense) for all waste disposal including all medical, special, infectious, and other waste disposal and for all Hazardous Waste disposal and Tenant shall in all respects indemnify, defend (with counsel designated by Landlord) and hold Landlord harmless with respect thereto.

f . *Monthly and Other Payment of Non-Base Rent Charges* Landlord may in its discretion from time to time estimate the aggregate amount of all charges to be paid by Tenant hereunder other than for Base Rent and bill Tenant for one-twelfth of such amount on a monthly rental invoice, in which event such billed amount must be paid punctually together with the Base Rent due (it being understood that such additional amount shall for all purposes be treated as "*Rent*" hereunder). Promptly after each anniversary of the Commencement Date, Landlord shall calculate the actual sum that would be due under this Lease (i.e., for all charges from Tenant other than for Base Rent) in respect of the 12-month period immediately prior to such anniversary and refund any overpaid amount resulting from Tenant's prior monthly payments or bill Tenant for any underpaid amount resulting notwithstanding Tenant's prior monthly payments (with any underpaid sum to be due promptly upon billing). In addition to the foregoing, Landlord may from time to time in its discretion establish such further procedures with respect to payment of non- Base Rent sums due under this Lease as Landlord may from time to time reasonably designate.

g. Payment. Each payment of rent or any other obligation of the Tenant shall be paid in lawful money of the United States of America without prior demand or notice and without any deduction, set off or counterclaim whatsoever by delivering the rent payment including all adjustments thereto to the office of the Landlord or at such other place or places as may from time to time be designated in writing by the Landlord, All sums to be paid under this Lease by Tenant, including, without limitation, all Base Rent, and all other charges required to be paid under this Section 4, shall for all purposes be deemed to be "Rent."

5. *Possession and Surrender of Demised Premises.*

a. *Acceptance of Demised Premises.* Tenant shall by entering upon and occupying the Demised Premises be deemed to have accepted the Demised Premises in its "as is" condition as of the Commencement Date, subject to all recorded matters and laws, Tenant acknowledges that neither Landlord nor its agents have made any representations or warranties as to the suitability or fitness of the Demised Premises for the conduct of Tenant's business or for any other purpose, nor has Landlord or its agents or employees agreed to undertake any alterations or construct any further tenant improvements to the Demised Premises except as expressly provided in this Lease. Notwithstanding anything to the contrary, upon Landlord's request Tenant shall hereafter execute and deliver such Memorandum of Commencement Date, in form reasonably designated by Landlord, certifying the date that is the Commencement Date, Tenant's acceptance and approval of the Demised Premises without reservation, and such other matters as Landlord may reasonably request.

b. *Removal of Tenant's Property.* Upon the expiration or sooner termination of the term of this Lease, Tenant shall, at its sole cost and expense, remove all personal property and trade fixtures which Tenant has installed or placed on the Demised Premises (all of which are hereinafter referred to as "Tenant's property") from the Demised Premises and repair all damage thereto resulting from such removal and Tenant shall thereupon surrender the Demised Premises in the same condition as on the date when the Demised Premises was ready for occupancy, reasonable wear and tear excepted. In the event Tenant shall fail to remove any of Tenant's property as provided herein, Landlord may, but is not obligated to, at Tenant's expense, remove all of such property not so removed and repair all damage to the Demised Premises resulting from such removal, and Landlord shall have no responsibility to Tenant for any loss or damage to said property caused by or resulting from such removal or otherwise.

6. *Use of Demised Premises.* The Demised Premises are leased to Tenant solely for the operation of a rehabilitation hospital and uses incidental thereto. Tenant shall continuously use the Demised Premises for this purpose and shall not use or allow to be used the Demised Premises, or any portion thereof, for any other purpose or purposes whatsoever without Landlord's prior written consent. Tenant shall conduct business under the trade name of "DESERT CANYON REHABILITATION HOSPITAL" and no other without prior written consent of Landlord.

a. *Tenant's Duty to Keep Demised Premises Repaired and in Good Order.* Tenant shall keep and maintain in good order, condition, and repair (including any such replacement and restoration as is required for that purpose) the Demised Premises and every part thereof and any and all appurtenances thereto wherever located, including, but not limited to, the exterior and interior portion of all doors, door checks, windows, plate glass, store front, all plumbing and sewage facilities within the Demised Premises, fixtures, heating and air conditioning and electrical systems, sprinkler system, if any, and walls, floors and ceilings, and any work performed by or on behalf of Tenant after the Commencement Date. Tenant shall also keep and maintain in good order, condition and repair (including any such replacement and restoration as is required for that purpose) any special equipment, fixtures or facilities other than the usual and ordinary plumbing and utility facilities, which special facilities shall include but not be limited to grease traps, located outside the Demised Premises. Tenant shall contract with a service company for the maintenance of air-conditioning equipment, with a copy of the service contract to be furnished to the Landlord within ten (10) days after opening for business, and a copy of any subsequent contracts to be furnished from time to time during the Term of this Lease. Landlord agrees to assign to Tenant any warranties Landlord may have pertaining to those parts of the Demised Premises Tenant is responsible for maintaining hereunder. Tenant shall store all trash and garbage in metal containers located where designated by Landlord and so as not to be visible or create a nuisance to customers and business invitees in the Demised Premises, and so as not to create or permit any health or fire hazard, and arrange for the prompt and regular removal thereof, If Tenant fails to maintain or repair the Demised Premises as required hereunder, Landlord may, upon ten (10) days prior notice to Tenant (except that no notice shall be required in the case of an emergency), enter the Demised Premises and perform such maintenance or repair on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all costs incurred in performing such maintenance or repair, immediately upon demand.

b. *Compliance with Law; Due Licensure of Medical Personnel.* Tenant will not use the Demised Premises or any portion thereof; (i) in violation of any law, ordinance, rule, regulation, certificate of occupancy, or (ii) for any business or purpose that creates risks of fire or other hazards that would in any way increase, suspend or void the rate or amount of insurance of any type to the Landlord on any part of the Demised Premises. Tenant shall at all times during the Term of this Lease, and at Tenant's sole cost and expense, comply with all governmental rules, regulations, ordinances, statutes and laws, (including, without limitation, the Americans with Disabilities Act of 1990 (and all rules and regulations promulgated thereunder)), and the orders and regulations of the National Board of Fire Underwriters or any other body now or hereafter exercising similar functions, now or hereafter in effect pertaining to the use, occupancy, condition or alteration of the Demised Premises. Landlord makes no representation or warranty as to the condition of the Demised Premises with respect to any law or the suitability of the Demised Premises for Tenant's intended use or whether such use complies with any or all laws. Tenant covenants that all persons who furnish medical services or related activities of any kind at the Demised Premises shall be and remain appropriately licensed and in good standing with the applicable state licensing board(s) and any applicable federal, state or local certification or licensing agency or office.

c . *Compliance with Rules and Regulations.* Tenant hereby covenants and agrees that it, its agents, employees, servants, contractors, subtenants and licensees shall abide by the rules and regulations set forth above and such additional rules and regulations hereafter adopted and amendments and modifications of any of the foregoing as Landlord may, from time to time, adopt for the safety, care and cleanliness of the Demised Premises, for the preservation of good order thereon,

d. *Use of Plumbing.* The plumbing facilities in the Demised Premises shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Tenant who shall, or whose employees, agents, servants, customers or invitees shall have caused it,

e. *Pest Control.* Tenant shall keep the Demised Premises free from pests and vermin.

f. *Trash.* Tenant shall not burn any trash or garbage of any kind in or about the Demised Premises.

g . *Insurance.* Tenant shall, at Tenant's expense, maintain property insurance on the Demised Premises and appurtenant structures in such amount as Landlord and any mortgagees may deem necessary or appropriate. In addition, Tenant shall, at Tenant's expense, obtain and keep in force at all times during the Term of the Lease, a policy or policies of insurance covering loss or damage to all of the improvements, betterments, personal property, utility installations, trade fixtures, furnishings, and business contents located within the Demised Premises, in the amount of one hundred percent (100%) of the full replacement value thereof as reasonably ascertained by the Tenant's insurance carrier against risks of direct physical loss or damage, normally covered in an "all risk" policy (including the perils of flood and surface waters), as such term is used in the insurance industry; provided, however, that Tenant shall have no obligation to insure against earthquakes or against acts of terror. The proceeds of such insurance shall be used for the repair or replacement of the property so insured (including, without limitation, any repair or replacement of such property in accordance with Section 16 below).

Tenant shall, at Tenant's expense, maintain a policy of Commercial General Liability insurance insuring Tenant and as additional insureds, Landlord and any of Landlord's mortgagees, against liability arising out of the ownership, use, occupancy or maintenance of the Premises, Such insurance shall be on an occurrence basis providing single-limit coverage in an amount not less than Two Million Dollars (\$2,000,000) per occurrence. The initial amount of such insurance shall be subject to periodic increases upon reasonable demand by Landlord based upon inflation, increased liability awards, recommendation of professional insurance advisers, and other relevant factors. However, the limits of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder.

Insurance required to be maintained by Tenant hereunder shall be in companies holding a "General Policyholders' Rating" of B-plus or better and a "financial rating" of 10 or better, as set forth in the most current issue of "Best's Insurance Guide," or such comparable ratings as Landlord shall approve, in its sole discretion. Tenant shall promptly deliver to Landlord, within thirty (30) days of the Commencement Date, original certificates evidencing the existence and amounts of such insurance. No such policy shall be cancelable or subject to reduction of coverage except after thirty (30) days prior written notice to Landlord, Tenant shall, within thirty (30) days prior to the expiration, cancellation or reduction of such policies, furnish Landlord with renewals or "binders" thereof. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies required under this Lease.

Tenant shall obtain from the issuers of the insurance policies referred to in this Lease a waiver of subrogation provision in said policies (with respect to Landlord) and Tenant hereby releases and relieves Landlord, and waives any and all rights of recovery against Landlord, or against the employees, officers, agents and representatives of Landlord, for loss or damage arising out of or incident to the perils required to be insured against under this Lease which perils occur in, on or about the Demised Premises, whether due to the negligence of Landlord or Landlord's or their agents, employees, contractors or invitees.

h . *Signs.* Tenant shall not place any signs on the exterior of the Demised Premises without Landlord's consent, which consent shall not be unreasonably withheld.

i . *Hazardous Substances, Including Medical, Special, and Infectious Waste.* The term "Hazardous Substance" as used in this Lease shall mean any product, substance, chemical, material or waste (i.e., whether medical, special, infectious, or otherwise), whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be on the Demised Premises, is: (i) potentially injurious to the public health, safety or welfare, the environment, or the Demised Premises; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of Landlord to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof, or any hazardous or toxic substance, material or waste, regulated or listed pursuant to any federal, state or local environmental law, including without limitation, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act, and the Occupational Safety and Health Act. Tenant shall not engage in any activity in or about the Demised Premises which constitutes a "Reportable Use" (as hereinafter defined) of Hazardous Substances without the express prior written consent of Landlord and compliance in a timely manner (at Tenant's sole cost and expense) with all Applicable Requirements (as defined below). "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and (iii) the presence in, on or about the Demised Premises of a Hazardous Substance with respect to which any Applicable Requirements require that a notice be given to persons entering or occupying the Demised Premises or neighboring properties. Notwithstanding the foregoing, Tenant may, without Landlord's prior consent, but upon notice to Landlord and in compliance with all Applicable Requirements, use any ordinary and customary materials reasonably required to be used by Tenant in the normal course of the uses permitted under Section 6 of the Lease, so long as such use is not a Reportable Use and does not expose the Demised Premises or neighboring properties to any meaningful risk of contamination or damage or expose Landlord to any liability therefor. In addition, Landlord may (but without any obligation to do so) condition its consent to any Reportable Use of any Hazardous Substance by Tenant upon Tenant's giving Landlord such additional assurances as Landlord, in its reasonable discretion, deems necessary to protect itself, the public, the Demised Premises and the environment against damage, contamination or injury and/or liability therefor, including but not limited to the installation (and, at Landlord's option, removal on or before Lease expiration or earlier termination) of reasonably necessary protective modifications to the Demised Premises.



To the extent necessary to Tenant's business and consistent with the prudent operation of Tenant's business and all applicable laws, rules, and regulations, Tenant may store and/or utilize Hazardous Substances; provided, however, that Tenant shall from time to time furnish Landlord with a comprehensive list of all such Hazardous Materials (i.e., medical, special, infectious, or otherwise) so stored and/or utilized at the Demised Premises. In addition, prior to the installation and use of any equipment, Tenant shall provide Landlord with a list of such equipment and its Intended use; a list of any Hazardous Substances which will be used or generated in connection with such equipment; and Tenant's proposed procedures for the use, storage and disposal of any Hazardous Substances, including, but not limited to, the procedure for silver recovery for any radiology equipment.

If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Demised Premises, other than as set forth above or as previously consented to by Landlord, Tenant shall immediately give Landlord written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, business plan, license, claim, action, or proceeding given to, or received from, any governmental authority or private party concerning the presence, spill, release, discharge of, or exposure to, such Hazardous Substance including but not limited to all such documents as may be involved in any Reportable Use involving the Demised Premises. Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Demised Premises (including, without limitation, through the plumbing or sanitary sewer system).

Tenant shall indemnify, protect, defend and hold Landlord, its agents, employees, lenders and ground lessor, if any, and the Demised Premises, harmless from and against any and all damages, liabilities, judgments, costs, claims, liens, expenses, penalties, loss of permits and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Demised Premises by or for Tenant or by anyone under Tenant's control. Tenant's obligations under this paragraph shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation, restoration and/or abatement thereof, or of any contamination therein involved, and shall survive the expiration or earlier termination of this Lease. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Landlord in writing at the time of such agreement.

Tenant shall, at Tenant's sole cost and expense, fully, diligently and in a timely manner, comply with all "*Applicable Requirements*," which term is used in this Lease to mean all laws, rules, regulations, ordinances, directives, covenants, easements and restrictions of record, permits, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Landlord's engineers and/or consultants, relating in any manner to the Demised Premises (including but not limited to matters pertaining to (i) industrial hygiene, (ii) environmental conditions on, in, under or about the Demised Premises, including soil and groundwater conditions, and (iii) the use, generation, manufacture, production, installation, maintenance, removal, transportation, storage, spill, or release of any Hazardous Substance), now in effect or which may hereafter come into effect. Tenant shall, within five (5) days after receipt of Landlord's written request, provide Landlord with copies of all documents and information, including but not limited to permits, registrations, manifests, applications, reports and certificates, evidencing Tenant's compliance with any Applicable Requirements specified by Landlord, and shall immediately upon receipt, notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving failure by Tenant or the Demised Premises to comply with any Applicable Requirements.

Landlord, Landlord's agents, employees, contractors and designated representatives, and any mortgagee under a mortgage or beneficiary under a deed of trust encumbering the Demised Premises shall have the right to enter the Demised Premises at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Demised Premises and for verifying compliance by Tenant with this Lease and all Applicable Requirements, and Landlord shall be entitled to employ experts and/or consultants in connection therewith to advise Landlord with respect to Tenant's activities, including but not limited to Tenant's installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Demised Premises. The costs and expenses of any such inspections shall be paid by the party requesting same, unless a default of this Lease by Tenant or a violation of Applicable Requirements or a contamination, caused or materially contributed to by Tenant, is found to exist or to be imminent, or unless the inspection is requested or ordered by a governmental authority as the result of any such existing or imminent violation or contamination. In such case, Tenant shall upon request reimburse Landlord or Landlord's Mortgagee, as the case may be, for the costs and expenses of such inspections.

7. *Alteration and Improvements.* Tenant shall not make any additions, alterations, improvements or changes ("*improvements*") in or to the Demised Premises without the prior written approval of Landlord, which approval shall not be unreasonably withheld. In no event shall any consent be granted if Tenant is in default hereunder. Notwithstanding the foregoing, Tenant shall have the right to make improvements without Landlord's consent where such improvements: (i) are non-structural; (ii) do not affect the electrical, mechanical, plumbing, HVAC or other systems of the building containing the Demised Premises; and (iii) cost no more than **One Hundred Thousand Dollars (\$100,000)** in any calendar year. Any improvements shall be made promptly and in a good and workmanlike manner and in compliance with all insurance requirements and with all applicable permits, authorizations, building regulations, zoning laws and all other governmental rules, regulations, ordinances, statutes and laws, now or hereafter in effect pertaining to the Demised Premises or Tenant's use thereof shall be performed in such manner as not to delay or impose any additional expense upon Landlord in construction, maintenance or operation of the building containing the Demised Premises. Throughout the performance of improvements, Tenant, at its expense, shall carry, or cause to be carried, workers' compensation insurance in statutory limits, and general liability insurance for any occurrence in or about the Demised Premises, of which Landlord and its managing agent shall be named as additional parties insured, in such limits as Landlord may reasonably prescribe. Tenant further covenants and agrees that any mechanic's lien filed against the Demised Premises for work claimed to have been done for, or materials claimed to have been furnished to Tenant, will be discharged by Tenant, by bond or otherwise, within ten (10) days after the filing thereof, at the cost and expense of Tenant.

8. *Liens.* Tenant shall at all times indemnify, save, and hold Landlord and the Demised Premises, free, clear and harmless from any claims, liens, demands, charges, encumbrances, litigation and judgments arising directly or indirectly out of any use, occupancy or activity of tenant, or any person or entity holding through or under Tenant or out of any work performed, material furnished, or obligations incurred by Tenant in, upon or otherwise in connection with the Demised Premises, Tenant shall give Landlord written notice at least ten (10) business days prior to the commencement of any such work on the Demised Premises to afford Landlord the opportunity of filing appropriate notices of non-responsibility. Tenant shall, at its sole cost and expense, within fifteen (15) days after filing of any lien of record, obtain the discharge and release thereof. Nothing contained herein shall prevent Landlord, at the cost and for the account of Tenant, from obtaining said discharge and release in the event Tenant fails or refuses to do the same within said fifteen (15) day period,

9. *Landlord's Repairs.* Except as set forth herein, Landlord shall have no maintenance, repair or restoration obligations whatsoever under this Lease or otherwise. Tenant expressly waives the benefit of any statute in effect now or in the future which might give Tenant the right to make repairs at the Landlord's expense or to terminate this Lease due to the Landlord's failure to keep the Demised Premises in good order, condition, or repair. Notwithstanding anything to the contrary, Landlord shall, at its cost and expense, be obligated to maintain the roof and structure of the Premises and to make all requisite repairs thereto and restorations thereof, except to the extent that such maintenance, repair or restoration is required as a result of the willful misconduct or negligence of Tenant or any of its personnel, patients, agents, licensees or invitees, in which event the cost of such maintenance, repair or restoration shall be borne by Tenant.

10. *Indemnification.* Tenant hereby covenants and agrees to indemnify, save and hold Landlord harmless from any and all liability, loss, expenses (including attorney's fees, judgments, claims, liens and demands of any kind whatsoever) in connection with, (i) Tenant's use of the Demised Premises, or (ii) the conduct of Tenant's business, or (iii) any activity, work or things done in the Demised Premises, or (iv) any default in the performances of any obligation on Tenant's part to be performed under the terms of the Lease, or (v) any negligence of Tenant, or any of Tenant's agents, contributors or employees. Notwithstanding the foregoing, Tenant shall not be required to defend, save harmless or indemnify Landlord, and Landlord shall indemnify, save and hold harmless Tenant, from any liability for injury, loss, accident or damage to any person or property resulting from Landlord's negligence or willful acts or omissions, or those of Landlord's agents, contractors or employees.

11. *Subordination.* Tenant agrees upon request of Landlord to subordinate this Lease and its rights hereunder to the lien of any mortgage, deed of trust or other encumbrance, together with any renewal, extensions or replacements thereof, now or hereafter placed, charged or enforced against the Demised Premises, or any portion thereof, or any property of which the Demised Premises is a part, and to execute and deliver at any time, and from time to time, upon demand by Landlord, such documents as may be required to effectuate such subordination, and in the event that Tenant shall fail, neglect or refuse to execute and deliver any such documents to be executed by it, Tenant hereby appoints Landlord, its successors and assigns, the attorney-in-fact of Tenant irrevocably to execute and deliver any and all such documents for and on behalf of Tenant; provided, however, Tenant shall not be required to effectuate such subordination, nor shall Landlord be authorized to effectuate such subordination on behalf of Tenant, unless the mortgagee or beneficiary named in such mortgage, deed of trust, or other encumbrance shall first agree in writing, for the benefit of Tenant, that so long as Tenant is not in default under any of the provisions, covenants or conditions of this Lease on the part of Tenant to be kept and performed, that neither this Lease nor any of the rights to Tenant hereunder shall be terminated or modified or be subject to termination or modification, nor shall Tenant's possession of the Demised Premises be disturbed by proceedings to foreclose said mortgage, deed of trust or other encumbrance. In the event that the mortgagee or beneficiary of any such mortgage or deed of trust elects to have this Lease a prior lien to its mortgage or deed of trust, then and in such event, upon such mortgagee's or beneficiary's giving written notice to Tenant to that effect, this Lease shall be deemed prior in lien to such mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of recordation of such mortgage or deed of trust. Tenant shall, in the event any proceedings are brought for the foreclosure of the Demised Premises or in the event of exercise of the power of sale under any deed of trust made by the Landlord covering the Demised Premises, attend to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

12. *Estoppel Certificate.* Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying; (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other matters as may be reasonably required by Landlord or the holder of a mortgage, deed of trust or lien to which the Demised Premises is or becomes subject. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Demised Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been canceled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts.

13 . *Assignment and Subletting.* Tenant shall not assign, mortgage, pledge, hypothecate or encumber this Lease nor the leasehold estate hereby created or any interest herein or sublet the Demised Premises or any portion thereof, or license the use of all or any portion of the Demised Premises without prior written consent of the Landlord which consent shall not be withheld: (i) for any sublease, so long as Tenant has not subleased in the aggregate over one-third of the Demised Premises giving effect to such sublease; and (ii) for an assignment, if the proposed assignment is being made to an assignee of good repute with equal or superior credit-worthiness to that of Landlord, and such assignee will only utilize the Demised Premises as *an inpatient rehabilitation hospital*. Neither the consent by Landlord to any assignment or subletting, nor the act of any such assignment or subletting, shall constitute a waiver of the necessity for such consent to any subsequent assignment or subletting, nor shall it constitute a release of any obligations of Tenant under this Lease. Tenant shall pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in processing, documenting, or administering any request of Tenant for Landlord's consent required pursuant to this Section. If this Lease be assigned, or if the Demised Premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained.

a . *Assignor Remains Liable.* In the absence of an express agreement in writing to the contrary, executed by Landlord, no assignment, mortgage, pledge, hypothecation, encumbrance, subletting or license hereof or hereunder shall act as a release of Tenant from any of the provisions, covenants and conditions of this Lease on the part of Tenant to be kept and performed.

b . *No Merger.* The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation hereof, or the termination of this Lease by Landlord pursuant to any provision contained herein, shall not work a merger, but at the option of Landlord, shall either terminate any or all existing subleases or sub-tenancies, or operate as an assignment to the Landlord of any and all such subleases or sub-tenancies.

14. *Insolvency.* It is understood and agreed that neither this Lease nor any interest herein or hereunder, nor any estate hereby created in favor of Tenant, shall pass by operation of law under any state or federal insolvency or bankruptcy act, or any similar law now or hereafter in effect, to any trustee, receiver, assignee for the benefit of creditors, or any other person whomsoever without the express prior written consent of Landlord.

15. *Condemnation.* Should the whole or any part of the Demised Premises be condemned or taken by a competent authority for any public or quasi-public purpose, all awards payable on account of such condemnation and taking shall be payable to Landlord, and Tenant hereby waives any and all interest therein. If the whole of the Demised Premises shall be so condemned and taken, then this Lease shall terminate upon such taking. If greater than one-third (1/3) of the floor space of the Demised Premises is condemned or taken, and if the remaining portion thereof will not be reasonably adequate for the operation of Tenant's business after Tenant completes such repairs or alterations as are necessary to restore such part of the Demised Premises to as near its former condition immediately preceding the taking as the circumstances will permit, either Landlord or Tenant shall have the option of terminating this Lease by notifying the other party hereto of such election in writing within twenty (20) days after such taking. If by such condemnation and taking one-third (1/3) or less of the Demised Premises has been taken, or if a part only of the Demised Premises is taken and the remaining part thereof is suitable for the purposes for which Tenant has leased said premises, this Lease shall continue in full force and effect, and Tenant shall proceed with reasonable diligence to restore such part of the Demised Premises to as near its former condition immediately preceding the taking as the circumstances will permit, but the Base Rent shall be reduced in an amount equal to that proportion of the Base Rent which the floor space of the portion taken bears to the total floor space of the Demised Premises. Landlord shall reimburse Tenant for Tenant's reasonable restoration costs, to the extent Landlord has recovered same from the condemning authority, within thirty (30) days after Landlord's receipt of Tenant's written demand and documentation evidencing the cost of such restoration.

16. *Destruction of Premises.* In the case of (i) the total destruction of the Demised Premises or any portion thereof substantially interfering with Tenant's use of the Demised Premises, whether by fire or other casualty, not caused by the default or negligence of Tenant, its agents, employees, servants, contractors, subtenants, licensees, customers or business invitees, or (ii) in the event any mortgagee under a mortgage or beneficiary under a deed of trust hold a lien encumbering the Demised Premises shall require payments of insurance proceeds, or (iii) in the event of a natural uninsured loss to the Demised Premises, Landlord, at its option, may terminate this Lease by notifying Tenant of such termination within ninety (90) days after the date of such casualty. If Landlord does not thus elect to terminate the Lease, Tenant shall repair such damage within 180 days, this Lease shall not terminate, but shall continue in full force and effect. If this Lease is terminated pursuant to this Section and if Tenant is not in default hereunder, rent shall be prorated as of the date of termination, and all rights and obligations hereunder shall cease and terminate.

a . *Lease Does Not Terminate If Damage by Tenant.* Notwithstanding the foregoing provisions, in the event the Demised Premises, or any portion thereof, shall be damaged by fire or other casualty due to the fault or negligence of Tenant, its agents, employees, servants, contractors, subtenants, licensees, customers or business invitees, then, without prejudice to any other rights and remedies of Landlord, this Lease shall not terminate, the damage shall be repaired by Tenant, and there shall be no apportionment or abatement of any rent.

b . *Insurance Proceeds.* All insurance proceeds payable under any fire and extended coverage risk insurance required to be maintained by Tenant pursuant to this Lease shall be payable solely to Landlord or any mortgagee under a mortgage or beneficiary under a deed of trust holding a lien encumbering the Demised Premises (as their respective interests shall appear) to be held and applied to the cost of restoring the Demised Premises, and Tenant shall have no interest therein, except that Tenant shall be entitled to all insurance proceeds payable for the destruction of Tenant's personal property (in no event, however, shall Tenant be entitled to insurance proceeds with respect to destruction of any improvements, betterments or fixtures on the Demised Premises). Tenant shall also deposit with Landlord the amount of any deductible required under any insurance policy covering fire or other casualty. If for any reason any portion of the cost to restore the Demised Premises is not covered by insurance, then Tenant shall pay to Landlord, upon demand, any cost or expense that is not so covered. Such repair and restoration shall be performed by properly insured and licensed contractors, in accordance with plans and specifications approved by Landlord, and shall comply with the requirements of this Lease and all applicable laws, codes and regulations. In the event Landlord is required to pay any portion of such restoration or repair costs, Tenant shall reimburse Landlord therefor, together with interest at twelve percent (12%) per year, within ten (10) days after receiving demand therefor from Landlord. Tenant shall in no case be entitled to compensation for damages on account of any annoyance or inconvenience in making repairs under any provision of this Lease. Neither the rent payable by Tenant nor any of Tenant's other obligations under any provisions of this Lease shall be affected by any damage to or destruction of the Demised Premises or any portion thereof by any cause whatsoever. Notwithstanding anything to the contrary set forth above, if such damage or destruction shall occur during the last two (2) years of the Lease, Tenant shall not be required to repair or restore the Demised Premises, provided that all insurance proceeds and deductibles required to be paid to Landlord above are paid to Landlord, and Tenant shall pay to Landlord all rent and all other sums due under this Lease for the remainder of the Term of this Lease,

c . *Tenant must Notify Landlord of Damage.* If Tenant becomes aware of any casualty affecting the Demised Premises, Tenant shall notify Landlord in writing as to the details pertaining to such casualty (so far as known to Tenant) within forty-eight (48) hours after Tenant gains knowledge of such casualty.

17. *Expenditures by Landlord.* Whenever under any provision of this Lease, Tenant shall be obligated to make any payment or expenditure, or to do any act or thing, or to incur any liability whatsoever, and Tenant fails, refuses or neglects to perform as herein required, Landlord shall be entitled, but shall not be obligated, to make any such payment or to do any such act or thing, or to incur any such liability, all on behalf of and at the cost and for the account of Tenant. In such event, the amount thereof with interest thereon at the rate of 12% per year or at the maximum rate per annum rate allowed by law, if lower than 12%, at the time and said sum shall constitute and be collectable as additional rent on demand.

18. *Default.* Tenant's compliance with each and every covenant and obligation hereof on its part to be performed hereunder is a condition precedent to each and every covenant and obligation of Landlord hereunder. Landlord shall have all the rights and remedies provided in this Section or elsewhere herein, in the event that:

a. Tenant shall default in the payment or any sum of money required to be paid hereunder and such default continues for ten (10) days after written notice thereof from Landlord to Tenant; or

b. Tenant shall default in the performance of any other provision, covenant or condition of this Lease on the part of Tenant to be kept and performed and such default continues for twenty (20) days after written notice thereof from Landlord to Tenant; provided, however, that if the default complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such default shall be deemed to be rectified or cured if Tenant shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence, and in any event, within sixty (60) days from the date of giving such notice;  
or

c. Tenant should vacate or abandon the Demised Premises during the Term of this Lease;

d. There is filed any petition in bankruptcy or the Tenant is adjudicated as a bankrupt or insolvent, or there is appointed a receiver or trustee to take possession of Tenant or of all or substantially all of the assets of Tenant, or there is a general assignment by Tenant for the benefit of creditors, or any action is taken by or against Tenant under any state or federal insolvency or bankruptcy act, or any similar law now or hereafter in effect, including, without limitation, the filing of execution or attachment against Tenant and such levy continues in effect for a period of twenty (20) days.

e. In the event of a default as designated in this Section or elsewhere herein, in addition to any other rights or remedies provided for herein or at law or in equity, Landlord, at its sole option, shall have the following rights:

(1) The right to declare the Term of this Lease ended and to reenter the Demised Premises and take possession thereof, and to terminate all of the rights of Tenant in and to the Demised Premises, or



(2) The right without declaring the Term of this Lease ended, to reenter the Demised Premises and to occupy the same, or any portion thereof, for or on account of Tenant as hereinafter provided, applying any monies received first to the payment of such expenses as Landlord may have paid, assumed or incurred in recovering possession of the Demised Premises, including costs, expenses of attorney's fees in placing the same in good order and condition, or preparing or altering the same for reletting, and all other expenses, commissions and charges paid, assumed or incurred by Landlord in or in connection with reletting the Demised Premises and then to the fulfillment of the covenants of Tenant. Any such reletting as provided for herein may be for the remainder of the Term of this Lease or for a longer or shorter period. Such reletting shall be for such rent and on such other terms and conditions as Landlord, in its sole discretion, deems appropriate. Landlord may execute any lease made pursuant to the terms hereof either in Landlord's own name or in the name of Tenant, or assume Tenant's interest in and to any existing subleases to any tenant of the Demised Premises, as Landlord may see fit, and Tenant shall have no right or authority whatsoever to collect any rent from such tenants, subtenants, licensees or concessionaires on the Demised Premises. In any case, and whether or not the Demised Premises or any part thereof be relet, Tenant, until the end of what would have been the Term of this Lease in the absence of such default and whether or not the Demised Premises or any part thereof shall have been relet, shall be liable to Landlord and shall pay to Landlord monthly an amount equal to the amount due as rent hereunder, less the net proceeds for said month, if any, of any reletting effected for the account of Tenant pursuant to the provisions of this paragraph, after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorney's fees, expenses of employees, alteration costs, and expenses of preparation for such reletting (all said costs are cumulative and shall be applied against proceeds of reletting until paid in full), or

(3) The right, even though it may have relet all or any portion of the Demised Premises in accordance with the provisions of subparagraph (2) of this section, to thereafter at any time elect to terminate this Lease for such previous default on the part of Tenant, and to terminate all of the rights of Tenant in and to the Demised Premises. Pursuant to said rights of reentry, Landlord may remove all persons from the Demised Premises and may, but shall not be obligated to, remove all property therefrom, and may, but shall not be obligated to, enforce any rights Landlord may have against said property or store the same in any public or private warehouse or elsewhere at the cost and for the account of Tenant or the owner or owners thereof. Tenant agrees to hold Landlord free, and harmless of any liability whatsoever for the removal and/or storage of any such property, whether of Tenant or any third party whomsoever. Anything contained herein to the contrary notwithstanding, Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any rent or other sum of money thereafter to accrue hereunder, or Tenant's liability for damages under any of the provisions hereof, by any such reentry, or by any action in unlawful detainer or otherwise to obtain possession of the Demised Premises, unless Landlord shall have specifically, with reference to this Section, notified Tenant in writing that it has so elected to terminate this Lease. Tenant covenants and agrees that the service by Landlord pursuant to such notice shall not (unless Landlord elects to the contrary at the time of, or at any time subsequent to, the service of such notice thereof to Tenant) be deemed to be a termination of this Lease or the termination of any liability of Tenant hereunder to Landlord.

f. *No Waiver.* The waiver by Landlord of any default or breach of any of the provisions, covenants or conditions hereof on the part of Tenant to be kept and performed shall not be a waiver of any preceding or subsequent breach of the same or any other provision, covenant or condition contained herein. The subsequent acceptance of rent or any other payment hereunder by Tenant to Landlord shall not be construed to be a waiver of any preceding breach by Tenant of any provision, covenants or condition of this Lease other than the failure of Tenant to pay the particular rental or other payment or portion thereof so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rental or other payment. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein provided shall be deemed to be other than on account of the earliest rent due and payable hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease. This paragraph may not be waived.

19. *Quiet Possession.* Tenant, upon paying the rentals and other payments herein required from Tenant, and upon Tenant's performance of all of the provisions, covenants and conditions of this Lease on its part to be kept and performed, may quietly have, hold and enjoy the Demised Premises during the Term of this Lease without any disturbance from Landlord or from any other person claiming through Landlord, however, Landlord and its agents shall have free access to the Demised Premises for the purpose of examining them and Tenant's compliance with this Lease and exhibit them to prospective purchasers and prospective tenants.

20. *Sale by Landlord.* In the event of any sale or exchange of the Demised Premises by Landlord, Landlord shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease, arising out of any act, occurrence or omission relating to the Demised Premises occurring after the consummation of such sale or exchange. Tenant agrees to attorn to such purchaser or grantee.

21. *Default by Landlord.* It is agreed that in the event Landlord fails or refuses to perform any of the provisions, covenants or conditions of this Lease on Landlord's part to be kept or performed, that Tenant, prior to exercising any right or remedy Tenant may have against Landlord on account of such default, shall give a twenty (20) day written notice to Landlord of such default, specifying in said notice the default with which Landlord is charged. Notwithstanding any other provision hereof, Tenant agrees that if the default complained of in the notice provided for by this Section is of such a nature that the same can be rectified or cured by Landlord, but cannot with reasonable diligence be rectified or cured within said twenty (20) day period, then such default shall be deemed to be rectified or cured if Landlord within said twenty (20) day period shall commence the rectification and curing thereof and shall continue thereafter with all due diligence to cause such rectification and curing to proceed and so does complete the same, with the use of diligence as aforesaid. The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the lesser of: (i) the interest of Landlord in the Demised Premises; or (ii) the interest Landlord would have in the Demised Premises if the Demised Premises were encumbered by third party debt in an amount equal to eighty percent (80%) of the value of the Demised Premises (as such value is determined by Landlord) and Tenant agrees to look solely to such amount for recovery of any judgment from Landlord, it being intended that Landlord shall not be personally liable for any judgment or deficiency.

22. *Force Majeure.* Whenever a day is appointed herein on which, or a period of time is appointed in which, either party hereto is required to do or complete any act, matter, or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or things because of labor disputes, civil commotion, war, warlike operation, sabotage, governmental regulations or control, fire or other casualty, inability to obtain any materials, or to obtain fuel or energy, weather or other acts of God, or other causes beyond such party's reasonable control (financial inability excepted), provided, however, that nothing contained herein shall excuse Tenant from the prompt payment of any rent or charge required of Tenant hereunder.

23. *Notices.* Any and all notices and demands by or from Landlord to Tenant, or by or from Tenant to Landlord, required or desired to be given hereunder shall be in writing and shall be validly given or made if served either personally or if deposited in the United States mail, certified or registered postage prepaid, return receipt requested. If such notice or demand be served by registered or certified mail in the manner provided herein, service shall be conclusively deemed given three (3) days after mailing or upon receipt, whichever is sooner.

a. *Notice to landlord.* Any notice or demand to Landlord shall be addressed to Landlord at the address listed on the signature page of this Lease.

b. *Notice to Tenant.* Any notice or demand to Tenant shall be addressed to Tenant at the address listed on the signature page of this Lease.

c. *Change of Address.* Any party herein may change its address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner aforesaid to the other party hereto.

24. *Brokers.* Tenant warrants that it has had no dealings with any broker or agent in connection with this Lease, and covenants to pay, hold harmless and indemnify Landlord from and against any and all cost, expense or liability for any compensation, commissions and charges claimed by any broker or agent with respect to this Lease or the negotiations thereof.

25. *Work Prior to Opening.*

a. *Landlord's Work.* At Landlord's cost and expense, Landlord shall cause the Demised Premises to be constructed in substantial accordance with plans and specifications prepared or to be prepared by Landlord's architect. Said construction shall include all work described in Exhibit B attached hereto and incorporated herein by reference ("*Landlord's Work*"). Landlord shall use reasonable efforts to substantially complete Landlord's Work as soon as is practicable.

b. *Tenant's Work.*

(1) Landlord shall also perform all work described in Exhibit C attached hereto ("*Tenant's Work*"). All such Tenant's Work shall be promptly and diligently completed in accordance with the terms of this Section 25, and in strict compliance with zoning, building and other applicable codes, laws and ordinances. The cost of Tenant's Work shall be borne by Landlord and/or Tenant as follows: Landlord shall pay for the initial *\$85 per square foot (i.e. an aggregate of \$4,250,000)* of Tenant's Work ("*Landlord's Contribution* ") and Tenant shall, in accordance with such timing and procedures as Landlord may reasonably designate, pay all sums in excess thereof.

(2) Tenant shall promptly furnish Landlord with proof that Tenant has: (i) complied with Landlord's timing and procedures with respect to the funding of its share of the costs of Tenant's Work; and (ii) deposited into an account under Landlord's control (the "*Tenant's Construction Contribution Account*") the entire amount Tenant reasonably estimates is necessary to perform Tenant's Work (the "*Tenant's Contribution Funds*"), co-terminus with application of Landlord's Contribution. The Tenant's Contribution Funds shall be used solely to pay for the construction and performance of the Tenant's Work pursuant to this Lease. Tenant agrees that if an "*Event of Default*" occurs under this Lease, or if Landlord elects to do so in connection with performing Tenant's Work as set forth in Section 25(b)(1) above, Landlord may:

(A) Enter upon the Demised Premises and take possession of any materials or equipment, and construct, perform and complete the Tenant's Work, at the risk and expense of Tenant. Landlord shall have the right at any time to discontinue work commenced by it in respect of the Tenant's Work or to change the course of action undertaken and shall not be bound by any limitations or requirements of time. In connection with any construction of the Tenant's Work undertaken, Landlord may (i) engage contractors, engineers and others for the purpose of furnishing labor, materials and equipment in connection with any construction of the Tenant's Work, (ii) cause to be paid, settled or compromised, out of the Tenant's Construction Contribution Account, all bills or claims which may become liens against the Demised Premises or the Tenant's Work, or which have been or may be incurred in connection with the construction, completion and/or performance of the Tenant's Work or for the discharge of liens, encumbrances or defects in the title of the Demised Premises or the Tenant's Work, and (iii) take such action or refrain from acting under this Lease as Landlord may in its sole discretion from time to time determine without limitation.

(B) Employ watchmen at Tenant's expense, out of the Tenant's Construction Contribution Account, to protect the Tenant's Work, including any building materials stored on the Demised Premises, from depreciation or injury,

(C) For the purpose of carrying out this Section 25 and exercising these rights, powers and privileges, Tenant hereby irrevocably appoints and appoints Landlord as its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and do and perform any acts such as are referred to in this Section 25 in the name and on behalf of Tenant.

(D) Exercise any other remedies provided under this Lease or applicable law or in equity, any and/or all of which remedies Landlord may exercise concurrently or consecutively at any time.

(3) At such time as Landlord or Tenant shall have received the requisite approvals from any municipality or governmental agency having jurisdiction over the completion of the Tenant's Work, such party hereto shall provide such documentation to the other party hereto.

(4) The provisions of this Section 25 shall survive any termination of this Lease.

(5) "Tenant's Plans," prepared in conformity with Exhibit C attached hereto, and containing a layout for Tenant's intended use of the Demised Premises and exterior sign drawing, are included in the Building Plans in Exhibit B.

(6) Tenant shall not install any fixtures or equipment which can exceed the capacity of any utility facilities serving the Demised Premises. Any additional utility facilities required in connection with any equipment installed by Tenant shall be installed at Tenant's expense and shall comply with all applicable code requirements and with plans and specifications which are approved in writing by Landlord.

26. *Miscellaneous Additional Provisions.*

a. *Captions.* The captions appearing at the commencement of the sections hereof are descriptive only and for convenience in reference to this Lease and in no way whatsoever define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

b. *Remedies Cumulative.* The various rights, options, elections and remedies of Landlord contained in this Lease shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law and not expressly waived in this Lease.

c . *Successors and Assigns.* Subject to the provisions restricting assignment, the terms, provisions, covenants and conditions contained in this Lease shall apply to, bind and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and permitted assigns of Landlord and Tenant, respectively.

d . *Partial Invalidity.* If any term, provision, covenant or condition of this Lease, or any application thereof, should be held by a court of competent jurisdiction to be invalid void or unenforceable, all provisions, covenants and conditions of this Lease, and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

e. *Time of the Essence.* Time is of the essence of this Lease and all of the terms, provisions, covenants and conditions hereof.

f. *Entire Agreement.* This Lease contains the entire agreement between the parties and cannot be changed or terminated orally.

g . *No Partnership.* Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant. Neither the method of computation of rent nor any other provisions contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of Landlord and Tenant.

h . *Attorney's Fees and Costs.* In any action brought by Landlord to enforce any of its rights under or arising from this Lease, Landlord shall be entitled to receive its cost and legal expenses including reasonable attorney's fees, whether such action is prosecuted to judgment or not. The parties hereto shall And they hereby do waive trial by jury in any action, proceeding or counterclaims 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 the Demised Premises, and/or any claim of injury or damage. In the event Landlord commences any proceedings for nonpayment of rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceedings. This shall not, however, be construed as a waiver of the Tenant's rights to assert such claims in any separate action or actions brought by Tenant. The parties hereto covenant and agree that Landlord shall have no duty to mitigate damages arising in any way out of Tenant's failure to comply with any term, condition, covenant or agreement of this Lease.

i . *Number and Gender.* Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution or substitutions.

j . *Governing Law.* The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Lease, exclusive of the conflict of laws provisions thereof.

k. *Joint Liability of All Tenants.* In the event Tenant now or hereafter shall consist of more than one person, firm or corporation, then and in such event, all such persons, firms or corporations shall be jointly and severally liable as Tenant hereunder.

l. *No Lease until Signed by the Parties.* The submission of this Lease for examination does not constitute a reservation of or option for the Demised Premises and this Lease becomes effective as a Lease only upon execution and delivery thereof by Landlord and Tenant.

m. *Tenant must Advise Landlord of Matters Affecting Title.* Should any claim or lien be filed against the Demised Premises, or any action or proceeding be instituted affecting the title to the Demised Premises, tenant shall give Landlord written notice thereof as soon as Tenant obtains knowledge thereof.

n. *Lease Construed According to its Terms.* Although the printed provisions of those Lease were drawn by Tenant, this Lease shall not be construed either for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of its language.

o. *Acknowledgment of Independent Advice.* Each party whose signature appears below acknowledges that he has read all of the provisions of the foregoing agreement, understands them, has sought independent advice regarding the legal effect of the provisions herein, and agrees to be bound by said provisions.

p. *Warranty.* In the event Tenant shall consist of a corporation, the officer signing this agreement for such corporation shall deliver to Landlord, on or before the date of execution of this Lease, a Resolution of the Board of Directors of such corporation approving this Lease and authorizing execution of this Lease by the above-described officer of the corporation.

q. *Waiver.* No course of dealing or delay between the parties shall operate as a waiver of the rights of any party to this Lease. No default, covenant or condition of this Lease may be waived other than in writing.

r . *Counterparts.* This Lease may be executed in facsimile form and in one or more counterparts, and by the different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first written above.

**LANDLORD**

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

Landlord's Address:

3965 South Durango Drive  
Suite 106  
Las Vegas, NV 89052

**TENANT**

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Tenant's Address:

3965 South Durango Drive  
Suite 106  
Las Vegas, NV 89052



EXHIBIT A  
SITE PLAN

EXHIBIT B  
BUILDING SHELL & TENANT IMPROVEMENTS

EXHIBIT C  
DESCRIPTION OF TENANT'S WORK

TENANT'S WORK - The following work is required to be completed, placing the Demised Premises in finished condition, ready to open for business, by Landlord at Tenant's and/or Landlord's expense as set forth in Section 25(b)(1) above. Tenant's Work shall be in accordance with the following:

A. GENERAL PROVISIONS

All of Tenant's Work shall be governed in all respect by, and be subject to, the following:

1. Landlord shall have the right to require Tenant to furnish payment and performance bonds, or other security in form satisfactory to Landlord, for the prompt and faithful performance of the cost of Tenant's Work in excess of the Landlord's Contribution, assuring completion of Tenant's Work and conditioned that Landlord will be held harmless from payment of any claim in excess of the Landlord's Contribution either by way of damages or liens on account of bills for labor, material, services or fees, in connection with Tenant's Work. Tenant's Work shall at all times be conducted in such manner that Tenant shall not be in violation of the Lease.
2. It is understood and agreed between Landlord and Tenant that costs incurred by Landlord, if any, as a result of Tenant's failure or delay in providing the information required by this Exhibit and by the Lease to which this Exhibit is attached, shall be the sole responsibility of Tenant, who shall pay such costs, if any, promptly upon Landlord's demand.
3. All Tenant's Work shall conform to applicable statutes, ordinances, regulations and codes and the requirements of various rating bureaus. Landlord shall obtain all approvals with respect to electrical, water, sewer, heating, cooling and telephone work, all as may be required by the utility company supplying the service.
4. No approval by Landlord shall be deemed valid unless in writing and signed by Landlord.

5. Prior to commencement of Tenant's Work and until completion thereof, or commencement of the Lease Term, whichever is the last to occur, Landlord shall effect and maintain Builder's Risk Insurance covering Landlord, Tenant, Tenant's contractors and Tenant's subcontractors, as their interests may appear, against loss or damage by fire, vandalism and malicious mischief and such other risks as are customarily covered by a so-called "extended coverage endorsement" upon all Tenant's Work in place and all materials stored at the site of Tenant's Work, and all materials, equipment, supplies and temporary structures of all kinds incidental to Tenant's Work, and equipment, all while forming a part of or contained in such improvements or temporary structures, or while on the Demised Premises or within 100 feet thereof, or when adjacent thereto, while on sidewalks, streets or alleys, all to the full insurable value thereof at all times on a completed value basis. In addition, Landlord agrees to indemnify and hold Tenant harmless against any and all claims for the injury to persons or damage to property by reason of the use of the Demised Premises for the performance of Tenant's Work, and claims, fines, and penalties arising out of any failure of Landlord or its agents, contractors and employees to comply with any law, ordinance, code requirement, regulations or other requirements applicable to Tenant's Work; and Landlord agrees to require all contractors and subcontractors engaged in the performance of Tenant's Work to effect and maintain certificates evidencing the existence of, and covering Landlord, Tenant, Tenant's contractors, and Tenant's subcontractors, prior to commencement of Tenant's Work and until completion thereof, the following insurance coverages:
- a. Worker's Compensation and Occupational Disease Insurance in accordance with the laws of the State in which the property is located, including Employer's Liability Insurance to the limit of \$100,000.
  - b. Comprehensive General Liability Insurance, excluding "Automobile Liability" against bodily injury, including death resulting therefrom, and personal injury in the limits of \$1,500,000 for any one occurrence and property damage in the limits of \$500,000 for any one occurrence or a combined single limit policy of \$1,500,000 per occurrence.
  - c. Comprehensive Automobile Insurance, including "non-owned" automobiles, against bodily injury, including death resulting therefrom, in the limits of \$1,500,000 for any one occurrence and \$500,000 property damage or a combined single limit of \$1,500,000.

B. TENANT IMPROVEMENTS.

Providing and installing all tenant improvements *per plans*.

C. FURNITURE, FIXTURES, EQUIPMENT AND SIGNS

All furnishings, trade fixtures, equipment, signs, and related parts, including installation. Location and design of all signs subject to prior written consent of Landlord.

D. ELECTRICAL

1. All systems, where required for intercommunication, music antenna, material handling or conveyor, burglar alarm, vault wiring, fire protection alarm, time clock and demand control.
2. All conduit, as required by the utility company supplying the services for necessary telephone wires within the Demised Premises.

E. SUBSEQUENT REPAIRS AND ALTERATIONS

Landlord reserves the right to require changes in Tenant's Work when necessary by reason of code requirements. Tenant shall maintain the Demised Premises and make all repairs thereto, other than repair of the foundation, roof and structural portions of the walls.

F. DOORS AND EXITING REQUIREMENTS

1. All exiting codes must be adhered to.
2. A clear exiting path to Tenant's rear door must be maintained.

EXHIBIT D  
TENANT'S PLANS

AMENDMENT NO. 1

FIRST AMENDMENT TO THE LEASE dated JANUARY 30, 2006 by and between LVRH PROPERTIES LLC, a Nevada limited-liability company ("Landlord") and LAS VEGAS REHABILITATION HOSPITAL, a Nevada limited-liability company ("Tenant") with respect to the demise by Landlord to Tenant of that certain premises described as 9175 W. Oquendo Road, Las Vegas, Nevada and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the "Demised Premises").

Landlord has agreed to the following changes:

- (1) Reduction of the monthly rent under the Lease during each month of the fourth quarter of 2008 and the first quarter of 2009 to \$85,000.
- (2) Allow payment of the monthly rental in respect of each month of the fourth quarter of 2008 to be deferred until expiration or termination of the lease term, at which time all of such unpaid sums will be due and payable to the Landlord as a lease expiration/termination fee.
- (3) All other conditions of the lease agreement dated January 30, 2006, shall remain in full force and effect.

LANDLORD

TENANT

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Date: 1/30/09

Date: 1/30/09

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AMENDMENT NO. 2

SECOND AMENDMENT TO THE LEASE dated JANUARY 30, 2006 by and between *LVRH PROPERTIES LLC*, a Nevada limited-liability company ("*Landlord*") and *LAS VEGAS REHABILITATION HOSPITAL*, a Nevada limited-liability company ("*Tenant*") with respect to the demise by Landlord to Tenant of that certain premises described as *9175 W. Oqaendo Road, Las Vegas, Nevada* and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the "*Demised Premises*").

Landlord has agreed to the following changes:

- (1) Extend the Reduction of the monthly rent under the Lease during each month of the second quarter of 2009 to \$85,000.
- (2) Allow payment of the monthly rental in respect of each month of the fourth quarter of 2008 to be deferred until expiration or termination of the lease term, at which time all of such unpaid sums will be due and payable to the Landlord as a lease expiration/termination fee.
- (3) All other conditions of the lease agreement dated January 30, 2006, shall remain in full force and effect.

LANDLORD

TENANT

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Date: April 2, 2009

Date: 5/2/09

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AMENDMENT NO. 3

THIRD AMENDMENT TO THE LEASE dated JANUARY 30, 2006 by and between *LVRH PROPERTIES LLC*, a Nevada limited-liability company ("*Landlord*") and *LAS VEGAS REHABILITATION HOSPITAL*, a Nevada limited-liability company ("*Tenant*") with respect to the demise by Landlord to Tenant of that certain premises described as *9175 W. Oquendo Road, Las Vegas, Nevada* and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the "*Demised Premises*").

Landlord has agreed to the following changes:

- (1) Extend the Reduction of the monthly rent under the Lease to \$85,000.00 per month during each month of the year 2009.
- (2) Deferred rent for the fourth quarter of 2008 to be free rent and the lease term extended for 3 months until June 30, 2017.
- (3) All other conditions of the lease agreement dated January 30, 2006, shall remain in full force and effect

LANDLORD

TENANT

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Date: 3/12/09

Date: 3/12/09

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AMENDMENT NO. 4

THIRD AMENDMENT TO THE LEASE dated JANUARY 30, 2006 by and between *LVRH PROPERTIES LLC*, a Nevada limited-liability company ("*Landlord*") and *LAS VEGAS REHABILITATION HOSPITAL*, a Nevada limited-liability company ("*Tenant*") with respect to the demise by Landlord to Tenant of that certain premises described as *9175 W, Oquendo Road, Las Vegas, Nevada* and shown on the Site Plan attached as Exhibit A hereto, (all of such premises collectively, the "*Demised Premises*").

Landlord has agreed to the following changes:

- (1) Adjusted triple net rent for 2010 is \$115,000 per month.
- (2) See Attachment #1 for a recapture of the rent discounts for January 1, 2011 to March 31, 2017
- (3) All other conditions of the lease agreement dated January 30, 2006, shall remain in full force and effect.

LANDLORD

TENANT

LVRH PROPERTIES LLC,  
a Nevada limited-liability company

LAS VEGAS REHABILITATION HOSPITAL,  
a Nevada limited-liability company

By: /s/ Edward M. Nigro  
Edward M. Nigro, Manager

By: /s/ A. Allan Stipe  
A. Allan Stipe, Manager

Date: June 30, 2009

Date: 4/30/09

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**Lease Discount Periods**

<b>1st QTR 2009</b>	
Original Rent	128,750
Discounted Rent	(85,000)
Difference	<u>43,750</u>
Total discount @ 3 Months	131,250
<b>2nd QTR 2009 - 4th QTR 2009</b>	
Original Rent	132,612
Discounted Rent	(85,000)
Difference	<u>47,612</u>
Total discount @ 9 Months	428,508
<b>1st QTR 2010</b>	
Original Rent	132,612
Discounted Rent	(115,000)
Difference	<u>17,612</u>
Total discount @ 3 Months	52,836
<b>2nd QTR 2010 - 4th QTR 2010</b>	
Original Rent	136,590
Discounted Rent	(115,000)
Difference	<u>21,590</u>
Total discount @ 9 Months	194,310
Total Discount	806,904

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### Lease Discount Periods

#### Additional Rent Calculation

Remaining Term - 75 Months January 1, 2011 to March 31, 2017	
Total Discount	806,904
Increase monthly costs	806,904
	<u>÷ 75</u>
	10,759

At end of 1st Term (2017) additional rent is terminated

#### Commencing January 1, 2011

Original Rent	136,590
Additional Rent	10,759*
Total Rent	<u>147,349</u>

#### 2nd QTR 2011 -4th QTR 2011

Original Rent	140,688
Additional Rent	10,759*
Total Rent	<u>151,447</u>

\* Note - Additional rent only payable from hospital quarterly cash flow greater than 1.5 times lease payments.

-Additional rent not subject to 3% increase.

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*Investor Proforma*

<i>Income Property Operating Analysis</i>	YR 2009		YR 2010		YR 2011*		YR 2012*		YR 2013*
Monthly Net Rent	85,000	1.70	115,000	2.30	147,349	2.95	151,447	3.03	155,668
					151,447	3.03	156,067	3.12	160,000
Annual Net Rent	1,020,000		1,380,000		1,805,070		1,855,353		1,907,004
Annual Debt Service	698,000		864,000		864,000		864,000		864,000
Net Income	322,000		516,000		941,070		991,353		1,043,004
Investor Equity	3,700,000		3,700,000		3,700,000		3,700,000		3,700,000
Return	8.7%		13.9%		25.4%		26.8%		28.2%
DCR			1.60		1.92		2.15		2.21

\* increase rent by \$10,759 per month per lease modification \* rate change each April

**COBALT SURPRISE INPATIENT REHABILITATION FACILITY  
SURPRISE, ARIZONA**

**LEASE AGREEMENT**

**DATED AS OF DECEMBER 30, 2015**

BY AND BETWEEN

**CHP SURPRISE AZ REHAB OWNER, LLC,  
A DELAWARE LIMITED LIABILITY COMPANY**

**AS LANDLORD,**

AND

**COBALT REHABILITATION HOSPITAL IV, LLC  
A TEXAS LIMITED LIABILITY COMPANY,**

**AS TENANT**

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## LEASE AGREEMENT

This **LEASE AGREEMENT** (this "**Lease**") is entered into as of December 30, 2015 (the "**Effective Date**") by and between **CHP SURPRISE AZ REHAB OWNER, LLC**, a Delaware limited liability company, as landlord ("**Landlord**") and **COBALT REHABILITATION HOSPITAL IV, LLC**, a Texas limited liability company, as tenant ("**Tenant**").

### WITNESSETH:

**WHEREAS**, CHP PARTNERS, LP, a Delaware limited partnership ("**CNL**"), entered into that certain Asset Purchase Agreement with SURPRISE REHAB, LP, a Texas limited partnership ("**Seller**"), dated as of June 17, 2015 (as may be amended, the "**Purchase Agreement**"), with respect to the purchase of certain real and personal property described therein; and

**WHEREAS**, CNL assigned to Landlord, an Affiliate of CNL, all of its rights, title and interest in and to the Purchase Agreement with respect to the Leased Property (these and other capitalized terms used and not otherwise defined herein having the meanings ascribed to such terms in Article 1), and Landlord has assumed all of CNL's obligations thereunder; and

**WHEREAS**, pursuant to the Purchase Agreement, Landlord has acquired the Leased Property as of the Effective Date; and

**WHEREAS**, Landlord desires to lease to Tenant all of Landlord's interests in the Leased Property, and Tenant desires to lease from Landlord all of Landlord's interests in the Leased Property, all subject to and conditioned upon the terms and conditions herein set forth.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

### ARTICLE 1

#### DEFINITIONS

For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this Article and used in this Lease shall have the meanings assigned to them in this Article and include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with GAAP, (iii) all references in this Lease to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Lease, and (iv) the words "herein," "hereof," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

"**Accessibility Laws**" shall mean all applicable laws, statutes, regulations, rules, ordinances, codes, licenses, permits and orders, from time to time in existence, of all courts of competent jurisdiction and Government Agencies, and all applicable judicial and administrative and regulatory decrees, judgments and orders, including common law rulings and determinations, relating to accessibility for the disabled or handicapped, including, but not limited to, any applicable provisions of The Architectural Barriers Act of 1968, The Rehabilitation Act of 1973, The Fair Housing Act of 1988, The Americans With Disabilities Act, the accessibility code(s), if any, of the State in which the Leased Property is located, and all regulations and guidelines promulgated under any all of the foregoing, as the same may be amended from time to time.

“**Accounting Period**” shall mean each calendar month beginning on the first day of the month and ending on the last day of such month. Notwithstanding the foregoing, if the Effective Date is other than the first day of a calendar month, then the first (1st) Accounting Period under this Lease shall begin on the Effective Date and end on the last day of the first full calendar month thereafter.

“**Additional Charges**” shall have the meaning given such term in Section 3.3.

“**Affiliate**” shall mean, with respect to any Person, (i) any Person directly or indirectly Controlling, Controlled by or under common Control with any such Person, (ii) in the case of any such Person which is a partnership, any partner in such partnership, (iii) in the case of any such Person which is a limited liability company, any member of such company, (iv) in the case of any such Person which is a corporation, any officer, director or stockholder of such corporation, (v) any other Person which is a Parent, a Subsidiary, or a Subsidiary of a Parent with respect to such Person or to one or more of the Persons referred to in the preceding clauses (i) through (iv), (vi) any other Person who is an officer, director, trustee or employee of, or partner in, such Person or any Person referred to in the preceding clauses (i) through (v) and (vii) any other Person who is a member of, or trustee of any trust for the benefit of, the Immediate Family of such Person or of any Person referred to in the preceding clauses (i) through (vi); provided, however, a Person shall not be deemed to be an Affiliate solely by virtue of the ownership of shares of stock registered under the Securities Act of 1934, as amended, unless such Person, as holder of such stock, is required to file a Schedule 13-D, pursuant to Section 13(d) of such Act and Rule 13-d-1 promulgated thereunder.

“**After-Acquired Intellectual Property**” shall have the meaning given such term in Section 20.6.1.

“**Applicable Laws**” shall mean all applicable laws, statutes, regulations, rules, ordinances, codes, licenses, permits and orders, from time to time in existence, of all courts of competent jurisdiction and Government Agencies, all Legal Requirements and all applicable judicial and administrative and regulatory decrees, judgments and orders, including common law rulings and determinations of any kind, including without limitation, those relating to (i) damage to, or the protection of, real or personal property, (ii) human health and safety (except those requirements which, by definition, are solely the responsibility of employers), (iii) the Environment, including, without limitation, all valid and lawful requirements of courts and other Government Agencies pertaining to reporting, licensing, permitting, investigation, remediation and removal of underground improvements (including, without limitation, treatment or storage tanks, or water, gas or oil wells), or emissions, discharges, releases or threatened releases of Hazardous Substances, chemical substances, pesticides, petroleum or petroleum products, pollutants, contaminants or hazardous or toxic substances, materials or wastes whether solid, liquid or gaseous in nature, into the Environment, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, underground improvements (including, without limitation, treatment or storage tanks, or water, gas or oil wells), or pollutants, contaminants or hazardous or toxic substances, materials or wastes, whether solid, liquid or gaseous in nature, (iv) Accessibility Laws, (v) securities, including, without limitation, the marketing thereof, (vi) inpatient rehabilitation facility licensure or (vii) participation in Medicare or Medicaid programs.

“**Additional Appraiser**” shall have the meaning given to such term in Section 3.2.4.

“**Approved Appraisers**” shall have the meaning given to such term in Section 3.2.4.

“**Approved Reserve Budget**” shall have the meaning given such term in Section 5.2.3.

“**Business**” means the operation of the Facility and other activities related thereto.

“**Business Day**” shall mean any day other than Saturday, Sunday, or any other day on which federal banking institutions are authorized by law or executive action to close.

“**Claim**” shall have the meaning given such term in Section 14.4.

“**CNL**” shall have the meaning given such term in the Recitals.

“**Code**” shall mean the Internal Revenue Code of 1986 and, to the extent applicable, the Treasury Regulations promulgated thereunder, each as amended from time to time.

“**Compete**” shall have the meaning given such term in Section 21.27.

“**Compliant Coverage**” shall mean that Tenant has achieved and maintained: (i) during the First Compliance Period, both a 1.3x Rent Coverage Ratio and a 1.3x Fixed Charge Coverage Ratio, and (ii) during the Second Compliance Period, both a 1.75x Rent Coverage Ratio and a 1.75x Fixed Charge Coverage Ratio.

“**Condemnation**” shall mean (a) the exercise of any governmental power with respect to the Leased Property or any interest therein, whether by legal proceedings or otherwise, by a Condemnor under its power of condemnation, (b) a voluntary sale or transfer of the Leased Property, or any portion thereof, by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending, or (c) a taking or voluntary conveyance of all or part of the Leased Property, or any interest therein, or right accruing thereto or use thereof, as the result of or in settlement of any condemnation or other eminent domain proceeding affecting the Leased Property, whether or not the same shall have actually been commenced.

“**Condemnor**” shall mean any public or quasi-public authority, or Person having the power of Condemnation.

“**Confidential Information**” shall have the meaning given such term in Section 21.24.

“**Control**” (including the correlative meanings of the terms “Controlling”, “Controlled by”, and “under common control with”) as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person whether through the ownership of voting securities, by contract or otherwise.

“**Covered Person**” shall have the meaning given such term in Section 21.27.

“**CPI Index**” shall mean the Consumer Price Index for the county in which the Facility is located, all urban consumers, all items, published by the Bureau of Labor Statistics, United States Department of Labor, 1982-84 = 100 (or any successor index).

“**Default**” shall mean any event or condition existing which with the giving of notice and/or lapse of time would ripen into an Event of Default.

“**Deferred Rent Amount**” shall mean an amount equal to five (5) months Rent due during the first Fiscal Year of the Term.

“**Deferred Rent Date**” shall mean the date which is five (5) months after the Effective Date.

“**EBITDAR**” shall mean Tenant’s earnings (as set forth in the quarterly financial statements delivered pursuant to Section 17.2), before deductions for interest, taxes, depreciation, amortization and payment of Rent under this Lease, based on the time period for which it is being measured.

“**Effective Date**” shall have the meaning given such term in the introductory paragraph of this Lease.

“**Emergency**” shall have the meaning given such term in Section 5.2.3.

“**Entity**” shall mean any corporation, general or limited partnership, limited liability company, limited liability partnership, stock company or association, joint venture, association, company, trust, bank, trust company, land trust, business trust, cooperative, any government or agency or political subdivision thereof or any other association or entity.

“**Environment**” shall mean soil, surface waters, ground waters, land, streams, sediments, surface or subsurface strata and ambient air.

“**EP**” means an independent, qualified, licensed and insured environmental professional.

“**Escrow Agreement**” shall mean that certain agreement attached hereto as Exhibit I pursuant to which Fidelity National Title Insurance Company is holding agreed upon amounts to provide for the payment of the Speculative Builder Tax.

“**Event of Default**” shall have the meaning given such term in Section 12.1.

“**Extended Term**” shall have the meaning given such term in Section 2.6.

“**Extension Option(s)**” shall have the meaning given such term in Section 2.6.

“**Facility Mortgage**” shall have the meaning given such term in Section 19.1.

“**Facility**” means the inpatient rehabilitation facility known as Cobalt Surprise Inpatient Rehabilitation Facility located on the Land.

“**Facility Purchase Price**” shall mean Twenty Three Million Six Hundred Sixty Thousand Dollars (\$23,660,000.00).

“**First Compliance Period**” shall mean the period beginning on the Effective Date and terminating on the date which is twenty-four (24) months thereafter.

“**Fiscal Quarter**” shall mean the first, second, third and fourth three-month period (each consisting of three (3) Accounting Periods) during each Fiscal Year. Notwithstanding the foregoing, the first (1st) Fiscal Quarter under this Lease shall begin on the Effective Date and end on the last day of the first full Fiscal Quarter thereafter.

“**Fiscal Year**” shall mean each fiscal year of Tenant, each such fiscal year to consist of twelve (12) consecutive Accounting Periods, beginning on January 1 and ending on December 31. Notwithstanding the foregoing, the first (1st) Fiscal Year under this Lease shall begin on the Effective Date and end on December 31, 2016 and the last Fiscal Year of this Lease shall begin on January 1 of such year and end on the last day of the Term. If Tenant shall, for a bona fide business reason, change its Fiscal Year during the Term, appropriate adjustments, if any, shall be made with respect to the timing of certain accounting and reporting requirements of this Lease; provided, however, that in no event shall any such change or adjustment increase or reduce any monetary obligation under this Lease.

“**Fixed Charge Coverage Ratio**” shall mean, for a given period or interval during the Term, the ratio of Tenant’s EBITDAR to the sum of: (i) the Minimum Rent due under the Lease, (ii) other rents and lease payments of Tenant due to other parties, (iii) interest and principal payments on Indebtedness of Tenant, and (iv) capital expenditures of Tenant not financed or leased during such period or interval.

“**Force Majeure Event**” means any circumstance which is not within the reasonable control of either party hereto, caused by any of the following: strikes; lockouts; acts of God; civil commotion; fire or any other casualty; governmental action; or other similar cause or circumstance which is not within the reasonable control of either party hereto. Neither lack of financing nor general economic and/or market conditions or factors is a Force Majeure Event.

“**GAAP**” shall mean generally accepted accounting principles consistently applied.

“**Government Agencies**” shall mean any legislative body, court, agency, authority, board (including, without limitation, health and long term care, environmental protection, planning and zoning), bureau, commission, department, office or instrumentality of any nature whatsoever of any governmental or quasi-governmental unit of the United States or the State or any county or any political subdivision of any of the foregoing, whether now or hereafter in existence, having jurisdiction over Tenant or the Leased Property or any portion thereof, or the Business operated thereon.



**“Gross Revenues”** shall mean, for a given period or interval, all gross revenues and receipts of every kind derived by or for the benefit of Tenant or its Affiliates from operating or causing the operation of the Leased Property and all parts thereof, including, but not limited to: gross revenues from both cash and credit transactions (after reasonable deductions for bad debts and discounts for prompt or cash payments and refunds) from rental or subleasing of every kind; entrance fees, fees for health care and personal care services, license, lease and concession fees and rentals, off premises catering, if any, and parking (not including gross receipts of licensees, lessees and concessionaires); gross revenues from vending machines; health club membership fees; food and beverage sales; wholesale and retail sales of merchandise (other than proceeds from the sale of furnishings, fixtures and equipment no longer necessary to the operation of the Facility, which shall be deposited in the Reserve) and service charges, to the extent not distributed to employees at the Facility as gratuities, interest income except as specifically provided below, community fees, and deposits forfeited, all as determined in accordance with GAAP on an accrual basis; provided, however, that Gross Revenues shall not include the following: gratuities to Facility employees; federal, state or municipal excise, sales, occupancy, use or similar taxes collected directly from residents or included as part of the sales price of any goods or services; insurance proceeds (except for business interruption insurance proceeds); any proceeds from any sale of the Leased Property or from the refinancing of any debt encumbering the Leased Property; proceeds from the disposition of furnishings, fixture and equipment no longer necessary for the operation of the Facility; and interest which accrues on amounts deposited in the Reserve.

**“Guarantor”** shall mean the guarantor(s) under the Guaranty, which shall be Cobalt Rehabilitation Hospitals, LLC, or any successor thereto as permitted pursuant to the terms of the Guaranty.

**“Guaranty”** shall mean that certain Guaranty Agreement dated as of the Effective Date and attached hereto as Exhibit B, executed by Guarantor in favor of Landlord with respect to Tenant’s obligations under this Lease, as the same may be amended.

**“Hazardous Substances”** shall mean any substance:

(a) the presence of which requires or may hereafter require notification, investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action or policy; or

(b) which is or becomes defined as a “hazardous waste”, “hazardous material” or “hazardous substance” or “pollutant” or “contaminant” under any present or future federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.) and the regulations promulgated thereunder; or

(c) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any state of the United States, or any political subdivision thereof; or

(d) the presence of which on the Leased Property causes or materially threatens to cause an unlawful nuisance upon the Leased Property or to adjacent properties or poses or materially threatens to pose a hazard to the Leased Property or to the health or safety of persons on or about the Leased Property, including without limitation molds/microbial organisms which affect health, indoor air quality and/or structural integrity; or

(e) without limitation, which contains gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; or

(f) without limitation, which contains polychlorinated biphenyls (PCBs) or asbestos or urea formaldehyde foam insulation; or

(g) without limitation, which contains or emits radioactive particles, waves or material; or

(h) without limitation, which constitutes materials which are now or may hereafter be subject to regulation pursuant to the Material Waste Tracking Act of 1988, or any Applicable Laws promulgated by any Government Agencies.

**"Immediate Family"** shall mean, with respect to any individual, such individual's spouse, parents, brothers, sisters, children (natural or adopted), stepchildren, grandchildren, grandparents, parents in law, brothers-in-law, sisters-in-law, nephews and nieces.

**"Improvement Project"** shall have the meaning given such term in Section 5.3.

**"Incident"** shall have the meaning given such term in Section 20.3.

**"Indebtedness"** shall mean all obligations, contingent or otherwise, which in accordance with GAAP should be reflected on the obligor's balance sheet as liabilities.

**"Initial Annual Lease Amount"** shall mean an amount equal to: (i) the sum of (A) Facility Purchase Price, plus (B) the Speculative Builder Tax Claim Amount, divided by (ii) an amount equal to 1 divided by 0.0775 (~12.903225).

**"Initial Landlord P&E"** shall mean and refer to all P&E of any kind or description which are owned by Landlord and located on the Land as of the Effective Date, including, without limitation, those items enumerated on Exhibit G attached hereto and made a part hereof, but specifically excluding items of Tenant's Personal Property.

**"Initial Term"** shall have the meaning given such term in Section 2.5.

**“Intellectual Property”** means all works of authorship, including without limitation, all literary works, pictorial, graphic and sculptural works, architectural works, software, works of visual art, and any other work that may be the subject matter of copyright protection and all worldwide registrations thereof; any trademarks, service marks, brand names, trade dress, trade names, designs and any other word, symbol, device, product configuration, slogan or any combination thereof used to distinguish or identify goods or services that may be the subject matter of trademark protection, including all worldwide applications and registrations therefore and associated goodwill; any patents, invention disclosures or inventions, including all processes, machines, manufactures and compositions of matter, designs and any other invention that may be the subject matter of patent protection, and all worldwide statutory or other legal protection obtained or obtainable therein, including without limitation all published and granted patents and pending applications and provisionals, reissues, divisionals, renewals, extensions, continuations, and continuations-in-part, design patents and industrial design registrations; all domain names, URLs, websites, and all data, content, “look and feel”, operating and underlying code or software of all websites; all trade secrets, proprietary information, data, and knowledge and experience of a technical, commercial or administrative nature, including all proprietary information, know-how, information processes, operating, maintenance and other manuals, data and databases, computer programs, including all documentation, design specifications, and flowcharts, operational and other plans, schematics and drawings, customer data and lists, advertising, marketing and product concepts and campaigns and other valuable or proprietary information or data; and all worldwide statutory protection obtained or obtainable thereon on all of the preceding; all rights to enforce, enjoin or sue, any claims, judgments, causes of action or other legal and equitable rights and remedies arising out of or related to any infringement, misappropriation or violation of any of the foregoing; and all right, title and interest to claim royalties, residuals, damages and other remuneration for use of any of the foregoing rights.

**“IRF License”** shall mean the licenses required by Applicable Law to operate the Facility as an inpatient rehabilitation facility, including, but not limited to those applicable to a “Special Hospital” providing rehabilitation services.

**“Insurance Requirements”** shall mean all terms of any insurance policy, certificate or endorsement required by this Lease and all requirements of the issuer of any such policy and all orders, rules and regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon Landlord, Tenant or any of the Leased Property.

**“Inventory”** shall mean all inventory, as such term is customarily used and defined in its most broad and inclusive sense, including, but not limited to, all inventory of merchandise, food, beverages, medical supplies and other consumables held by Tenant for sale to or for consumption by residents or employees at the Facility or in connection with the Business, and operating supplies, cleaning supplies, building and maintenance supplies and spare parts.

**“IP License”** shall have the meaning set forth in Section 20.6.1.

**“Land”** shall have the meaning given such term in [Section 2.1\(a\)](#).

“**Landlord**” shall have the meaning given such term in the preambles to this Lease and shall include its successors and assigns.

“**Lease**” shall mean this Lease Agreement, including all Exhibits and Schedules hereto, as it and they may be amended or restated from time to time as herein provided.

“**Leased Improvements**” shall have the meaning given such term in Section 2.1(b).

“**Leased Intangible Property**” shall mean all transferable or assignable (a) governmental permits, including licenses and authorizations, required for the construction, ownership and operation of the Leased Improvements, including without limitation, certificates of authority, certificates of occupancy, building permits, signage permits, site use approvals, zoning certificates, environmental and land use permits and any and all necessary approvals from state or local authorities and other approvals granted by any public body or by any private party pursuant to a recorded instrument relating to the Leased Improvements or the Land; (b) telephone exchange numbers identified with the Leased Property, if any, and customer files, guest lists, credit records, labels, promotional literature (but only to the extent not included in Tenant’s Personal Property), security codes, all records and sales and other customer data, and any unexpired guaranties or warranties, relating to the Leased Property and/or the operation of the Business; and (c) certificates, licenses, warranties and guarantees and contracts, other than such permits, operating permits, certificates, licenses and approvals which are to be held by, or transferred to, Tenant in accordance with the terms of the Purchase Agreement or otherwise in order to permit Tenant to operate such Leased Improvements properly and in accordance with the terms of this Lease. The term “**Leased Intangible Property**” shall specifically exclude items of Tenant’s Personal Property.

“**Leased Property**” shall have the meaning given such term in Section 2.1.

“**Legal Requirements**” shall mean all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting the Leased Property or the maintenance, construction, alteration or operation thereof, whether now or hereafter enacted or in existence, including, without limitation, (a) all permits, licenses, authorizations, certificates and regulations necessary or required for the operation of the Leased Property for its Permitted Use, (b) all covenants, agreements, declarations, restrictions and encumbrances contained in any instruments at any time in force affecting the Leased Property or to which Tenant has consented or which are required to be granted pursuant to Applicable Laws, including those which may (i) require material repairs, modifications or alterations in or to the Leased Property or (ii) in any way materially and adversely affect the use and enjoyment thereof, but excluding any requirements arising as a result of Landlord’s status as a real estate investment trust, and (c) Applicable Laws.

“**Letter of Credit**” shall have the meaning given such term in Section 3.8.

“**Licensed Intellectual Property**” shall have the meaning set forth in Section 20.6.1.

“**Licensed Use**” shall have the meaning set forth in Section 20.6.1.

“**Lien**” shall mean any mortgage, security interest, pledge, collateral assignment, or other encumbrance, lien or charge of any kind, including but not limited to construction, mechanics’ and materialmen’s liens, or any transfer of property or assets for the payment of Indebtedness or performance of any other obligation in priority to payment of the obligor’s general creditors.

“**Major Alterations**” shall have the meaning given such term in Section 6.2.2.

“**Management Fees**” shall mean any management fees paid by Tenant to Cobalt Rehab Management LLC, a Texas limited liability company, pursuant to that certain Management Agreement dated December 30, 2015.

“**Minimum Rent**” shall mean annual rent as set forth in Section 3.2, subject to prorations and adjustments as set forth in Section 3.2.

“**Minor Alterations**” shall have the meaning given such term in Section 6.2.1.

“**Mortgagee**” shall mean the holder of any Facility Mortgage.

“**Notice**” shall mean a notice given in accordance with Section 21.10.

“**Officer’s Certificate**” shall have the meaning given such term in Section 17.2.

“**Operating Contracts**” shall mean the various service agreements, equipment leases, purchase contracts and special event contracts, software licenses and information technology contracts, and other contracts utilized in the operation of the Business, all as more particularly set forth on Exhibit E attached hereto and made a part hereof.

“**Operating Expenses**” means all those ordinary and necessary expenses incurred in the operation of the Business in accordance with this Lease, including all costs and expenses associated with the employees (including salaries, wages, bonuses and other compensation of all employees and their benefits, including life, medical and disability insurance and retirement benefits), the costs associated with permits and licenses, the cost of maintenance and utilities, administrative expenses, the costs of advertising, marketing and business promotion, any and all taxes, assessments, charges, levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees) and other impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary, foreseen or unforeseen, and each and every installment thereof which shall or may during or with respect to the Term accrue and be charged, laid, levied, assessed, or imposed upon, or arise in connection with, the use, occupancy, operation or possession of the Leased Property or the Business conducted thereon, all premiums and other charges to obtain the insurance policies required pursuant to the terms hereof, all capital expenditures to the extent deductible in accordance with GAAP. The term “**Operating Expenses**” shall expressly exclude (i) any debt service for any Facility Mortgage or other financing obtained by Landlord in connection with all or a portion of the Leased Property or any costs associated therewith (including, without limitation, principal and interest payments, closing/settlement costs, origination fees, discount fees, brokerage commissions and other types of customary fees, costs and expenses), (ii) any federal, state and local income taxes, other taxes on income or net worth, franchise taxes, margin taxes, capital, estate, succession, inheritance, value added or transfer taxes of Landlord or similar taxes or charges or substitutes therefor, (iii) any expenses for which Landlord actually receives reimbursement from insurance, condemnation awards or any other source; (iv) costs incurred in connection with the sale or other change of ownership of all or a portion of the Leased Property (including, without limitation, brokerage commissions); (v) costs or expenses paid by either Landlord or Tenant in accordance with Section 5.2 or 5.3 hereof (including, without limitation, any capital expenditures made pursuant thereto); (vi) charges for depreciation of any of the Leased Property or (vii) costs or expenses resulting from Landlord’s default hereunder.

“**Overdue Rate**” shall mean, on any date, a per annum rate of interest equal to the lesser of (a) twelve percent (12%), or (b) the maximum rate then permitted under Applicable Laws.

“**P&E**” shall mean all items of personal property, as defined under the Model Uniform Commercial Code, including, but not limited to: (a) all equipment, machinery, fixtures, and other items of property, now or hereafter located on or permanently affixed to or incorporated into the Leased Improvements, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air cooling and air conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment and irrigation equipment, together with all replacements, modifications, alterations and additions thereto, all of which to the extent not otherwise constituting real property under Applicable Law; (b) all furniture, furnishings, movable walls or partitions, computers or trade fixtures or other personal property of any kind or description used or useful in the Business on or in the Leased Improvements, and located on or in the Leased Improvements, and all modifications, replacements, alterations and additions to such personal property; (c) “Property and Equipment,” “P&E,” and “FF&E” (as such terms are customarily used and defined in the most broad and inclusive sense); (d) all linen, china, glassware, tableware, uniforms and similar items, whether used in connection with public space or tenant rooms; (e) all replacements of or additions to items set forth in clause (a) through (d) above; and (f) the Initial Landlord P&E. The term “**P&E**” shall specifically exclude items of Tenant’s Personal Property.

“**P&E Replacements**” shall mean all items of P&E purchased with funds from the Reserve established under Article 5 of this Lease or with insurance proceeds payable with respect to P&E or P&E Replacements (specifically excluding all insurance proceeds payable with respect to items of Tenant’s Personal Property) and all other items of P&E added and used at the Leased Property during the Term of this Lease (specifically excluding items of Tenant’s Personal Property), together with all leasehold improvements made by Tenant during the Term of this Lease to the extent not constituting real property affixed to the Land, whether purchased from the Reserve or with other funds of Tenant, all subject to disposal and further replacement at the end of their useful lives.

“**Parent**” shall mean, with respect to any Person, any Person which directly, or indirectly through one or more Subsidiaries or Affiliates, (i) owns more than fifty percent (50%) of the voting or beneficial interest in, or (ii) otherwise has the right or power (whether by contract, through ownership of securities or otherwise) to Control, such Person.

“**Permits**” means all licenses, permits and certificates used or useful in connection with the ownership, operation, use or occupancy of the Facility, the Leased Property or the Business, including, without limitation, the IRF License issued to Tenant by the Arizona State Department of Health, business licenses, state and local health and environmental department licenses, any other licenses required in connection with the operation of the Leased Property for the Permitted Use, food service licenses, licenses to conduct business and all such other permits, licenses and rights, obtained from any governmental, quasi-governmental or private person or entity whatsoever.

“**Permitted Encumbrances**” shall mean (a) all rights, restrictions, and easements of record set forth on **Exhibit F** attached hereto and made a part hereof, (b) to the extent not referenced on **Exhibit F**, any mortgage and other documents of record relating to a Facility Mortgage, and (c) any other such encumbrances as may have been consented to in writing by Landlord from time to time in accordance with the terms of Section 2.8 hereof.

“**Permitted Renovations**” shall have the meaning given that term in Section 6.2.

“**Permitted Use**” shall have the meaning given such term in Section 4.1.1.

“**Person**” shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

“**Purchase Agreement**” shall have the meaning given such term in the Recitals.

“**REIT**” shall have the meaning given such term in Article 15.

“**REIT Personal Property Limitation**” shall have the meaning given such term in Section 15.1.

“**Related Lease**” means any lease agreement pursuant to which (a) a Subsidiary or Affiliate of Cobalt Rehabilitation Hospitals, LLC is the then current tenant and (b) a Subsidiary or Affiliate of CNL Healthcare Properties, Inc. is the then current landlord.

“**Related Tenant**” shall mean a tenant under a Related Lease.

“**Release**” shall have the meaning given such term in Section 4.2.

“**Rent**” shall mean, collectively, Minimum Rent and Additional Charges.

“**Rent Coverage Ratio**” shall mean, for any given period or interval during the Term, the ratio of Tenant’s EBITDAR to the Minimum Rent due under the Lease.

“**Reserve**” shall have the meaning given such term in Section 5.2.

“**Reserve Budget**” shall have the meaning given such term in Section 5.2.3.

“**Reserve Expenditures**” shall have the meaning given such term in Section 5.2.

“**Reserve Payment**” shall have the meaning given such term in Section 5.2.2.

“**SEC**” shall mean the Securities and Exchange Commission.

“**Second Compliance Period**” shall mean the period beginning on the day immediately following the termination of the First Compliance Period and terminating on the date which is twelve (12) months thereafter.

“**Security Deposit**” shall have the meaning given such term in Section 3.8.

“**Seller**” shall have the meaning given such term in the Recitals.

“**Severe Incident**” shall have the meaning given such term in Section 20.3.1.

“**Significant Property Damage**” shall have the meaning given such term in Section 20.3.2.

“**Speculative Builder Tax**” shall mean that certain transaction privilege tax imposed against “Speculative Builders” as more particularly described in Surprise City Code § 46-3.14- 100.

“**Speculative Builder Tax Claim Amount**” shall mean the amount distributed to the City of Surprise pursuant to the terms of the Escrow Agreement.

“**State**” shall mean the State in which the Land is located.

“**Subsidiary**” shall mean, with respect to any Person, any Entity in which such Person directly, or indirectly through one or more Subsidiaries or Affiliates, (a) owns more than fifty percent (50%) of the voting or beneficial interest or (b) which such Person otherwise has the right or power to Control (whether by contract, through ownership of securities or otherwise).

“**Tax and Insurance Account**” shall have the meaning given such term in Section 8.3.

“**Tax and Insurance Escrow Amount**” shall have the meaning given such term in Section 8.3.

“**Tenant**” shall be the entity identified in the preamble to this Lease and shall include its successors and assigns expressly permitted hereunder.

“**Tenant’s Personal Property**” shall mean any specific items of P&E listed in Exhibit H attached hereto and made a part hereof, or which hereafter are acquired by Tenant with its own funds after the Effective Date or replacements for such items and located at the Leased Property (but not including any property purchased with funds from the Reserve established under Article 5), or items of intangible property owned by Tenant in connection with the Business.

“**Term**” shall mean, collectively, the Initial Term and the Extended Terms, unless sooner terminated pursuant to the provisions of this Lease.

“**Territory**” shall have the meaning given such term in Section 20.6.1.

“**Unforeseen Reserve Expenditures**” shall have the meaning given such term in Section 5.2.5.



“**Unfunded Reserve Expenditures**” shall have the meaning given such term in Section 5.2.6.

“**Unsuitable for Its Permitted Use**” shall mean a state or condition of the Leased Property such that following any damage, taking, Condemnation or destruction involving the Leased Property, (a) the Leased Property cannot be operated in the reasonable judgment of Tenant after consultation with Landlord on a commercially practicable basis for its Permitted Use and (b) it cannot reasonably be expected to be restored to substantially the same condition as existed before such damage or destruction and as is otherwise required by Article 10 within (i) twelve (12) months following such damage or destruction, or (ii) twenty four (24) months following such damage or destruction in the event that Tenant has extended the term of the business interruption insurance to pay at least an additional twelve (12) months’ Rent for the benefit of Landlord or provides other reasonably acceptable security for any uninsured portion of such additional twelve (12) months’ Rent.

## ARTICLE 2

### LEASED PROPERTY AND TERM

2.1 Leased Property. Upon and subject to the terms and conditions hereinafter set forth, Landlord hereby leases to Tenant for the Term and Tenant hereby leases from Landlord for the Term all of Landlord’s right, title and interest in and to all of the following (collectively, the “**Leased Property**”), and grants to Tenant the right to use and occupy the Leased Property for the purposes, and subject to the limitations, set forth in this Lease:

- (a) all that certain tract, piece and parcel of land, as more particularly described in Exhibit A attached hereto and made a part hereof (the “**Land**”);
- (b) all buildings, structures, fixtures and other improvements of every kind, including, without limitation, all roofs, plumbing systems, electric systems and HVAC systems, roadways, pavilions, alleyways, parking areas and facilities, landscaping, sidewalks, curbs, connecting tunnels, utility pipes, irrigation systems, conduits and lines (on site and off site), appurtenant to or presently situated upon the Land (collectively, the “**Leased Improvements**”);
- (c) all easements, hereditaments, appurtenances and all other rights, privileges and entitlements, if any, relating to the Land and the Leased Improvements;
- (d) all Initial Landlord P&E and all P&E Replacements;
- (e) all moveable machinery, equipment, furniture, furnishings, computers or trade fixtures (including all vehicles, together with all supplies related thereto), owned by Landlord and located on or in the Leased Improvements, and all modifications, replacements, alterations and additions to such property, including without limitation, to the extent assignable by Landlord, any operating leases of any such Initial Landlord P&E, P&E Replacements or other machinery, equipment, furniture, furnishings, computers or trade fixtures, but specifically excluding all items included within the category of Tenant’s Personal Property;

(f) all of the Leased Intangible Property;

(g) all maintenance, service and supply contracts, equipment leases, space leases (including without limitation, leases of storage spaces by any non-commercial tenant and all other similar agreements affecting any of the Leased Property and/or the operation of the Business to the extent that such contracts are transferable, including, without limitation, the Permits and Operating Contracts, together with all prepayments and deposits held thereunder (it being agreed that Landlord shall, as of the Effective Date, make such prepayments and deposits actually available to Tenant for use in the operation of the Business);

(h) all plans and specifications, blue prints, architectural plans, engineering diagrams and similar items specifically related to any of the Land or the Leased Improvements;

(i) all Landlord's Intellectual Property; and

(j) all other property and interests in property conveyed or assigned to Landlord pursuant to the Purchase Agreement.

2.2 Assignment of Permits. Landlord and Tenant shall cooperate and take commercially reasonable efforts to cause all Permits related to the operation (but not ownership) of the Leased Property, which are not currently held in the name of Tenant, to be assigned to Tenant effective as of the Effective Date or as soon thereafter as reasonably possible. Tenant shall pay all costs and expenses in connection with the transfer of the Permits. Landlord shall, at no additional cost to Landlord (other than de minimis costs), cooperate in a commercially reasonable manner with Tenant in connection with obtaining any Permits that are non-transferable. Tenant shall be responsible for the processing of all requests and/or applications for such Permits.

2.3 Assignment of Operating Contracts. Landlord and Tenant shall cooperate and take commercially reasonable efforts to cause all of the Operating Contracts, under which Tenant is not already a party, to be assigned to Tenant as of the Effective Date or as soon thereafter as reasonably possible.

2 . 4 Condition of Leased Property. TENANT ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY MADE BY LANDLORD IN THIS LEASE, LANDLORD IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEASED PROPERTY, THE BUSINESS OR ANY OF THE OTHER ITEMS INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF TITLE, ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS INCLUDING WEATHER-RELATED CONDITIONS, AVAILABILITY OF ACCESS, INGRESS OR EGRESS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS, THE VALUE, CONDITION, HABITABILITY, FITNESS FOR A PARTICULAR USE, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. TENANT AGREES THAT TENANT HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF LANDLORD OR ANY AGENT OF LANDLORD OR OTHER THIRD PARTY, INCLUDING ANY REAL ESTATE BROKER OR AGENT, EXCEPT AS EXPRESSLY MADE BY LANDLORD IN THIS LEASE. TENANT ACKNOWLEDGES THAT TENANT WAS THE TENANT OF THE FACILITY PRIOR TO THE EXECUTION OF THIS LEASE, THE FACILITY WAS CONSTRUCTED BY AN AFFILIATE OF TENANT, AND TENANT REPRESENTS THAT IT IS INTIMATELY FAMILIAR WITH AND HAS INSPECTED THE LEASED PROPERTY AND HAS FOUND THE CONDITION THEREOF SATISFACTORY IN ALL RESPECTS. TENANT HAS CONDUCTED, OR HAS HAD THE OPPORTUNITY TO CONDUCT, ITS OWN INSPECTIONS AND INVESTIGATIONS OF THE LEASED PROPERTY AND THE BUSINESS AND ASSUMES ALL RISK IN CONNECTION THEREWITH, AND TENANT HEREBY ACKNOWLEDGES AND AGREES THAT LANDLORD IS LEASING TO TENANT AND TENANT HEREBY ACCEPTS ALL OF THE LEASED PROPERTY, THE BUSINESS AND ANY OTHER ITEMS LEASED HEREBY "AS IS WHERE IS," WITH ALL FAULTS, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE LEASED PROPERTY BY LANDLORD, ANY AGENT OF LANDLORD OR ANY THIRD PARTY. TENANT HEREBY WAIVES ANY CLAIM OR ACTION AGAINST LANDLORD IN RESPECT OF THE CONDITION OF THE LEASED PROPERTY AND THE BUSINESS. THE TERMS AND CONDITIONS OF THIS SECTION SHALL EXPRESSLY SURVIVE THE TERMINATION OF THIS LEASE.

2 . 5 Initial Term. The initial term of this Lease (the "**Initial Term**") shall commence on the Effective Date and shall terminate and expire at 11:59 p.m. on December 30, 2030, the date which is fifteen (15) years from the Effective Date.

2 . 6 Extended Terms. Tenant shall have and is hereby granted two (2) options (each, an "**Extension Option**") to extend the Term of this Lease (each, an "**Extended Term**") for an additional five (5) years each, upon the terms, covenants, conditions and rental as set forth herein provided no continuing Event of Default then exists hereunder or under any Related Lease at the commencement of the respective Extended Term. Tenant may exercise each such Extension Option successively by giving written notice to Landlord not less than six (6) months nor more than twelve (12) months prior to the respective expiration of the Initial Term of this Lease, or of the then applicable Extended Term. Should Tenant fail to give Landlord such timely written notice during the required period, the then current Term of this Lease and all rights of renewal shall automatically expire as of the then scheduled expiration date of the Term of this Lease.

2.7 Yield Up. Tenant shall, on or before the last day of the Term or upon the sooner termination thereof, peaceably and quietly surrender and deliver to Landlord the Leased Property, including, without limitation, all Leased Improvements and P&E and all additions thereto and replacements thereof made from time to time during the Term, together with and including, without limitation, the P&E Replacements, in good order, condition and repair, reasonable wear and tear excepted, and free and clear of all Liens and encumbrances (other than Permitted Encumbrances, Liens or encumbrances in favor of or granted by Landlord, and any other encumbrances expressly permitted under the terms of this Lease), and Tenant shall fully cooperate with Landlord in transferring, to the extent transferable under Applicable Laws and without consideration or fee, any of the Permits, which Landlord determines, in its sole and absolute discretion, would be necessary or appropriate to continue to operate the Leased Property for its Permitted Use. At the expiration or earlier termination of this Lease, Tenant shall (i) retain all accounts receivable from its operation of the Property and Business subject to and net of the amount of such receivables due to Landlord or to the Reserve pursuant to the terms hereof, and (ii) remain liable for the payment of accounts payable which have accrued as of such time.

2 . 8 Grant of Easements, Etc. by Landlord. Landlord may, from time to time, at the reasonable request of any third party, or as requested or required by any Government Agencies, at Landlord's cost and expense: (i) grant easements and other rights in the nature of easements; (ii) release existing easements or other rights in the nature of easements which are for the benefit of the Leased Property; (iii) dedicate or transfer unimproved portions of the Leased Property for road, highway or other public purposes; (iv) execute petitions to have the Leased Property annexed to any municipal corporation or utility district; (v) execute amendments to any covenants and restrictions affecting the Leased Property; and (vi) execute and deliver to any person any instrument appropriate to confirm or effect such grants, releases, dedications and transfers (to the extent of its interest in the Leased Property), provided that any instrument requested may not materially impair or diminish Tenant's use of the Leased Property or adversely affect in any material respect the operation, value or financial viability of the Business, or otherwise materially increase Tenant's obligations or decrease its rights under this Lease.

### ARTICLE 3

#### RENT

3 . 1 Rent. Tenant shall pay, in lawful money of the United States of America which shall be legal tender for the payment of public and private debts, without offset, abatement, demand or deduction (unless otherwise expressly provided in this Lease), Rent, together with all applicable sales, transaction privilege, use or excise tax thereon now or hereafter applied to rental receipts by the State and local governmental authorities, (but expressly excluding all federal, state and local income taxes, other taxes on income or net worth, franchise taxes, margin taxes, capital, estate, succession, inheritance, value added or transfer taxes of Landlord or similar taxes or charges or substitutes therefor), to Landlord during the Term at the address to which Notices to Landlord are to be given or to such other party or to such other address as Landlord may designate from time to time by written notice to Tenant. All payments to Landlord shall be made by wire transfer of immediately available federal funds or by other means acceptable to Landlord in its sole discretion and all such payments shall, upon receipt by Landlord, be and remain the sole and absolute property of Landlord. If Landlord shall at any time accept any such Rent or other sums after the same shall become due and payable, or any partial payment of Rent, such acceptance shall not excuse a delay upon subsequent occasions, or constitute or be construed as a waiver of any of Landlord's rights hereunder.

3 . 2 Minimum Rent. Tenant shall pay annual base minimum rent ("**Minimum Rent**"), subject to any adjustments set forth in Section 11.2, together with all applicable sales, transaction privilege, use or excise tax thereon now or hereafter applied to rental receipts by the State and local governmental authorities (but expressly excluding all federal, state and local income taxes, other taxes on income or net worth, franchise taxes, margin taxes, capital, estate, succession, inheritance, value added or transfer taxes of Landlord or similar taxes or charges or substitutes therefor), to Landlord in equal monthly installments in advance, on the first (1st) Business Day of each Accounting Period; provided, however, the Deferred Rent Amount which would otherwise be paid for the period commencing on the Effective Date and ending on the Deferred Rent Date shall be paid to Landlord in accordance with Section 3.3.6 hereunder. Further, if applicable, the first payment of Minimum Rent and the last payment of Minimum Rent shall be prorated on a per diem basis; provided, however, that for purposes of Minimum Rent, any prorated payment for any partial Accounting Period prior to the first full Accounting Period shall be prorated based upon the installment of Minimum Rent payable for the first full Accounting Period, and any prorated Rent at the end of the Term shall be prorated based upon the installment of Minimum Rent payable for the last full Accounting Period.

3.2.1 Credit for Prepaid Rent. Landlord shall credit all prepaid resident rents, if any, that were credited or paid to Landlord at closing of the transaction contemplated by the Purchase Agreement to Tenant against the first installment(s) of Minimum Rent due hereunder.

3.2.2 Calculation of Minimum Rent. Subject to proration as set forth above, Tenant shall pay Minimum Rent during the first Fiscal Year of the Term of this Lease in an amount equal to the Initial Annual Lease Amount. Such Minimum Rent shall increase on the first day of every Fiscal Year of the Term thereafter by the greater of two percent (2%) or the CPI Index, provided that such increase shall not exceed three percent (3%).

3.2.3 Calculation of Minimum Rent During Extended Term. Tenant shall pay Minimum Rent during any Extended Term in an amount equal to the greater of the then current Minimum Rent for that Fiscal Year or the then current fair market rental value, determined in accordance with Section 3.2.4 below. The Minimum Rent shall be determined prior to the first day of the first Fiscal Year of the Extended Term, and shall increase on the first day of every Fiscal Year of the Extended Term thereafter by the greater of two percent (2%) or the CPI Index, provided that such increase shall not exceed three percent (3%).

3.2.4 Determination of Fair Market Rental Value for Extended Term. Within ten (10) days following Landlord's receipt of the Extension Option, the parties shall together reasonably determine and agree upon the fair market rental value for the Leased Property. If, however, the parties are unable to agree upon the same within twenty (20) days of such election, then Landlord and Tenant shall, within five (5) days thereafter, each designate an MAI appraiser (together, the "Approved Appraisers") with at least five (5) years of experience doing business in the vicinity of the Leased Property to produce an independent determination of said fair market rental value. If the two (2) Approved Appraisers have made their determinations and the difference between the amounts so determined does not exceed five percent (5%) of the lesser of such amounts, then the fair market rental value shall be an amount equal to fifty percent (50%) of the sum of the amounts so determined. If the difference between the amounts so determined shall exceed five percent (5%) of the lesser of such amounts, then Landlord and Tenant shall again negotiate in good faith for a period of up to fifteen (15) days to determine the fair market rental value, and if they are unable to agree upon a fair market rental value within such time period (the "Outside Agreement Date"), then they shall jointly select a third (3rd) appraiser meeting the above requirements (the "Additional Appraiser") within ten (10) days of the Outside Agreement Date. In the event Landlord and Tenant fail to agree upon fair market rental value by the Outside Agreement Date and to appoint an Additional Appraiser within ten (10) days of the Outside Approval Date, the two (2) Approved Appraisers initially appointed by the parties shall mutually select the Additional Appraiser. Any Additional Appraiser appointed by the two (2) initial Approved Appraisers or by mutual agreement of Landlord and Tenant, as applicable, shall be instructed to determine the fair market rental value of the Leased Property within fifteen (15) days after appointment. If an Additional Appraiser is thus appointed, then the determination of the three (3) appraisers (the two (2) initial Approved Appraisers and the Additional Appraiser) which differs most in terms of dollar amount from the determinations of the other two (2) appraisers shall be excluded, and fifty percent (50%) of the sum of the remaining two determinations shall be final and binding upon Landlord and Tenant as the fair market rental value of the Leased Property. Any appraiser-related fees and costs shall be paid by equally by Tenant and Landlord.

3.3 Additional Charges. In addition to the Minimum Rent payable hereunder, Tenant shall pay to the appropriate parties and discharge as and when due and payable hereunder the following (collectively the "Additional Charges");

3.3.1 Taxes and Assessments. Tenant shall pay or cause to be paid all taxes and assessments required to be paid pursuant to Article 8.

3.3.2 Utility Charges. Tenant shall be liable for and shall promptly pay directly to the utility company all deposits, charges and fees (together with any applicable taxes or assessments thereon) when due for water, gas, electricity, air conditioning, heat, septic, sewer, refuse collection, telephone and any other utility charges, impact fees, or similar items in connection with the use or occupancy of the Leased Property. Landlord shall not be responsible or liable in any way whatsoever for the quality, quantity, impairment, interruption, stoppage, or other interference with any utility service, including, without limitation, water, air conditioning, heat, gas, electric current for light and power, telephone, or any other utility service provided to or serving the Leased Property. No interruption, termination or cessation of utility services shall relieve Tenant of its duties and obligations pursuant to this Lease, including, without limitation, its obligation to pay all Rent as and when the same shall be due hereunder, except in the event that such interruption, termination or cessation of utility services is solely due to an act or omission by Landlord.

3.3.3 Insurance Premiums. Tenant shall pay or cause to be paid all premiums for the insurance coverage required to be maintained pursuant to Article 9.

3.3.4 Licenses and Permits. Except as otherwise provided in this Lease, Tenant shall pay or cause to be paid all fees, dues and charges of any kind which are necessary in order to acquire and keep in effect and good standing all Permits required for operation of the Leased Property in accordance with the terms of Article 4. Tenant shall maintain, in Tenant's name (to the extent permitted under Applicable Laws), those Permits related to the operation of the Leased Property. Notwithstanding the foregoing, in the event of the expiration or earlier termination of this Lease, Tenant shall assign, transfer or otherwise convey all Permits maintained in Tenant's name to Landlord or Landlord's designee, to the extent not prohibited by Applicable Laws.

3.3.5 Sales Tax. Each month, Tenant shall reimburse Landlord for the amount of any applicable sales, transaction privilege, use, excise or similar or other tax paid by Landlord on any Rent, Deferred Rent (when applicable) and any payments to the Reserve or otherwise made under this Lease, whether the same be now or hereafter levied, imposed or assessed by the State, local or any Governmental Agencies, but specifically excluding any federal, state or local income taxes, franchise taxes, margin taxes, taxes on net worth, capital, estate, succession, inheritance, value added or transfer taxes of Landlord or similar tax or charge or substitutes therefor and any other taxes imposed on Landlord's income. Landlord shall provide Tenant with information regarding the calculation and payment of such tax prior to the first (1st) Business Day of each Accounting Period, and Tenant shall pay such sales tax to Landlord together with the Minimum Rent payment.

3.3.6 Deferred Rent. In addition to Rent due hereunder, Tenant shall pay to Landlord the Deferred Rent Amount as follows: (i) on the last day of the First Compliance Period, an amount equal to sixty (60%) of the Deferred Rent Amount; and (ii) on the last day of the Second Compliance Period, an amount equal to forty percent (40%) of the Deferred Rent Amount.

3.3.7 Other Charges. Tenant shall pay or cause to be paid all other amounts, liabilities and obligations arising in connection with the Leased Property, including, without limitation, Operating Expenses and any other costs and expenses specifically identified as "Additional Charges" pursuant to this Lease, except those obligations expressly stated not to be an obligation of Tenant pursuant to this Lease.

3.3.8 Penalties and Interest. Tenant shall pay or cause to be paid every fine, penalty, interest and cost, that Tenant is responsible for, which may be added for non-payment or late payment of the items referenced in this Section 3.3.8. Tenant shall prepare and file at its expense, to the extent required or permitted by Applicable Laws, all tax returns and other reports in respect of any Additional Charge as may be required by Governmental Agencies. Notwithstanding the foregoing provisions of this Section 3.3. with respect to any Additional Charge accruing prior to the Effective Date and payable on or after the Effective Date for which Landlord has received a credit from the Seller at Closing, Landlord shall either pay such credited amount when due to the applicable parties or deliver such credited amount to Tenant in which event Tenant shall pay such credited amount to the applicable parties when due. Notwithstanding any provision contained herein to the contrary, if any interest rate specified in this Lease is higher than the rate then permitted by law, such interest rate specified herein shall automatically be adjusted from time to time to the maximum rate permitted by Arizona Law.

3.3.9 Reserve Payments. Tenant shall pay or cause to be paid all amounts required to be placed into the Reserve pursuant to Section 5.2.

3.4 Landlord Advances. Except as specifically provided otherwise in this Lease, and subject to Tenant's right to contest taxes affecting the Leased Property pursuant to, and in accordance with, Section 8.2 hereof, if Tenant does not pay or discharge all Additional Charges, and provide proof of payment if requested by Landlord prior to delinquency, Landlord shall have the right but not the obligation to pay such Additional Charges on behalf of Tenant. If Landlord shall make any such expenditure for which Tenant is responsible or liable under this Lease, or if Tenant shall become obligated to Landlord under this Lease for any other sum besides Minimum Rent as hereinabove provided, the amount thereof shall be deemed to constitute an "Additional Charge" and shall be due and payable by Tenant to Landlord, together with interest at the Overdue Rate and all applicable sales or other taxes thereon, if any, simultaneously with the next succeeding monthly installment of Minimum Rent or at such other time as may be expressly provided in this Lease for the payment of the same.

3.5 Late Payment of Rent. If Tenant fails to make any payment of Rent on or before the seventh (7<sup>th</sup>) Business Day after the same becomes due, Tenant shall pay to Landlord an administrative late charge of three percent (3%) of the amount of such payment. In addition, such past due payment shall bear interest at the Overdue Rate from the date first due until paid. Such late charge and interest shall constitute an Additional Charge and shall be due and payable with the next installment of Rent due hereunder.

3.6 Net Lease. Landlord and Tenant acknowledge and agree that both parties intend that this Lease shall be and constitute what is generally referred to in the real estate industry as a "triple net" or "absolute net" lease, such that, except as otherwise expressly set forth herein, Tenant shall be obligated hereunder to pay all costs and expenses incurred with respect to, and associated with, the Leased Property and all personal property thereon and therein and the business operated thereon and therein, including, without limitation, all rent and other charges due and payable under any ground lease or sublease encumbering the Land, all taxes and assessments, utility charges, insurance costs, maintenance costs and routine and customary repair, replacement and restoration expenses (all as more particularly herein provided), together with any and all other assessments, charges, costs and expenses of any kind or nature whatsoever related to, or associated with, the Leased Property, the use, occupation or operation thereof, and the Business operated thereon and therein, other than any cost or expenses specifically indicated herein to be Landlord's obligation and other than Landlord's financing costs and expenses and related debt service; provided, however, that Landlord shall nonetheless be obligated to pay Landlord's federal, state and local income taxes, other taxes on income or net worth, franchise taxes, margin taxes, capital, estate, succession, inheritance, value added or transfer taxes of Landlord or similar taxes or charges or substitutes therefor imposed on Landlord's income. Except as expressly provided in this Lease, Landlord shall bear no cost or expense of any type or nature with respect to, or associated with, the Leased Property, or the use, occupation or operation thereof. Except to the extent otherwise expressly provided in this Lease, it is agreed and intended that Rent payable hereunder by Tenant shall be paid without notice, demand, counterclaim, set off, deduction or defense and without abatement, suspension, deferment, diminution or reduction and that Tenant's obligation to pay Rent throughout the Term and any applicable Extended Term is absolute and unconditional and the respective obligations and liabilities of Tenant and Landlord hereunder shall in no way be released, discharged or otherwise affected for any reason, including without limitation: (a) any defect in the condition, merchantability, design, quality or fitness for use of the Leased Property or any part thereof, or the failure of the Leased Property to comply with Applicable Laws, including any inability to occupy or use the Leased Property by reason of such noncompliance; (b) any damage to, removal, abandonment, salvage, loss, theft, scrapping or destruction of or any requisition of the Leased Property or any part thereof, or any environmental condition on the Leased Property or any property in the vicinity of the Leased Property; (c) any restriction, prevention or curtailment of or interference with any use of the Leased Property or any part thereof, including eviction; (d) any defect in title to or rights to the Leased Property or any Lien on such title or rights to the Leased Property; (e) any change, waiver, extension, indulgence or other action or omission or breach in respect of any obligation or liability of or by any Person; (f) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceedings relating to Tenant or any other Person or any action taken with respect to this Lease by any trustee or receiver of Tenant or any other Person or by any court, in any such proceedings; (g) any right or claim that Tenant has or might have against any Person, including, without limitation, Landlord or any vendor, manufacturer or contractor of or for the Leased Property (other than a claim resulting from any willful misconduct or gross negligence of Landlord); (h) subject to Section 12.3 hereof, any failure on the part of Landlord or any other Person to perform or comply with any of the terms of this Lease, or of any other agreement; (i) any invalidity, unenforceability, rejection or disaffirmance of this Lease by operation of law or otherwise against or by Tenant or any provision hereof; (j) the impossibility of performance by Tenant or Landlord, or both; (k) any action by any court, administrative agency or other Government Agencies; (l) any interference, interruption or cessation in the use, possession or quiet enjoyment of the Leased Property or otherwise, unless such interference, interruption or cessation in use is solely due to an act or omission by Landlord; or (m) any other occurrence whatsoever whether similar or dissimilar to the foregoing, whether foreseeable or unforeseeable, and whether or not Tenant shall have notice or knowledge of any of the foregoing. Except as specifically set forth in this Lease, this Lease shall be non-cancelable by Tenant for any reason whatsoever and, except as expressly provided in this Lease Tenant, to the extent now or hereafter permitted by Applicable Laws, waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or to any diminution, abatement or reduction of Rent payable hereunder. Except as specifically set forth in this Lease, under no circumstances or conditions shall Landlord be expected or required to make any payment of any kind hereunder or have any obligations with respect to the use, possession, control, maintenance, alteration, rebuilding, replacing, repair, restoration or operation of all or any part of the Leased Property, so long as the Leased Property or any part thereof is subject to this Lease.



3 . 7 No Abatement of Rent. Except as otherwise specifically set forth in this Lease, no abatement, diminution or reduction (a) of Rent, charges or other compensation, or (b) of Tenant's other obligations hereunder shall be allowed to Tenant or any Person claiming under Tenant, under any circumstances or for any reason whatsoever and to the maximum extent permitted by Applicable Laws, Tenant hereby waives the application of any local or state statutes, land rules, regulations or ordinance providing to the contrary.

3 . 8 Letter of Credit; Tenant Security Deposit. On the Effective Date of this Lease, Tenant shall deliver to Landlord an irrevocable letter of credit naming Landlord or its designee as the sole beneficiary (the "Letter of Credit") in a face amount of Two Million and No/100 Dollars (\$2,000,000.00), which shall be issued by a fiduciary approved by Landlord at its reasonable discretion (the "Issuer") and secured by the assets of an entity other than Tenant or Guarantor. If at any time during the Term the creditworthiness of the issuing bank materially decreases, then Landlord may, in its reasonable discretion, require Tenant to replace the Letter of Credit with one from another issuing bank satisfactory to Landlord. On the first anniversary of the Effective Date of this Lease, Tenant shall deliver to Landlord a cash deposit of One Million Dollars (\$1,000,000.00) (the "Cash Deposit", together with the Letter of Credit, the "Security Deposit"). Tenant shall maintain the Security Deposit (subject to increases or decreases as provided hereunder) for the duration of the Term (and any Extended Term) of this Lease. If Tenant performs all of Tenant's obligations hereunder, then at the expiration of the Term, and after Tenant has vacated the Leased Property, the cash Security Deposit, if any, shall be returned to Tenant, without payment of interest or other increment for its use. No trust or escrow relationship is created herein between Landlord and Tenant with respect to the Security Deposit. Landlord shall not be required to keep any cash Security Deposit separate from its general accounts and may commingle the same with other funds of Landlord. The Letter of Credit will permit multiple draws, and draws may be for part or all of the face amount of the Letter of Credit. The Letter of Credit shall be assignable without the consent of Tenant by Landlord to any of its affiliates or any assignee of Landlord's rights under the Lease, or any assignee of such assignees. The Letter of Credit shall have a term of at least twelve (12) months. Throughout the Term, the Letter of Credit shall be renewed or reissued for successive twelve (12) month terms. At least sixty (60) days prior to the date of expiration of the Letter of Credit, Tenant shall cause the issuing bank to deliver to Landlord a new or renewed Letter of Credit for the next-succeeding twelve (12) month period. In the event that Tenant does not timely receive the renewal or reissuance of the Letter of Credit as provided in the immediately preceding sentence, Landlord shall have the right to draw upon the Letter of Credit; provided, however, that Landlord shall immediately return such funds to Tenant in the event Tenant delivers to Landlord a replacement Letter of Credit reasonably acceptable to Landlord. If the Letter of Credit shall be stolen, misplaced or destroyed, Tenant will provide a replacement Letter of Credit.

3.8.1 Decreases to Security Deposit. The Security Deposit may be reduced during the Term of the Lease as follows: (i) if Tenant maintains Compliant Coverage during the First Compliance Period and no Event of Default exists under the Lease, the Security Deposit may be reduced by \$500,000.00 upon the expiration of the First Compliance Period (the "First Security Deposit Decrease"); and (ii) in the event Tenant achieves the First Security Deposit Decrease, if Tenant maintains Compliant Coverage during the Second Compliance Period and no Event of Default exists under the Lease, the Security Deposit may be reduced by an additional \$500,000.00 upon the expiration of the Second Compliance Period.

3.8.2 Increases to Security Deposit. The Security Deposit shall be increased during the Term (and any Extended Term) of the Lease as follows: if Tenant fails to achieve (a) an annual Rent Coverage Ratio (based on the prior four (4) Fiscal Quarters) of 1.3x EBITDAR for the First Compliance Period (as determined at the end of the First Compliance Period), or (b) an annual Rent Coverage Ratio (based on the prior four (4) Fiscal Quarters) of 1.75x EBITDAR the Second Compliance Period (as determined at the end of the Second Compliance Period based upon Tenant's then current financial data) or (c) an annual Rent Coverage Ratio (based on the prior four (4) Fiscal Quarters) of 1.75x EBITDAR for any twelve month period thereafter during the Term (as determined at the end of such twelve month period), Tenant shall, subject to this Section 3.8.2, within thirty (30) days of a determination by Landlord that Tenant has failed to achieve the required Rent Coverage Ratio specified above, either: (y) fund (or cause the Guarantor to fund) to Landlord the amount required to bring the annual Rent Coverage Ratio to the required 1.3x or 1.75x EBITDAR Rent Coverage Ratio threshold, as applicable (the "Shortfall Amount"); or (z) increase the Security Deposit by the Shortfall Amount. Such payment of the Shortfall Amount or increase in the Security Deposit shall remain in effect until Tenant has achieved the required annual 1.3x or 1.75x EBITDAR Rent Coverage Ratio threshold (based on the prior four (4) Fiscal Quarters), as applicable, whereupon the Shortfall Amount shall be returned to Tenant or the Security Deposit shall be reduced to the amount of the Security Deposit in place immediately prior to increase contemplated by this Section 3.8.2.

3 . 9 Security for Lease. The Security Deposit shall be held by Landlord as security for the faithful observance and performance by Tenant of all the terms, covenants and conditions of the Lease to be observed and performed by Tenant. If an Event of Default shall occur and be continuing under this Lease, then Landlord may, at its option, and without prejudice to any other remedy which Landlord may have hereunder against Tenant or Guarantor, make use, apply or retain all or any portion of the Security Deposit, including drawing on the Letter of Credit, for the payment of any Rent, the funding of Additional Charges or other charges arising out of an Event of Default, the funding of the Reserve or for the payment of any sum to which Landlord may become obligated by reason of such Event of Default. Without limiting the foregoing, if an Event of Default occurs due to Tenant's failure to timely deposit into the Reserve any amounts which are required to be deposited by Tenant pursuant to Section 5.2.2 hereof, then Landlord may apply the Security Deposit to fund such amounts. If Landlord so uses or applies all or any portion of the Security Deposit, Tenant shall, within five (5) days after written demand therefor, deliver to Landlord cash or a new letter of credit reasonably acceptable to Landlord in the amount equal to any amounts of the Security Deposit so used, applied or retained by Landlord. **TENANT HEREBY ACKNOWLEDGES AND AGREES THAT (A) THE SECURITY DEPOSIT SHALL NOT BE CONSIDERED AS PREPAID RENT HEREUNDER; (B) LANDLORD'S DAMAGES HEREUNDER SHALL NOT BE LIMITED TO THE AMOUNT OF THE SECURITY DEPOSIT; AND (C) LANDLORD HAS ENTERED INTO THIS LEASE IN RELIANCE UPON THE SECURITY DEPOSIT.**

3.10 Security Agreement. Tenant hereby grants to Landlord a security interest in the Security Deposit and Reserve as security for Tenant's obligations to Landlord hereunder and Tenant agrees that, in addition to all other rights and remedies available to Landlord, Landlord shall have all rights of a secured party under Applicable Law with respect to such proceeds. Tenant agrees to execute and deliver all such instruments as may be required by Landlord to evidence and/or perfect these security interests. At Landlord's expense, Landlord may file at the appropriate state and county Uniform Commercial Code filing offices any financing statement or other instrument needed to evidence and/or perfect these security interests. Tenant hereby grants to Landlord a power of attorney specifically limited to Landlord's execution and filing of any financing statement or other instrument needed to evidence and/or perfect Landlord's aforesaid security interest, which power is coupled with an interest and is irrevocable during the Term.

#### ARTICLE 4

##### USE OF THE LEASED PROPERTY

#### 4.1 Permitted Use.

4.1.1 Permitted Use. Tenant covenants and agrees that it shall, throughout the Term of this Lease, except during the continuation of a Force Majeure Event, continuously use and occupy the Leased Property solely for operation of the Business, and for such other uses as may be necessary or incidental to such use, and for no other purpose without interruption (the foregoing being referred to as the "Permitted Use"). Without the prior written consent of Landlord, no Affiliate of Tenant may be a subtenant or concessionaire in the Leased Property. Notwithstanding the foregoing, Tenant may sublease a portion of the Leased Property without the prior written consent of Landlord, provided that: (i) Tenant subleases such portion of the Leased Property in the ordinary course of business, (ii) the sublease is on market terms and conditions, and (iii) during the Term of the Lease, Tenant does not sublease more than 2,000 square feet of the Leased Property in the aggregate without Landlord consent. No use shall be made or permitted to be made of the Leased Property which will cause the cancellation of any insurance policy covering the Leased Property or any part thereof, nor shall Tenant sell or otherwise provide or permit to be kept, used or sold in or about the Leased Property any article which may be prohibited by law or by the standard form of fire insurance policies, or any other insurance policies required to be carried hereunder, or fire underwriter's regulations. Tenant shall, at its sole cost, comply with all Insurance Requirements. Tenant shall not take or omit to take any action, the taking or omission of which materially impairs the value or the usefulness of the Leased Property or any part thereof for its Permitted Use.

4.1.2 Necessary Approvals. Tenant shall at all times during the Term of this Lease and in accordance with the terms of this Lease maintain, in good standing, all Permits and approvals necessary to use and operate, for its Permitted Use, the Leased Property and the Business operated thereon under Applicable Laws, and shall provide to Landlord, upon Landlord's request, a copy of any documents or information pertaining to said Permits and approvals. Landlord shall, at no cost or liability to Landlord, reasonably cooperate with Tenant in this regard.

4.1.3 Lawful Use, Etc. Tenant shall not use or suffer or permit the use of the Leased Property or Tenant's Personal Property, if any, for any unlawful purpose. Tenant shall not commit or suffer to be committed any waste on the Leased Property nor shall Tenant cause or permit any unlawful nuisance thereon or therein. Tenant shall not suffer nor permit the Leased Property, or any portion thereof, to be used in such a manner as (i) would reasonably be expected to impair Landlord's title thereto or to any portion thereof, (ii) would reasonably be expected to allow a claim or claims for adverse usage or adverse possession by the public, as such, or of implied dedication of the Leased Property or any portion thereof, or (iii) are likely to result in a material, negative change in its quality or condition.

4.1.4 Compliance with Legal Requirements. Tenant shall at all times, at its sole cost and expense, keep, maintain and operate the Leased Property in compliance with all Legal Requirements; provided that the cost or expense of any improvement, alteration, repair or addition required under any Legal Requirement or necessary for compliance with any Applicable Law shall be paid for using funds from the Reserve and otherwise in accordance with Article 5 hereof. Tenant agrees to give Landlord Notice of any notices, orders or other communications relating to Legal Requirements affecting the Leased Property which is or are enacted, passed, promulgated, made, issued or adopted, a copy of which is served upon, or received by, Tenant, or a copy of which is posted on or fastened or attached to the Leased Property, within five (5) Business Days after service, receipt, posting, fastening or attaching. At the same time, Tenant will inform Landlord as to the work or steps which Tenant proposes to do or take in order to comply therewith. Tenant shall manage the use of all Hazardous Substances stored at, or used in connection with, the Leased Property and Business in accordance with all applicable Environmental Laws.

4.2 Environmental Matters.

4.2.1 Except in accordance with Applicable Laws, Tenant shall at all times during the Term keep the Leased Property free of Hazardous Substances. Neither Tenant nor any of its employees, agents, invitees, licensees, contractors, guests, or subtenants (if permitted) shall use, generate, manufacture, refine, treat, process, produce, store, deposit, handle, transport, Release (as defined below), or dispose of Hazardous Substances in, on, at, under, from or about the Leased Property or the Environment thereof, in violation of any Applicable Law(s). Tenant shall give Landlord prompt Notice of any claim received by Tenant from any person, entity, or applicable Governmental Agencies that a Release or disposal of Hazardous Substances has occurred or otherwise been identified on the Leased Property or the Environment thereof, and shall strictly comply with and correct, at Tenant's sole cost and expense, any and all violations of Applicable Law(s) to the written satisfaction of the applicable Governmental Agencies and Landlord. Upon request of Landlord, Tenant shall provide Landlord with a copy of any and all written correspondence between any such applicable Governmental Agency and Tenant. Under this Section 4.2, the term "**Release**" shall mean any potential or actual presence in, on, at, under, from, or the spilling, leaking, migrating, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the Environment of any Hazardous Substance(s). Tenant shall not knowingly or intentionally discharge or permit to be discharged into any septic facility or sanitary sewer system serving the Leased Property any Hazardous Substance(s), toxic or hazardous sewage or waste other than that which is permitted by Applicable Laws or which is normal domestic waste water for the type of business contemplated by this Lease to be conducted by Tenant on, in, at or from the Leased Property. Any Hazardous Substance(s) toxic or hazardous sewage or waste which is produced or generated in connection with the use or operation of the Leased Property shall be handled and disposed of as required by and in strict compliance with all Applicable Law(s), or shall be pretreated to the level of domestic wastewater, as specified by Applicable Law(s), prior to discharge into any septic facility or sanitary sewer system serving the Leased Property.

4.3 Continuous Operations. Tenant shall continuously operate the Leased Property in the manner required hereunder, shall maintain sufficient skilled staff and employees, and shall maintain adequate levels and quality of P&E, to operate the Leased Property as herein required at its sole cost and expense throughout the entire Term of this Lease. Landlord hereby agrees that Tenant may enter into a Management Agreement with Cobalt Rehab Management LLC, a Texas limited liability company, effectively dated as of the date hereof; provided, however, Landlord shall have approved of such Management Agreement prior to the Effective Date, and Landlord makes no representations whatsoever with respect to the Management Agreement and specifically disclaims any obligation to allow such management agreement to remain in effect upon termination of this Agreement. Tenant shall not enter into any other management agreement with respect to the Leased Property unless such management agreement is approved in writing by Landlord, at Landlord's sole and absolute discretion, and any such management agreement shall be expressly subordinate to the interests of Landlord and the holder of any Facility Mortgage, and the payment of any management fees thereunder shall be expressly subordinate to payment of Rent under this Lease. Additionally, any such management agreement must provide that Landlord may assume such agreement, in Landlord's sole and absolute discretion, upon an Event of Default.

4.4 Compliance With Restrictions, Etc. Tenant, at its sole cost and expense, shall comply in all respects with all Permitted Encumbrances affecting the Leased Property and Tenant shall comply with and perform all of the obligations set forth under the same to the extent that the same are applicable to the Leased Property or to the extent that the same would, if not complied with or performed, impair or prevent the continued use, occupancy and operation of the Leased Property for the purposes set forth in this Lease; provided, however, the foregoing shall not require Tenant to perform any of Landlord's obligations under any Permitted Encumbrance relating to a Facility Mortgage or any other financing incurred by Landlord. Further, in addition to Tenant's payment obligations under this Lease, Tenant shall pay all sums charged, levied or assessed under any Permitted Encumbrances (other than any encumbrances relating to a Facility Mortgage or any other financing incurred by Landlord) promptly as the same become due and shall, upon receipt of written request by Landlord, promptly furnish Landlord evidence of payment thereof.

4.5 Standard of Operation. Throughout the Term of this Lease, Tenant shall continuously operate (except during a Force Majeure Event) the Business and the Leased Property in full compliance with the terms hereof in a manner consistent with the level of operation maintained as of the Effective Date, as may be improved from time to time, including, without limitation, the following:

(a) to operate the Leased Property and the Business in a prudent manner and in compliance with Applicable Laws, Accessibility Laws, Legal Requirements and regulations relating thereto, and maintain all Permits and any other agreements necessary for the use and operation of the Business;

(b) to keep all Leased Improvements and P&E located on the Land or used or useful in connection with the Business in good repair, working order and condition, reasonable wear and tear excepted, and from time to time make all needed and proper repairs, renewals, replacements, additions and improvements thereto to keep the same in good operating condition;

(c) to initially fund a working capital account in an amount equal to \$5,200,000 to open and operate the Leased Property as herein required, of which \$1,700,000 may be used to purchase equipment, \$2,000,000 shall be used to pay for pre-opening costs and expenses and \$1,500,000 for additional working capital needs. Thereafter, Tenant shall (i) maintain cash or cash-equivalents in a minimum amount of \$1,000,000, and (ii) maintain access to additional cash or cash-equivalents held by Cobalt Rehabilitation Hospitals, LLC or Cobalt Medical Partners, LLC in a minimum amount of \$1,000,000 (working capital shall mean assets which are reasonably necessary and used for the day to day operation of the Leased Property, including, without limitation, (i) amounts sufficient for the maintenance of change and petty cash funds, amounts deposited in operating bank accounts, receivables, prepaid expenses, and (ii) funds required to (A) maintain Inventory, (B) pay all Operating Expenses as they become due, less accounts payable and accrued current liabilities, and (C) maintain the Leased Property in good repair, working order and condition);

(d) to keep, maintain, operate, and use the Leased Property and Business in compliance with the terms hereof, and at the level of operation conducted at the Facility as of the Effective Date; and

(e) to provide prompt written notice to Landlord of material or extraordinary developments, lawsuits, violation of any Legal Requirements and fines relating to the use and operation of the Leased Property or the Business.

4.6 Standards, Not Control. Landlord and Tenant stipulate and agree that the means, pricing, policies, and methods used and actions taken to operate the Business are within the sole control and election of Tenant, and are not specified by or under the control of Landlord. Accordingly, Landlord shall have no responsibility for any action taken by Tenant in order to manage or operate the Business.

4.7 Survival. As to conditions and uses of Tenant existing or occurring prior to the expiration or sooner termination of this Lease, the provisions of this Article 4 shall survive the expiration or sooner termination of this Lease.

## ARTICLE 5

### MAINTENANCE AND REPAIRS

#### 5.1 Tenant's Obligations.

5.1.1 Tenant shall, at its sole cost and expense, keep the Leased Property in good working order and repair, and shall promptly make all necessary and appropriate repairs and replacements thereto of every kind and nature reasonably required for the standard of operation for the Business as set forth herein, whether interior or exterior, structural or nonstructural, foreseen or unforeseen or arising by reason of a condition existing prior to the commencement of the Term and whether or not necessitated by siltation, wear, tear, acts of God, obsolescence or defects, latent or otherwise, and shall use all reasonable precautions to prevent damage or injury. All repairs shall be made in a good, workmanlike manner, consistent with the standards generally employed by owners and operators of inpatient rehabilitation facilities comparable to the Facility, as may be improved from time to time, in accordance with all applicable federal, state and local statutes, ordinances, by laws, codes, rules and regulations relating to any such work.

If Landlord notifies Tenant in writing of the need for Tenant to undertake repairs and maintenance in accordance with the provisions of this Section 5.1, specifying the items of repair or maintenance in question, Tenant shall respond within ten (10) Business Days as to Tenant's planned course of action with respect to the specific items identified by Landlord, or as to such items which Tenant feels are inappropriate, except in the case of an emergency in which event the Tenant shall respond as quickly as the emergency requires.

5.1.2 Tenant shall also, at its sole cost and expense, put, keep, replace and maintain Tenant's Personal Property in good repair and in good, safe and substantial order, howsoever the necessity or desirability for repairs may occur, and whether or not necessitated by wear, tear, obsolescence or defects. Tenant may at any time and from time to time remove and dispose of any of Tenant's Personal Property which is either (i) obsolete or unfit for use or which is no longer useful in the operation of the Business or (ii) not reasonably required for the operation of the Business as required herein.

5.1.3 In addition to the foregoing, Tenant shall, at its sole cost and expense, comply with and perform any maintenance obligations and/or requirements set forth in any and all applicable agreements or permits concerning storm water control or drainage procedures and any agreements or permits applicable to any rights in or to navigable waters associated with or related to the Leased Property or the operation thereof.

## 5.2 Reserve

5.2.1 Commencing with the first Fiscal Year, Landlord shall establish an interest bearing reserve account (the "**Reserve**") in a bank designated by Landlord. All interest earned on the funds in the Reserve shall be added to and remain a part of the Reserve. Both Tenant and Landlord shall be signatories on the Reserve; provided, however, so long as there exists no uncured Event of Default, Tenant may be the sole signatory on any withdrawals, whether by check, wire or otherwise and further provided that such expenditures are in accordance with the Approved Reserve Budget. In the event Tenant has committed an uncured Event of Default, only Landlord's signature and approval shall be required to withdraw funds from the Reserve and Tenant shall not make any withdrawals. Such account shall be established in Landlord's name and control for the purposes set forth in this Lease. The purpose of the Reserve is to cover the cost of the following, to the extent carried out in accordance with this Lease (collectively, "**Reserve Expenditures**"):

(a) replacements (including P&E Replacements) and renewals and additions to the P&E located at the Land or used in connection with the Business (other than food and beverages located at any restaurant operated in connection with the Business); and

(b) repairs, alterations (including any Permitted Renovations contemplated by Section 6.2 hereof, subject to the provisions of Section 6.2.2 hereof), improvements, renewals, replacements and additions, whether routine, non-routine or major, to the Leased Improvements, including without limitation, those required in order to cause the Leased Property to comply with Applicable Laws and those which are normally capitalized under GAAP such as maintenance, renovations, repairs, alterations, improvements, renewals, replacements and additions to (i) any structures, including bearing walls, foundations, exterior facades, interior walls, roofs and ceilings, any mechanical, electrical, heating, ventilating, air conditioning, plumbing and vertical transportation elements of the Leased Improvements, and all other related improvements and facilities; and (ii) signage, storm drain system, parking lot and related facilities and all other related improvements and facilities, which expenditures Tenant reasonably believes should be made for the Leased Property for the following Fiscal Year in order to maintain the Leased Property in a commercially reasonable condition consistent with the standard of operation for the Business required herein.



(c) In accordance with the terms of Section 4.2 hereof, any abatement, management, cleanup, removal or remediation work with respect to any Hazardous Substances.

5.2.2 On or before the tenth (10<sup>th</sup>) Business Day following the end of each Accounting Period during the remainder of the Term, Tenant shall transfer into the Reserve an amount equal to one twelfth (1/12) of the Reserve Payment. The term "**Reserve Payment**" shall mean: (i) \$0.25 per rentable square foot of the Facility for the initial Fiscal Year of the Term, (ii) \$0.50 per rentable square foot of the Facility for the second Fiscal Year of the Term, (iii) \$1.00 per rentable square foot of the Facility for the third Fiscal Year of the Term, and, for each Fiscal Year thereafter, increasing annually by an amount equal to two and one half percent (2.5%). The total rentable square footage of the Facility shall be as set forth in the final "as completed" construction plans and specifications for the Facility, subject to the approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Reserve Payment payable during each Accounting Period of the initial Fiscal Year and the last Fiscal Year of the Term shall be prorated on a per diem basis. Notwithstanding anything to the contrary in this Section 5.2.2, in the event that an amount different than the Reserve Payment set forth above is set forth in a Reserve Budget, or a greater amount is required by the lender holding the first Mortgage on the Facility, then the Reserve Payment shall be such different or greater amount, as the case may be.

5.2.3 On or before November 1 of each Fiscal Year (and within sixty (60) days of the Effective Date for the first Fiscal Year), Tenant shall prepare an estimate (the "**Reserve Budget**") of Reserve Expenditures anticipated during the ensuing Fiscal Year, and shall submit such Reserve Budget to Landlord for its review. Such Reserve Budget shall reflect by category the projected budget for Reserve Expenditures for the Leased Property and assumptions on the basis of which such categories were prepared in narrative form if necessary, including separate budget items for all projected expenditures for replacements, substitutions and additions to Tenant's Personal Property. Tenant shall provide to Landlord reasonable additional detail, information and assumptions used in the preparation of the Reserve Budget as requested by Landlord, and shall also submit to Landlord with the Reserve Budget good faith longer range projections of planned Reserve Expenditures for an additional three (3) Fiscal Years. Tenant shall review the Reserve Budget with Landlord, and subject to Landlord's approval, Tenant shall implement such Reserve Budget for the successive Fiscal Year (during which it shall, if approved by Landlord, be referred to as the "**Approved Reserve Budget**"). In addition, Landlord shall have the right to reasonably disapprove any expenditures to be made pursuant to the Reserve Budget which are not in compliance with Applicable Laws. Further, Landlord's approval of any expenditure pursuant to the Reserve Budget shall not be, or be deemed to be, an assumption by Landlord of any liability in connection with the expenditures made. Pending resolution of any dispute, the specific disputed item of the Reserve Budget shall be suspended and replaced for the Fiscal Year in question by an amount equal to the lesser of (a) that proposed by Tenant for such Fiscal Year, or (b) such budget item for the Fiscal Year prior thereto. Subject to the terms of this Section 5.2.3, Tenant shall not deviate from the Approved Reserve Budget without the prior approval of Landlord, except in the case of an emergency where immediate action is necessary to prevent imminent danger to person or property (an "**Emergency**"). In such circumstances, Tenant shall use good faith efforts to obtain the approval of Landlord if practicable and if such efforts would not pose a risk to the condition of the Leased Property or harm to any person, and in any event provide notice to Landlord as promptly as possible of such expenditure, the amount of and the reason for the same.

5.2.4 Tenant shall, consistent with the Approved Reserve Budget, from time to time make Reserve Expenditures from the Reserve as it reasonably deems necessary in accordance with Section 5.2 and Section 5.2.3. Tenant shall provide to Landlord, within thirty (30) days after the end of each Accounting Period, an itemized statement setting forth Reserve Expenditures made to date during the Fiscal Year, including appropriate supporting documentation such as receipts, invoices or other relevant information required to support and account for such Reserve Expenditures.

5.2.5 In the event Reserve Expenditures not otherwise provided for in the Approved Reserve Budget are required (a) as a result of Legal Requirements, a Force Majeure Event and/or are otherwise required for the continued safe and orderly operation of the Leased Property, (b) due to an Emergency threatening the Leased Property, its guests, invitees or employees, or (c) because the continuation of a given condition will subject Tenant or Landlord to civil or criminal liability ("**Unforeseen Reserve Expenditures**"), Tenant shall give Landlord Notice thereof, which Notice shall set forth in reasonable detail the nature of the Unforeseen Reserve Expenditures and the estimated cost thereof, and Landlord agrees that it shall not unreasonably withhold, condition or delay its approval of such Unforeseen Reserve Expenditures.

5.2.6 In the event funds in the Reserve shall be insufficient, or are reasonably projected by Tenant to be insufficient for necessary and permitted Reserve Expenditures, including, without limitation, Unforeseen Reserve Expenditures as set forth under Section 5.2.5 hereof (collectively, "**Unfunded Reserve Expenditures**"), Tenant shall give Landlord Notice thereof, which Notice shall set forth in reasonable detail the nature of the Unfunded Reserve Expenditures and the estimated cost thereof, and Landlord, in Landlord's sole and absolute discretion, may approve and fund the amount necessary to pay for such Unfunded Reserve Expenditures.

5.2.7 All interest earned on the Reserve shall be added to and become a part thereof, and all P&E Replacements purchased with funds from the Reserve shall be and remain the property of Landlord and shall be treated as Leased Property pursuant to Section 2.1(e). All funds in the Reserve shall be the property of Landlord throughout the Term and upon expiration or earlier termination of this Lease, subject to Section 5.2.8 below and Tenant's rights to use the same in accordance with this Article 5.

5.2.8 It is understood and agreed that, during the Term, the Reserve shall be maintained and used solely in connection with the Leased Property. At the end of each Accounting Period, any amounts remaining in the Reserve shall be carried forward to the next Accounting Period, but Tenant shall not receive a credit for such remaining amounts against the Reserve Payment to be deposited by Tenant in such next Accounting Period. If this Lease is terminated or for any reason expires prior to the end of any applicable Term, all funds remaining in the Reserve shall be retained by Landlord as the sole and exclusive property of Landlord.

5.2.9 If Landlord wishes to grant a security interest in or create another encumbrance on its interest in the Reserve in connection with a Facility Mortgage, including all or any part of the existing or future funds therein, or any general intangible in connection therewith, the instrument granting such security interest or creating such other encumbrance shall expressly provide that such security interest or encumbrance is prior in right to the rights of Tenant with respect to the Reserve as set forth herein.

5.3 Landlord Funding. If Landlord provides additional funds towards the costs of construction, renovation and/or refurbishment, as applicable, with respect to the Leased Property (an "**Improvement Project**"), Landlord and Tenant acknowledge and agree that (a) all amounts disbursed by Landlord in connection with such Improvement Project shall be used by Tenant solely in connection with the Permitted Renovations to the Leased Property approved in writing by Landlord in connection with such Improvement Project, (b) the terms, conditions, rights and obligations of Tenant and Landlord, as applicable, set forth in this Section 5.3 shall be complied with in all respects by Tenant and Landlord, as applicable, with respect to such Improvement Project, and (c) all improvements and personal property acquired in connection with such Improvement Project shall be the property of Landlord and shall be part of the Leased Property hereunder.

## ARTICLE 6

### IMPROVEMENTS, ETC.

6.1 Prohibition. Except for Minor Alterations as hereinafter expressly provided in Section 6.2, no portion of the Leased Property shall be demolished, removed or altered by Tenant in any manner whatsoever without the prior written consent and approval of Landlord. Tenant shall be entitled and obligated to undertake all alterations to the Leased Property required by any Legal Requirements and, in such event, Tenant shall comply with the provisions of Section 6.2 below.

6.2 Permitted Renovations. The activities permitted pursuant to Section 6.2.1 and Section 6.2.2 below shall collectively constitute "**Permitted Renovations**".

6.2.1 Minor Alterations. Landlord acknowledges that certain minor alterations and renovations to the Leased Improvements may be undertaken by Tenant from time to time ("**Minor Alterations**"). Landlord hereby agrees that Tenant shall be entitled to perform such Minor Alterations on or about the Leased Improvements without the prior approval of Landlord; provided, however, that the cost of each Minor Alteration shall not exceed One Hundred Thousand and No/100 Dollars (\$100,000.00), and the same shall not weaken or impair the structural strength of any buildings or other structural improvements which constitute part of the Leased Improvements, or alter their design or appearance (including, but not limited to, a reduction in the number of units), materially impair the use of any of the service facilities located on the Leased Property, or fundamentally affect in any detrimental manner the character or suitability of, the Leased Improvements for the Permitted Use above, or materially lessen or impair the value thereof. If Tenant elects to perform any Minor Alterations, the cost thereof shall be borne by Tenant and accounted for in accordance with GAAP unless the cost of such Minor Alteration constitutes an approved Reserve Expenditure, an Unforeseen Reserve Expenditure which has been approved by Landlord pursuant to Section 5.2.5 or an Unfunded Reserve Expenditure which has been approved by Landlord pursuant to Section 5.2.6.

6.2.2 Additions, Expansions and Structural Alterations. All alterations, additions, expansions and renovations to the Leased Improvements which do not qualify as Minor Alterations shall constitute "**Major Alterations.**" Except as expressly permitted in Section 6.1 and Section 6.2.1 above, nothing in this Article 6 or elsewhere in this Lease shall be deemed to authorize Tenant to perform any Major Alterations; it being understood that Tenant may do so only with the prior written consent and approval of Landlord, which consent and approval may be withheld by Landlord in its sole and absolute discretion, and may be conditioned upon the payment by Tenant to Landlord of all reasonable costs incurred by Landlord in evaluating the same, providing additional insurance and such other conditions as Landlord may impose. If Tenant elects to perform any Major Alterations, the cost thereof shall be borne by Tenant unless the Major Alteration constitutes an Improvement Project which has been approved by Landlord pursuant to Section 5.3, an approved Reserve Expenditure or an Unforeseen Reserve Expenditure which has been approved by Landlord pursuant to Section 5.2.5 or an Unfunded Reserve Expenditure which has been approved by Landlord pursuant to Section 5.2.6 or involves the use of insurance proceeds to repair, replace or reconstruct following any damage or destruction.

6.3 Conditions to Reserve Expenditures and Permitted Renovations. In connection with any Reserve Expenditures for Permitted Renovations pursuant to the Approved Reserve Budget, Tenant shall satisfy the following conditions:

(a) Except in the case of Minor Alterations, before the commencement of any Permitted Renovations, plans and specifications therefor or a detailed itemization thereof prepared by a licensed architect reasonably approved by Landlord or other design professional appropriate under the circumstances reasonably approved by Landlord shall be furnished to Landlord for its review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such approval shall not constitute Landlord's agreement that such plans and specifications are in compliance with Applicable Laws or an assumption by Landlord of any liability in connection with the Permitted Renovations contemplated thereby. In the case of Minor Alterations, to the extent applicable, Tenant shall furnish to Landlord a complete set of plans and specifications therefore or a detailed itemization thereof for its records.

(b) To the extent required by any Legal Requirements and Applicable Laws, before the commencement of any such work, Tenant shall obtain the approval thereof by all Governmental Agencies having or claiming jurisdiction of or over the Leased Property, and with any public utility companies having an interest therein. In connection with any such work Tenant shall comply with all Legal Requirements and Applicable Laws, of all other Governmental Agencies having or claiming jurisdiction of or over the Leased Property and of all their respective departments, bureaus and offices, and with the requirements, if any, of such public utilities, of the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction, or any other body exercising similar functions, and of all insurance companies then writing policies covering the Leased Property or any part thereof.

(c) Tenant represents and warrants to Landlord that all such work will be performed in a good and workmanlike manner and in accordance with the plans and specifications required under this Section 6.3 therefor, the terms, provisions and conditions of this Lease and all governmental requirements.

(d) Landlord, at its sole cost and expense and upon not less than twenty-four (24) hours' Notice to Tenant, shall have the right to inspect any such work at all times during normal working hours using such inspector(s) as it may deem necessary so long as such inspections do not unreasonably interfere with Tenant's work (but Landlord shall not thereby assume any responsibility for the proper performance of such work in accordance with the terms of this Lease, nor any liability arising from the improper performance thereof).

(e) All work comprising a part of the Permitted Renovations or other work pursuant to which Reserve Expenditures are used, shall, subject to Section 7.1 hereof, be performed free of any Liens on Landlord's fee simple and/or leasehold interest, or Tenant's leasehold interest, in the Leased Property.

(f) To the extent required by any Legal Requirements or Applicable Laws, upon substantial completion of any Permitted Renovations or other work pursuant to which Reserve Expenditures are used, Tenant shall procure a certificate of occupancy, certificate of completion or other final approvals, if applicable, from the appropriate Governmental Agencies and provide copies of same to Landlord

(g) Tenant shall, and hereby agrees to, indemnify, save, pay, insure, discharge and hold Landlord and its Affiliated Parties harmless from and against and reimburse Landlord for any and all loss, damage, cost, liability, fee and expense (including, without limitation, reasonable attorney's fees based upon service rendered at hourly rates) incurred by or asserted against Landlord which is occasioned by or results, directly or indirectly, from any such work conducted upon the Leased Property; whether or not the same is caused by, or is the fault of Tenant or any agent, employee, manager, contractor, subcontractor, laborer, supplier, materialmen or any other third party; provided, however, Tenant shall not be obligated to indemnify Landlord from any loss as aforesaid caused by Landlord's gross negligence or willful misconduct. The foregoing indemnity obligation of tenant shall survive the termination or expiration of this Lease.

6.4 Salvage. Other than Tenant's Personal Property, all materials which are scrapped or removed in connection with maintenance and repair performed pursuant to Article 5 and the making of Permitted Renovations pursuant to this Article 6 shall be disposed of by Tenant and the net proceeds thereof, if any, shall be deposited in the Reserve.

6.5 Project Budget Overruns. Other than as specifically set forth herein, Landlord shall not be responsible for the cost of any Improvement Projects or Permitted Renovations contemplated or permitted hereby. Landlord shall have the right to review and approve a budget for any Improvement Projects or Permitted Renovations which Landlord agrees to fund. In the event Landlord agrees to fund any Improvement Project or Permitted Renovation, Landlord agrees that it will fund up to ten percent (10%) in excess of the original approved budget, but shall have no responsibility to fund any costs which, in the aggregate, exceed one hundred and ten percent (110%) of the approved budgeted amount for such Improvement Project or Permitted Renovation. Notwithstanding the foregoing, even in the event Tenant does not request Landlord to fund such excess, Tenant shall remain obligated to diligently complete any such Improvement Project or Permitted Renovation in a timely and workmanlike manner, consistent with all Landlord approved plans and specifications and in conformance with all Applicable Laws. Tenant acknowledges that any expenditure in excess of one hundred and ten percent (110%) of the approved budgeted amount for such Improvement Project or Permitted Renovation, and any other expenditure for Improvement Projects or Permitted Renovations, may be subject to Landlord obtaining the approval of such expenditure by the board of directors of the Parent of Landlord.

ARTICLE 7

LANDLORD'S INTEREST NOT SUBJECT TO LIENS

7.1 Liens, Generally. Tenant shall not, directly or indirectly, create or cause to be imposed, claimed or filed upon the Leased Property, or any of Tenant's assets, properties or income or any portion thereof related to the Leased Property or upon the interest of Landlord therein, any Lien of any nature whatsoever, except upon Landlord's prior written consent which consent may be withheld in Landlord's sole and absolute discretion. If, because of any act or omission of Tenant, any such Lien shall be imposed, claimed or filed by any party whatsoever or whatsoever, Tenant shall, at its sole cost and expense, cause the same to be promptly (and in no event later than thirty (30) days following receipt of notice of such Lien) fully paid and satisfied or otherwise promptly discharged of record (by bonding pursuant to A.R.S. Section 33-1004 et seq. or otherwise released) and Tenant shall indemnify, save, pay, insure, discharge and hold Landlord harmless from and against any and all costs, liabilities, suits, penalties, claims and demands whatsoever, and from and against any and all reasonable attorney's fees, at both trial and all appellate levels, resulting or on account thereof and therefrom. The foregoing indemnity obligation of tenant shall survive the termination or expiration of this Lease. In the event that Tenant shall fail to comply with the foregoing provisions of this Section 7.1, Landlord shall have the option, but not the obligation, of paying, satisfying or otherwise discharging (by bonding or otherwise) such Lien and Tenant agrees to reimburse Landlord, upon demand and as an Additional Charge, for all sums so paid and for all costs and expenses incurred by Landlord in connection therewith, together with interest thereon, until paid.

7.2 Construction or Mechanics Liens. Landlord's interest in the Leased Property shall not be subjected to Liens of any nature by reason of Tenant's construction, alteration, renovation, repair, restoration, replacement or reconstruction of any improvements on or in the Leased Property, or by reason of any other act or omission of Tenant (or of any person claiming by, through or under Tenant) including, but not limited to, construction, mechanics' and materialmen's liens. All persons dealing with Tenant are hereby placed on notice that such persons shall not look to Landlord or to Landlord's credit or assets (including Landlord's interest in the Leased Property) for payment or satisfaction of any obligations incurred in connection with the construction, alteration, renovation, repair, restoration, replacement or reconstruction thereof by or on behalf of Tenant. Tenant has no power, right or authority to subject Landlord's interest in the Leased Property to any construction, mechanic's or materialmen's lien or claim of lien. If a Lien, a claim of lien or an order for the payment of money shall be imposed against the Leased Property on account of work performed, or alleged to have been performed, for or on behalf of Tenant, Tenant shall, within thirty (30) days after written notice of the imposition of such Lien, claim or order, cause the Leased Property to be released therefrom by the payment of the obligation secured thereby or by furnishing a bond (pursuant to A.R.S. Section 33-1004) or by any other method prescribed or permitted by Applicable Laws. If a Lien is released, Tenant shall thereupon furnish Landlord with a written instrument of release which has been recorded or filed in the appropriate office of land records of the County in which the Leased Property is located, and otherwise sufficient to establish the release as a matter of record. Before commencing any work relating to alterations, additions, or improvements affecting the Leased Property (other than Minor Alterations), Tenant shall notify Landlord in writing of the expected date of commencement thereof. Landlord shall then have the right at any time and from time to time to post and maintain on the Land and Leased Improvements such notices as Landlord reasonably deems necessary to protect the Leased Property and Landlord from mechanics' liens, materialmen's liens, or any other Liens. In any event, Tenant shall pay when due all claims for labor or materials furnished to or for Tenant at or for use in the Land and Leased Improvements. Tenant shall not permit any mechanics' or materialmen's liens to be levied against the Leased Property for any labor or material furnished to Tenant or claimed to have been furnished to Tenant or to Tenant's agents or contractors in connection with work of any character performed or claimed to have been performed on the Land or the Leased Improvements by or at the direction of Tenant, and shall immediately cause the release of any such Liens as provided hereinabove.

7.3 Contest of Liens. Tenant may, at its option, contest the validity of any Lien or claim of lien if Tenant shall have first posted an appropriate and sufficient bond (pursuant to A.R.S. Section 33-1004) in favor of the claimant or paid the appropriate sum into court, if permitted by and in strict compliance with Applicable Laws, and thereby obtained the release of the Leased Property from such Lien. If judgment is obtained by the claimant under any Lien, Tenant shall pay the same immediately after such judgment shall have become final and the time for appeal therefrom has expired without appeal having been taken. Tenant shall, at its sole cost and expense, using counsel reasonably approved by Landlord, diligently defend the interests of Tenant and Landlord in any and all such suits; provided, however, that Landlord may, nonetheless, at its election and expense, engage its own counsel and assert its own defenses, in which event Tenant shall cooperate with Landlord and make available to Landlord all information and data which Landlord deems necessary or desirable for such defense.

## ARTICLE 8

### TAXES AND ASSESSMENTS

8.1 Obligation to Pay Taxes and Assessments. Throughout the entire Term, Tenant shall bear, pay, insure and discharge as Additional Charges and not later than the last day on which payment may be made without penalty or interest, any and all taxes, assessments, charges, levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees) and other impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary, foreseen or unforeseen, and each and every installment thereof which shall or may during or with respect to the Term hereof accrue and/or be charged, laid, levied, assessed, or imposed upon, or arise in connection with, the use, occupancy, operation or possession of the Leased Property or any part thereof or the Business conducted thereon, including, without limitation, ad valorem real and personal property taxes, all taxes charged, laid, levied, assessed or imposed in lieu of or in addition to any of the foregoing by virtue of all present or future laws, ordinances, requirements, orders, directions, rules or regulations of Governmental Agencies and all assessments and charges imposed pursuant to the Permitted Encumbrances (other than those relating to a Facility Mortgage or other financing of Landlord) or other documents of record affecting title to the Leased Property, with the understanding that any such Additional Charge that relates to any period prior to the expiration of the Term or the earlier termination of this Lease which does not become due and payable until after such expiration or termination shall be the responsibility of Tenant. Tenant shall prepare and timely file all applicable returns required with respect to such taxes, assessments, impositions or charges, including, without limitation, all personal property tax returns required in connection with the Leased Property. Tenant shall promptly furnish to Landlord satisfactory evidence of the payment of all such taxes, assessments, impositions or charges and copies of any such returns filed. Notwithstanding the foregoing, Tenant shall not be responsible for: (a) any federal, state and local income taxes, other taxes on income or net worth, franchise taxes, margin taxes, capital, estate, succession, inheritance, value added or transfer taxes of Landlord or similar taxes or charges or substitutes therefor; or (b) Additional Charges due and payable after the expiration of the Term to the extent that the same relate and apply interests and benefits accruing to Landlord after the Term. Tenant shall have no right to approve any Facility Mortgage or other documents relating to indebtedness of Landlord and Tenant shall have no responsibility to pay any tax, charge or imposition levied with respect to any Facility Mortgage.

8 . 2 Tenant's Right to Contest Taxes. Notwithstanding the foregoing, Tenant shall have the right, after prior written notice to Landlord, to contest at its own expense the amount and validity of any taxes affecting the Leased Property by appropriate proceedings under Applicable Laws conducted in good faith and with due diligence and to postpone or defer payment thereof, provided and so long as:

(a) Such proceedings shall operate to suspend the collection of such taxes with respect to the Leased Property;

(b) Neither the Leased Property nor any part thereof would be in immediate danger of being forfeited or lost by reason of such proceedings, postponement or deferment; and

(c) Tenant shall have furnished Landlord with security for payment of the contested taxes which is satisfactory to Landlord, and, in the event that the preconditions set forth in (a) and (b) above are no longer met, Landlord shall have the right to draw upon such security to pay and discharge the taxes in question and any Liens against the Leased Property arising thereunder.



8.3 Tax and Insurance Escrow Account. During the existence of any Event of Default hereunder, or if required by a Mortgagee, Landlord shall have the right, by written notice to Tenant effective as of the date of such notice, to require Tenant to pay or cause to be paid into a separate account (the "Tax and Insurance Account") to be established by Tenant with a lending institution or other third party escrow agent designated by Landlord (which Tax and Insurance Account shall not be removed from such lending institution or other third party escrow agent without the express prior approval of Landlord), and which Landlord may draw upon, a reserve amount sufficient to discharge the obligations of Tenant under Section 8.1 and Article 9 hereof (other than worker's compensation insurance premiums) with respect to real estate taxes and insurance premiums for the applicable Fiscal Year as and when they become due (such amounts, the "Tax and Insurance Escrow Amount"). During each month commencing with the first full calendar month following the receipt of said notice from Landlord, Tenant shall deposit into the Tax and Insurance Account one twelfth of the Tax and Insurance Escrow Amount so that as each installment of insurance premiums and real estate taxes becomes due and payable, there are sufficient funds in the Tax and Insurance Account to pay the same. If the amount of such insurance premiums and real estate taxes has not been definitively ascertained by Tenant at the time when any such monthly deposit is to be paid, Landlord shall require payment of the Tax and Insurance Escrow Amount based upon the amount of premiums and real estate taxes paid for the preceding year, subject to adjustment as and when the amount of such premiums and real estate taxes are ascertained by Tenant. The Tax and Insurance Escrow Amount in the Tax and Insurance Account shall be and constitute additional security for the performance of Tenant's obligations hereunder and shall be subject to Landlord's security interest therein and shall, if there are sufficient funds in escrow, be used to pay taxes and insurance premiums when due. Landlord and Tenant shall execute such documentation as may be necessary to create and maintain Landlord's security interest in the Tax and Insurance Account.

## ARTICLE 9

### INSURANCE

9.1 Landlord's Insurance. Landlord shall procure and maintain, throughout the Initial Term and any Extended Term(s) specified herein:

9.1.1 Property Insurance, on the Leased Improvements (excluding non-Building standard leasehold improvements and Tenant's insured property as required under Section 9.2.1 below), subject to policy terms, conditions, limitations and exclusions, including boiler and machinery and/or Equipment Breakdown coverage to the building(s) and contents by risks commonly covered by an ISO Special Cause of Loss or its equivalent. Coverage shall be provided on a one hundred percent (100%) full replacement cost basis (less cost of land, excavations, foundations, and footings below the lowest basement floor, blueprints or drawings or such other expenses that would not be re-incurred in the event of a loss) for the Leased Property including the Leased Improvements, furniture, furnishings, fixtures, equipment, and other items included in the Facility and owned by Landlord from time to time, without reduction for depreciation. During any period of construction at the Leased Property, or any structural renovation or alteration to the Leased Improvements, Builders Risk or equivalent Course of Construction coverage shall be required with a limit equivalent to the completed value of the project.

9.1.2 Flood Insurance, not less than full replacement cost basis with a limit equivalent to the replacement cost of the at-risk portion of the Facility (the Land and its personal property) or maximum available at commercially reasonable terms with deductibles that are reasonable and customary to similar properties. Coverage must include business income, including loss of rents. If the Facility or any part thereof is identified by the Federal Emergency Management Agency (or successor governmental agency or authority performing such identification functions) as being situated in an area now or subsequently designated as having special flood hazards (including, without limitation, those areas designated as Zone A or Zone V), flood insurance for that portion of the Facility which is within the designated area (only) in an amount equal to the maximum insurance available under the appropriate National Flood Insurance Administration program, with any excess limits as Landlord may reasonably require. In the event that the deductible is deemed commercially unreasonable, any higher deductible must be acceptable to Landlord, which approval will not be unreasonably withheld.

9.1.3 Earthquake Insurance may be required by Landlord if the Facility is located in whole or in part within an Earthquake zone, as determined by the U.S. Geological Survey. Such insurance, including coverage for loss or damage caused by earth movement and business income, shall be for not less than the probable maximum loss as determined by a recognized earthquake/engineering firm, less a reasonable deductible subject to the approval of Landlord.

9.1.4 Business Interruption Insurance (including extra expense and loss of rents) which must be maintained in an amount sufficient to provide proceeds which will cover the "Actual Loss Sustained" during restoration of any portion of the Facility or the Leased Improvements. for a period of not less than twelve (12) months plus an extended period of indemnity to be selected by Landlord.

9.1.5 Commercial General Liability on an occurrence form (ISO CG0001 or its equivalent) with limits not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Two Million and No/100 Dollars (\$2,000,000.00) policy aggregate. Liability insurance maintained by Landlord shall be primary and without right of contribution by any similar insurance that may be maintained by Tenant, to the extent liability is caused by work or operations performed by or on behalf of Landlord. Should "Claims Made" coverage be obtained, the coverage under such policy must be continuously maintained with a retroactive date preceding the commencement date of this Lease and shall continue for a period following the expiration or termination of this Lease that is sufficient to cover any applicable statute of limitations.

9.1.6 Umbrella/Excess Liability insurance on an occurrence or claims-made form above the required Commercial General Liability, Commercial Auto Liability and Employer's Liability coverages with limits not less than Five Million and NO/100 Dollars (\$5,000,000) per occurrence and Five Million and NO/100 Dollars (\$5,000,000) aggregate written on a form excess over and no less broad than the liability coverage referenced.

9.2 Tenant's Insurance. Tenant shall procure and maintain, throughout the Initial Term and any Extended Term(s) specified herein:

9.2.1 Property Insurance commonly covered by an ISO Special Cause of Loss or its reasonable equivalent at the full replacement cost covering all of Tenant's business personal property, contents, furniture, furnishings, machinery, equipment, trade fixtures and signs and Tenant's interest, if any, in all of the improvements and alterations installed in the Leased Improvements by Tenant. Such insurance shall include Tenant's business income, including rental value coverage.

9.2.2 Commercial General Liability on an occurrence form (ISO CG0001 or its equivalent) not less than One Million and NO/100 Dollars (\$1,000,000.00) per occurrence and Two Million and NO/100 Dollars (\$2,000,000.00) per location aggregate. An endorsement shall be included naming Landlord as an additional insured as respects liability arising from work, operations, occupancy or use of the Leased Property by or on behalf of Tenant. Coverage must include contractual liability, products/completed operations liability (unless otherwise agreed), and broad form property damage. Such insurance must be written on an occurrence basis. Liability insurance maintained by Tenant will be primary coverage naming the Mortgagee as an additional insured, without right of contribution by any similar insurance that may be maintained by Landlord. Should "Claims Made" coverage be obtained, the coverage under such policy must be continuously maintained with a retroactive date preceding the commencement date of this Lease and shall continue for a period following the expiration or termination of this Lease that is sufficient to cover any applicable statute of limitations.

9.2.3 Commercial Automobile Liability insurance insuring against bodily injury and property damage claims arising out of Tenant's ownership, maintenance or use of any owned, non-owned and leased or hired vehicles with limits of at least One Million and No/100 Dollars (\$1,000,000) per accident.

9.2.4 Employee Dishonesty/Crime insurance in an amount acceptable to Landlord and Tenant; provided that maintenance of the deductible shall be commercially reasonable and shall be maintained by owners of properties similar in type, location and quality as the Facility. Notwithstanding the insurance requirements set forth in this Section 9.2, Landlord acknowledges that Tenant will not have an Employee Dishonesty/Crime insurance policy as of the Effective Date. Tenant shall provide Landlord evidence of the Employee Dishonesty/Crime insurance policy by January 30, 2016.

9.2.5 Workers' Compensation and Employers Liability insurance shall be in the form and amount required by State statute with limits of at least One Million and No/100 Dollars (\$1,000,000) each accident; One Million and No/100 Dollars (\$1,000,000) Disease-Policy Limit; and One Million and No/100 Dollars (\$1,000,000) Disease-Each Employee, or such other amounts as are required by law or available on a voluntary basis.

9.2.6 Employment Practices Liability insurance with limits in an amount acceptable to Landlord, and includes coverage for a third party.

9.2.7 Professional Liability coverage for claims arising as a result of alleged negligence, dishonesty, errors or omissions while performing or rendering professional services within the scope of the IRF License or other general hospital licenses required with limits of not less than One Million and No/100 Dollars (\$1,000,000) per occurrence and Three Million and No/100 Dollars (\$3,000,000) aggregate.

9.2.8 Umbrella/Excess Liability insurance on an occurrence form above the required Commercial General Liability, Commercial Auto Liability and Employer's Liability coverages with limits not less than with limits of not less than Five Million and No/100 Dollars (\$5,000,000) per occurrence and Five Million and No/100 Dollars (\$5,000,000) aggregate written on a form excess over and no less broad than the liability coverage referenced above as the underlying Commercial General Liability, Commercial Automobile Liability, and Employer's Liability. Coverage must drop down for exhausted aggregate limits under Commercial General Liability, Commercial Auto Liability and Employer's Liability.

9.3 Waiver of Subrogation. Landlord and Tenant agree that with respect to any property loss which is covered by insurance then being carried by Landlord or Tenant, respectively, the party carrying such insurance and suffering said loss releases the other of and from any and all claims with respect to such loss, and they further agree that their respective insurance companies shall have no right of subrogation against the other on account thereof.

9.4 General Insurance Provisions. All insurance policies pursuant to Section 9.1 and 9.2 respectively shall: (i) be with insurers authorized to conduct business in the state within which the Leased Property is located; (ii) currently have and at all times during this Lease maintain a rating of at least A- from Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. or an AM Best Rating of A-VII or better; (iii) specifically identify insured location(s) by name and contain the complete address of the Leased Property; (iv) be for terms of at least one (1) year; (v) contain deductibles to be approved by Landlord in its reasonable discretion; (vi) not cause Landlord to be liable for any insurance premiums thereon or subject to any assessments thereunder except in respect to Section 9.1 above; and (vii) all such coverages required herein shall be primary and any insurance carried by any additional insured shall be excess and non-contributory to the extent of the indemnification obligation pursuant to Section 9.6 below. All such policies described in Section 9.1, with the exception of Workers' Compensation, Employer's Liability, Employee Dishonesty/Crime, Professional Liability and Employment Practices Liability, shall name Landlord, CNL Healthcare Properties, Inc., and/or its related Subsidiaries and Affiliates, and any Mortgagee whose name and address has been provided to Tenant as additional insureds, Mortgagee's, lenders loss payees, or mortgagees, as their interests may appear. All property insurance loss adjustments shall be payable as provided in Article 10. Tenant shall deliver certificates of liability (ACORD 25) and Evidence of Commercial Property Insurance (ACORD 28) thereof to Landlord and Mortgagee prior to their effective date (and, with respect to any renewal policy, no less than thirty (30) days prior to the expiration of the existing policy), which certificates shall state the nature and level of coverage reported thereby, as well as the amount of the applicable deductible. Upon Landlord's request, duplicate original copies of all insurance policies to be obtained by Tenant shall be provided to Landlord by Tenant. All such policies must provide Landlord (and any Mortgagee whose name and address has been provided to Tenant if required by the same) thirty (30) days prior written notice of any material change or cancellation of such policy.

9.5 Landlord Right. In the event Tenant shall fail to effect such insurance as herein required, to pay the premiums therefor or to deliver such certificates to Landlord or any Mortgagee at the times required, Landlord shall have the right, but not the obligation, subject to the provisions of Section 12.4, to acquire such insurance and pay the premiums therefor, which amounts shall be payable to Landlord, upon demand, as an Additional Charge, together with interest accrued thereon at the Overdue Rate from the date such payment is made until (but excluding) the date repaid.

9.6 Indemnification of Landlord. Except as expressly provided herein, Tenant shall protect, indemnify, pay, save, insure, discharge, defend and hold harmless Landlord for, from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and reasonable expenses (including, without limitation, reasonable attorneys' fees), to the maximum extent permitted by law, imposed upon or incurred by or asserted against Landlord by reason of: (a) any accident, injury to or death of persons or loss of or damage to property of third parties occurring on or about the Leased Property or adjoining sidewalks or rights of way under Tenant's control during the Term, and (b) any use, misuse, condition, management, maintenance or repair by Tenant or anyone claiming under Tenant of the Leased Property or Tenant's Personal Property during the Term, or any litigation, proceeding or claim by Governmental Agencies relating to such use, misuse, condition, management, maintenance, or repair thereof to which Landlord is made a party; provided, however, that Tenant's obligations hereunder shall not apply to any liability, obligation, claim, damage, penalty, cause of action, cost or expense arising from any gross negligence or willful misconduct of Landlord, its employees, agents, contractors or invitees. Any such claim, action or proceeding asserted or instituted against Landlord covered under this indemnity shall be defended by counsel selected by Tenant and reasonably acceptable to Landlord, at Tenant's sole cost and expense. The obligations of Tenant under this Section 9.6 shall survive the expiration or any early termination of this Lease.

#### ARTICLE 10

#### CASUALTY

10.1 Restoration and Repair. If during the Term the Leased Property shall be totally or partially destroyed and thereby rendered Unsuitable for Its Permitted Use, Tenant shall give Landlord prompt Notice thereof. Either Landlord or Tenant may, by the giving of Notice thereof to the other party within sixty (60) days after such casualty occurs, terminate this Lease, whereupon Landlord shall be entitled to retain the insurance proceeds payable on account of such damage and Tenant shall pay to Landlord the amount of any deductible. If this Lease is not terminated, Tenant shall be obligated to promptly proceed with the complete restoration and repair of the Leased Property first using available proceeds from any insurance policy then in place naming Tenant as an insured party, plus the amount of any deductible thereunder. In the event that the total amount of such available insurance proceeds and any deductible to be paid by Tenant thereunder are insufficient to pay all necessary repair and restoration costs and expenses, Landlord shall fund any additional costs or expenses to repair and restore the same, and the amount of rent due under this Lease shall be adjusted to account for any and all amounts so funded by Landlord contemporaneously with the funding thereof by Landlord. Tenant further expressly acknowledges, understands and agrees that in the event that this Lease is terminated as aforesaid, Landlord may settle any insurance claims and Tenant shall, upon request of Landlord, reasonably cooperate in any such settlement. If during the Term, the Leased Property shall be destroyed or damaged in whole or in part by fire, windstorm or any other cause whatsoever, but the Leased Property either (i) is not rendered Unsuitable for Its Permitted Use or (ii) is rendered Unsuitable for Its Permitted Use but neither Landlord nor Tenant terminate this Lease in the manner provided above, then, Tenant shall give Landlord immediate Notice thereof and Tenant shall, subject to the provisions of Section Error! Reference source not found. below, repair, reconstruct and replace the Leased Property, or the portion thereof so destroyed or damaged, at least to the extent of the value and character thereof existing immediately prior to such occurrence and in compliance with all Legal Requirements, including any alterations to the Leased Property required to be made by any Governmental Agencies due to any changes in code or building regulations (which Tenant acknowledges may increase the replacement value of the Leased Property which Tenant will then be required to insure, due to any changes in code or building regulations). All such restoration work shall be started as promptly as practicable by Tenant following Tenant's receipt of insurance proceeds and, if applicable, any additional funds Landlord is obligated to fund pursuant to this Section 10.1, and thereafter diligently completed by Tenant. Tenant shall, however, immediately take such action as is necessary to assure that the Leased Property (or any portion thereof), does not constitute a nuisance or otherwise present or constitute a health or safety hazard. Notwithstanding anything herein to the contrary, if damage to or destruction of the Leased Property occurs during the last twenty-four (24) months of the Term and such damage or destruction cannot reasonably be expected to be fully repaired or restored prior to the date that is twelve (12) months prior to the end of such Term, Tenant shall have no obligation to repair or restore such damage or destruction.

10.2 No Abatement of Rent. Unless terminated in accordance with the provisions of Section 10.1 above, this Lease shall remain in full force and effect and Tenant's obligation to make all payments of Rent and to pay all Additional Charges as and when required under this Lease shall remain unabated during the Term notwithstanding any casualty to the Leased Property. The provisions of this Article 10 shall be considered an express agreement governing any event of casualty involving the Leased Property and, to the maximum extent permitted by law, Tenant hereby waives the application of any local or state statute, law, rule, regulation or ordinance in effect during the Term which provides for such abatement.

10.3 Business Interruption Insurance. All insurance proceeds payable by reason of any loss of or damage to any of Tenant's Personal Property and the business interruption insurance maintained for the benefit of Tenant shall be paid to Tenant; provided, however, no such payments shall diminish or reduce the insurance payments otherwise payable to or for the benefit of Landlord hereunder.

10.4 Restoration of Tenant's Property. If Tenant is required to restore the Leased Property as hereinabove provided, Tenant shall either (i) restore all alterations and improvements made by Tenant and Tenant's Personal Property, or (ii) replace such alterations and improvements and Tenant's Personal Property with improvements or items of the same or better quality and utility in the operation of the Leased Property.

10.5 Waiver. Tenant hereby waives to the maximum extent permitted by law, any statutory or common law rights of termination (including, without limitation, any such rights under A.R.S Section 33-343) which may arise by reason of any damage or destruction of the Leased Property and agrees that its rights shall be limited to those set forth in Section 10.1.

10.6 Rights of Mortgagee. Notwithstanding any provision herein to the contrary, so long as a Facility Mortgage is in existence, all insurance proceeds with respect to the Leased Property to be paid and disbursed to Landlord pursuant to the terms of this Lease shall be paid and disbursed in accordance with the loan documents executed in connection with such Facility Mortgage, provided that such Mortgagee agrees in writing with Landlord and Tenant to disburse such proceeds in accordance with this Lease.

ARTICLE 11

CONDEMNATION

11.1 Total Condemnation, Etc. If the whole of the Leased Property shall be taken or Condemned for any public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu thereof, or if a substantial portion of the Leased Property shall be so taken or condemned such that the portion or portions remaining is or are not sufficient and suitable for the continued operation thereof as required herein, so as to effectively render the Leased Property Unsuitable for its Permitted Use, then this Lease and the Term hereby granted shall cease and terminate (without prejudice to Landlord's and Tenant's respective rights to an award under Section 11.3 below) as of the date on which the Condemnor takes possession and all Rent shall be paid by Tenant to Landlord up to that date or refunded by Landlord to Tenant if Rent has previously been paid by Tenant beyond that date.

11.2 Partial Condemnation. If a portion of the Leased Property shall be subject to any Condemnation, and the portion or portions remaining can be adapted and used for the conduct of the Business in accordance with the terms of this Lease, such that the Leased Property is not effectively rendered Unsuitable for its Permitted Use, then Tenant shall, utilizing, as reasonably necessary, Condemnation proceeds paid to Landlord from the Condemnor, promptly restore the remaining portion or portions thereof to a condition comparable to their condition at the time of such Condemnation, less the portion or portions lost by the taking, and this Lease shall continue in full force and effect, provided, however, Tenant shall receive an adjustment in Rent taking into account the actual rentable square feet of the Facility.

11.3 Disbursement of Award. The entire Condemnation award for the Leased Property or the portion or portions thereof so taken shall be apportioned between Landlord and Tenant as follows: (a) if this Lease terminates due to a Condemnation, Landlord shall be entitled to the entire award; provided, however, that any portion of the award expressly made for the taking of Tenant's leasehold interest in the Leased Property, loss of business during the remainder of the Term, and the taking of Tenant's Personal Property shall be the sole property of and payable to Tenant, and (b) if this Lease does not terminate due to such Condemnation, Tenant shall be entitled to the award to the extent required for restoration of the Leased Property, and Landlord shall be entitled to the balance of the award not applied to restoration. In any Condemnation proceedings, Landlord and Tenant shall each seek its own award in conformity herewith, at its own expense. If this Lease does not terminate due to a Condemnation, Tenant shall, with due diligence, restore the remaining portion or portions of the Leased Property in the manner hereinabove provided. In such event, the proceeds of the award to be applied to restoration shall be deposited with a bank or financial institution designated by Landlord as if such award were insurance proceeds, and the amount so deposited will thereafter be treated in the same manner as insurance proceeds are to be treated under Section 1 **Error! Reference source not found.** of this Lease until the restoration has been completed and Tenant has been reimbursed for all the costs and expenses thereof. If the award is insufficient to pay for the restoration, Landlord shall be responsible for the remaining cost and expense of such restoration. All proceeds in excess of those required for restoration shall be disbursed to Landlord upon completion of such restoration.

11.4 No Abatement of Rent. Subject to Section 11.2, this Lease shall remain in full force and effect and Tenant's obligation to make all payments of Rent and to pay all other charges as and when required under this Lease shall remain unabated during the Term notwithstanding any Condemnation involving the Leased Property.

The provisions of this Article 11 shall be considered an express agreement governing any Condemnation involving the Leased Property and, to the maximum extent permitted by Applicable Laws, no local or State statute, law, rule, regulation or ordinance in effect during the Term which provides for such abatement shall have any application in such case.

## ARTICLE 12

### DEFAULTS AND REMEDIES

12.1 Tenant Events of Default. Each of the following events shall be an Event of Default hereunder by Tenant and shall constitute a breach of this Lease:

(a) If Tenant shall fail to (i) pay, when due, any Rent due hereunder; (ii) pay any Speculative Builder Tax due, (iii) fully fund and maintain the Security Deposit as required by Section 3.8; or (iv) fully fund and maintain the Reserve and fund all Reserve Expenditures as required by Section 5.2.2, and such failure in each such event shall continue for a period of five (5) days from: (i) written notice thereof from Landlord, provided that Landlord shall only provide Tenant with written notice of such default one (1) time per Fiscal Year, or (ii) the date on which such payment was due, if Landlord has previously provided the written notice set forth in Section 12.1(a)(i) during the current Fiscal Year.

(b) If any assignment, transfer or sublease of or concerning any of the Leased Property, specifically excluding the P&E, shall be made or deemed to be made that is in violation of the provisions of this Lease.

(c) If any lien or encumbrance of the Leased Property or if any assignment, transfer, sublease, lien or encumbrance of the P&E shall be made or deemed to be made that is in violation of the provisions of this Lease and such violation or failure shall continue for a period of ninety (90) days after written notice thereof from Landlord.

(d) If Tenant shall cease the actual and continuous operation of the Business contemplated by this Lease to be conducted by Tenant upon the Leased Property (and such cessation is not the result of casualty, Condemnation or a Permitted Renovation and accompanying restoration or is not otherwise permitted by Landlord or is not the result of Applicable Laws or during an Emergency or other Force Majeure Event); or if Tenant shall vacate, desert or abandon the Leased Property; or if the Leased Property shall become empty and unoccupied; or if any of the Leased Property or Leased Improvements are used or are permitted to be used for any purpose, or for the conduct of any activity, other than the Permitted Use.



(e) If, at any time during the Term of this Lease, Tenant or Guarantor shall file in any court, pursuant to any statute of either the United States or of any State, a petition in bankruptcy or insolvency, or for reorganization or arrangement, or for the appointment of a receiver or trustee of all or any portion of Tenant's or Guarantor's property, including, without limitation, the leasehold interest in the Leased Property, or if Tenant shall make an assignment for the benefit of its creditors or petitions for or enters into an arrangement with its creditors.

(f) If, at any time during the Term of this Lease, there shall be filed against Tenant or Guarantor in any court pursuant to any statute of the United States or of any State, 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 property or Guarantor's, including, without limitation, the leasehold interest in the Leased Property, and any such proceeding against Tenant shall not be dismissed within ninety (90) days following the commencement thereof.

(g) If Tenant's leasehold interest in the Leased Property or any property therein (including, without limitation, any material portion of Tenant's Personal Property) shall be seized under any levy, execution, attachment or other process of court where the same shall not be vacated or stayed on appeal or otherwise within ninety (90) days thereafter, or if Tenant's leasehold interest in the Leased Property is sold by judicial sale and such sale is not vacated, set aside or stayed on appeal or otherwise within ninety (90) days thereafter.

(h) If any of the Permits material to the operation of the Business or the use of the Land for its Permitted Use are at any time suspended and the suspension is not stayed pending appeal within sixty (60) days of the date of the notice of the suspension of any Permits material to the operation of the Business or the use of the Land for its Permitted Use, or voluntarily terminated without the prior written consent of Landlord, which consent may be withheld in Landlord's sole opinion and discretion; provided, however, that a loss by Tenant of its IRF License or other legal authority necessary to operate the Facility as an inpatient rehabilitation facility, or any failure by Tenant to comply strictly with any consent order or decree or to correct, within the time deadlines set by any federal, state or local licensing agency, any deficiency where such failure results, or under Applicable Laws is reasonably likely to result, in an action by such agency with respect to the Facility that may have a material adverse effect on the income and operations of the Facility or Landlord's interest in the Leased Property, including, without limitation, a termination, revocation or suspension of the IRF License necessary for the operation of the Facility as an inpatient rehabilitation facility, shall constitute an immediate Event of Default, and Tenant shall have no opportunity to cure the same.

(i) If any governmental agency or regulatory authority places a ban on admissions to the Facility and such ban is not lifted and admissions again permitted within ninety (90) calendar days.

(j) If Tenant fails to give notice to Landlord not later than ten (10) Business Days after Tenant's receipt of any fine notice from any Government Agency relating to a violation of Applicable Law at the Land or relating to the Business, which violation, if not cured, could cause a cessation of operations of the Business or a substantial portion thereof.

(k) If Tenant fails during the Term of this Lease to cure or abate any violation of Applicable Law occurring during the Term that is claimed by any Governmental Agency of any law, order, ordinance, rule, regulation or Applicable Laws pertaining to the operation of the Business or the use of the Land for its Permitted Use, and within the later of (i) the time permitted by such authority for such cure or abatement, or (ii) thirty (30) days after written notice thereof from Landlord.

(l) If Tenant violates or fails to comply with or perform any other term, provision, covenant, agreement or condition to be performed or observed by Tenant under this Lease which is not otherwise identified in this Section 12.1, including but not limited to the Tenant's covenants in Article 20 of this Lease, and such violation or failure shall continue for a period of thirty (30) days after receipt of written notice thereof from Landlord; provided, however, if such violation or failure is incapable of cure by Tenant within such thirty (30) days after Tenant's diligent and continuous efforts to cure the same, it shall not constitute an Event of Default provided Tenant commences the cure within thirty (30) days and diligently thereafter completes the cure of same within a commercially reasonable period of time after such written notice.

(m) If Tenant encumbers the Leased Property or its interests under this Lease with leasehold or accounts receivable financing in violation hereof.

(n) If at any time during the Term of the Lease Tenant fails to comply with the provisions of Section 3.8.2 or Section 4.5.

(o) If Tenant makes any distributions to its shareholders, members or partners, as applicable, returns any capital to its shareholders, members or partners, as applicable, or makes any distribution of assets to its shareholders, members, or partners, as applicable, during any Fiscal Quarter wherein either (i) an annual Rent Coverage Ratio (based on the prior four (4) Fiscal Quarters) of 1.3x EBITDAR during the First Compliance Period, or (ii) an annual Rent Coverage Ratio (based on the prior four (4) Fiscal Quarters) of 1.75x EBITDAR for the Second Compliance Period or any twelve (12) month period thereafter during the Term, has not been achieved.

(p) If there is a default by Guarantor under the Guaranty and such default is not cured within any applicable cure period.

(q) Any event of default by a Related Tenant under any Related Lease that relates to a monetary obligation thereunder (including, but not limited to, a failure to pay rent, or maintain adequate security deposits or reserves). Notwithstanding the foregoing, Landlord agrees to consider the deletion of this Section 12.1(q) at such time as Tenant has provided Landlord with evidence of a satisfactory level of net worth and creditworthiness of both Tenant and Guarantor, as determined by Landlord in its sole and absolute discretion.

12.2 Landlord Remedies Upon An Event of Default by Tenant. If any of the Events of Default hereinabove specified shall occur, Landlord, at any time thereafter, shall have and may exercise any of the following rights and remedies:

(a) Landlord may, pursuant to written notice thereof to Tenant, immediately terminate this Lease and, peaceably or pursuant to appropriate legal proceedings, reenter, retake and resume possession of the Leased Property for Landlord's own account without liability for trespass (Tenant hereby waiving any right to notice or hearing prior to such taking of possession by Landlord) and, for Tenant's breach of and default under this Lease, recover immediately from Tenant any and all sums and damages due or in existence at the time of such termination, including, without limitation, (i) all Rent and other sums, charges, payments, costs and expenses agreed and/or required to be paid by Tenant to Landlord hereunder prior to such termination, (ii) all reasonable costs and expenses of Landlord in connection with the recovery of possession of the Leased Property, including reasonable attorney's fees and court costs, and (iii) all reasonable costs and expenses of Landlord in connection with any reletting or attempted reletting of the Leased Property or any part or parts thereof, including, without limitation, brokerage fees, advertising costs, reasonable attorney's fees and the cost of any alterations or repairs or tenant improvements which may be reasonably required to so relet the Leased Property, or any part or parts thereof.

(b) Landlord may, pursuant to any prior notice required by law, and without terminating this Lease, or pursuant to appropriate legal proceedings, reenter, retake and resume possession of the Leased Property for the account of Tenant, make such alterations of and repairs and improvements to the Leased Property as may be reasonably necessary in order to relet the same or any part or parts thereof and, directly or through a qualified management or operating company which may include an Affiliate of Landlord, operate and manage the Leased Property, and relet or attempt to relet the Leased Property or any part or parts thereof for such term or terms (which may be for a term or terms extending beyond the Term of this Lease), at such rents and upon such other terms and provisions as Landlord, in its sole discretion, may deem advisable. If Landlord takes possession and control of the Leased Property and operates the same, Tenant shall, for so long as Landlord is actively operating the Leased Property, have no obligation to operate the Leased Property but agrees that Landlord, any contract manager or operator, or any new tenant or sublessee may, to the extent permitted by Applicable Laws, operate the Business under Tenant's Permits, including, unless prohibited by Applicable Laws, its liquor license, if any, until same are issued in the name of Landlord or the new manager/operator or tenant or sublessee, as applicable. In addition, Tenant will reasonably cooperate with Landlord in transferring, to the extent transferable, any of Tenant's Permits which Landlord determines would be necessary or appropriate to continue to operate the Leased Property for its Permitted Use. If Landlord relets or attempts to relet the Leased Property, or obtains a contract manager or operator for the Leased Property, Landlord shall at its sole discretion determine the terms and provisions of any new lease or sublease, or management or operating agreement, and whether or not a particular proposed manager or operator, or new tenant or sublessee, is acceptable to Landlord. Upon any such reletting, or the operation of the Leased Property by a contract manager or operator, all rents or incomes received by Landlord from such reletting or otherwise from the operation of the Leased Property shall be applied, (i) first, to the payment of all costs and expenses of recovering possession of the Leased Property, (ii) second, to the payment of any costs and expenses of such reletting and or operation, including brokerage fees, advertising costs, reasonable attorney's fees, a reasonable management fee (if considered necessary by good business practices), and the cost of any alterations and repairs reasonably required for such reletting or operation of the Leased Property, (iii) third, to the payment of any indebtedness, other than Rent, due hereunder from Tenant to Landlord, (iv) fourth, to the payment of all Rent and other sums due and unpaid hereunder, and (v) fifth, the residue, if any, shall be held by Landlord and applied in payment of future Rent as the same may become due and payable hereunder. If the rents received from such reletting or net income from the operation of the Leased Property during any period shall be less than the Rents and Additional Charges required to be paid during that period by Tenant hereunder, Tenant shall promptly pay any such deficiency to Landlord and failing the prompt payment thereof by Tenant to Landlord, Landlord shall immediately be entitled to institute legal proceedings for the recovery and collection of the same. Such deficiency shall be calculated and paid at the time each payment of Minimum Rent or any other sum shall otherwise become due under this Lease, or, at the option of Landlord, at the end of the Term of this Lease. Landlord shall, in addition, be immediately entitled to sue for and otherwise recover from Tenant any other damages occasioned by or resulting from any abandonment of the Leased Property or other breach of or default under this Lease other than a default in the payment of Rent. No such reentry, retaking or resumption of possession of the Leased Property by Landlord for the account of Tenant shall be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention shall be given to Tenant or unless the termination of this Lease be decreed by a court of competent jurisdiction. Notwithstanding any such reentry and reletting or attempted reletting of the Leased Property or any part or parts thereof for the account of Tenant without termination, Landlord may at any time thereafter, upon written notice to Tenant, elect to terminate this Lease or pursue any other remedy available to Landlord for Tenant's previous breach of or default under this Lease.

(c) Landlord may, without reentering, retaking or resuming possession of the Leased Property, sue for all Rent and all other sums, charges, payments, costs and expenses due from Tenant to Landlord hereunder (discounted to present value using a six percent (6%) discount rate) either: (i) as they become due under this Lease, taking into account that Tenant's right and option to pay the Rent hereunder on a monthly basis in any particular Fiscal Year is conditioned upon the absence of a Default on Tenant's part in the performance of its obligations under this Lease, or (ii) at Landlord's option, accelerate the maturity and due date of the whole or any part of the Rent for the entire then remaining unexpired balance of the Term of this Lease, as well as all other sums, charges, payments, costs and expenses required to be paid by Tenant to Landlord hereunder, including, without limitation, damages for breach or default of Tenant's obligations hereunder in existence at the time of such acceleration, such that all sums due and payable under this Lease shall, following such acceleration, be treated as being and, in fact, be due and payable in advance as of the date of such acceleration. Landlord may then proceed to recover and collect all such unpaid Rent and other sums so sued for from Tenant by distress, levy, execution or otherwise. Regardless of which of the foregoing alternative remedies is chosen by Landlord under this subparagraph (c), Landlord shall not be required, except as may be required by Applicable Law, to relet the Leased Property nor exercise any other right granted to Landlord pursuant to this Lease, nor, except as may be required by Applicable Laws, shall Landlord be under any obligation to minimize or mitigate Landlord's damages or Tenant's loss as a result of Tenant's breach of or default under this Lease. Notwithstanding the foregoing, following such time as Landlord may obtain possession of the Leased Property, Landlord or its successor Landlord at the time of any Lease termination, shall continue to make the Leased Property available for lease, on an "as is" basis, and shall turn over the net proceeds thereof to Tenant to the extent actually received by Landlord in respect of any time period for which Landlord shall have received the full amount of Rent payable with respect thereto.

(d) Landlord may, in addition to any other remedies provided herein, to the extent permitted by Applicable Laws, enter upon the Leased Property or any portion thereof and take possession of (i) any and all of Tenant's Personal Property, if any, (ii) Tenant's books and records necessary to operate the Leased Property, and (iii) the Reserve, without liability for trespass or conversion (Tenant hereby waiving any right to notice or hearing prior to such taking of possession by Landlord) and sell the same by public or private sale, after giving Tenant reasonable notice of the time and place of any public or private sale, at which sale Landlord or its assigns may purchase all or any portion of Tenant's Personal Property, if any, unless otherwise prevented by law. Unless otherwise provided by law and without intending to exclude any other manner of giving Tenant reasonable notice, the requirement of reasonable notice shall be met if such notice is given at least ten (10) days before the date of sale. The proceeds from any such disposition, less all expenses incurred in connection with the taking of possession, holding and selling of such Property (including reasonable attorneys' fees based upon services rendered at hourly rates) shall be credited against Rent which is due hereunder.

(e) Tenant acknowledges that one of the rights and remedies available to Landlord under Applicable Law is to apply to a court of competent jurisdiction for the appointment of a receiver to collect the rents, issues, profits and income of the Leased Property and to manage the operation of the Leased Property. Therefore, in addition to any other right or remedy of Landlord under this Lease, Landlord may petition any appropriate court for appointment of a receiver to manage the operation of the Leased Property (or any portion thereof), to collect and disburse all rents, issues, profits and income generated thereby. The receiver shall be entitled to a reasonable fee for his services as receiver. All such fees and other expenses of the receivership estate shall be payable as Additional Charges under this Lease. To the extent permitted by Applicable Law, Tenant hereby irrevocably stipulates to the appointment of a receiver under such circumstances and for such purposes and agrees not to contest such appointment.

(f) In addition to the remedies hereinabove specified and enumerated, Landlord shall have and may exercise the right to invoke any other remedies allowed at law or in equity as if the remedies of reentry, unlawful detainer proceedings and other remedies were not herein provided. Accordingly, the mention in this Lease of any particular remedy shall not preclude Landlord from having or exercising any other remedy at law or in equity. Nothing herein contained shall be construed as precluding Landlord from having or exercising such lawful remedies as may be and become necessary in order to preserve Landlord's right or the interest of Landlord in the Leased Property and in this Lease, even before the expiration of any notice periods provided for in this Lease, if under the particular circumstances then existing the allowance of such notice periods will prejudice or will endanger the rights and estate of Landlord in this Lease and in the Leased Property. In addition, any provision of this Lease to the contrary notwithstanding, no provision of this Lease shall delay or otherwise limit Landlord's right to seek injunctive relief or Tenant's obligation to comply with any such injunctive relief.

12.3 Landlord Event of Default; Tenant Remedies. It shall be an Event of Default by Landlord hereunder and a breach of this Lease if Landlord shall fail to perform any obligation of Landlord expressly contemplated in this Lease, and such failure shall continue for a period of sixty (60) days after written Notice thereof from Tenant; provided, however, if such failure is incapable of cure by Landlord within such sixty (60) days after Landlord's diligent and continuous efforts to cure the same, Landlord shall have up to an additional period of sixty (60) days for a total of one hundred twenty (120) days to cure the same. Tenant shall have, as its sole and exclusive remedy for any such Event of Default by Landlord hereunder, the right to either (i) bring and pursue an action for specific performance against Landlord with respect to such Event of Default, in which event, Tenant shall specifically waive any right to pursue a claim for damages; (ii) cure the breach and submit the costs related to curing such breach to Landlord for reimbursement, provided that Tenant shall not have any right to offset such amounts against Rent; or (iii) bring and pursue an action for actual damages caused by Landlord's own gross negligence or willful misconduct. **ANYTHING HEREIN CONTAINED, AND ANYTHING AT LAW OR IN EQUITY, TO THE CONTRARY NOTWITHSTANDING, TENANT HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES, IN ANY ACTION OR PROCEEDING AGAINST LANDLORD ARISING UNDER OR WITH RESPECT TO THIS LEASE, ANY RIGHT, POWER OR PRIVILEGE TENANT MAY HAVE TO TERMINATE THIS LEASE OR TO CLAIM OR RECEIVE ANY PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR OTHER SPECIAL DAMAGES (INCLUDING LOST PROFITS AND ANY CLAIMS FOR LOSS OF FUTURE REVENUES FROM LOSS OF USE OF THE LEASED PROPERTY), AND TENANT ACKNOWLEDGES AND AGREES THAT THE REMEDIES HEREIN PROVIDED WILL IN ALL CIRCUMSTANCES BE ADEQUATE.** Landlord and Tenant acknowledge and agree that to the extent the provisions of this Section 12.3 conflict with any Applicable Laws, the terms and provisions of this Section 12.3 shall control.

12.4 Application of Funds. Any payments received by Landlord under any of the provisions of this Lease during the existence or continuance of any Event of Default (and any payment made to Landlord rather than Tenant due to the existence of any Event of Default) shall be applied to Tenant's current and past due obligations under this Lease in such order as Landlord may determine or as may be prescribed by the laws of the State in which the Leased Property is located.

12.5 Landlord's Right to Cure Tenant's Default. If an Event of Default shall occur and be continuing beyond any applicable cure period, Landlord may, but shall have no obligation to, perform the same for the account and at the expense of Tenant. If, at any time and by reason of such Event of Default, Landlord is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense in the enforcement of its rights hereunder or otherwise, such sum or sums, together with interest thereon at the Overdue Rate, shall be deemed an Additional Charge hereunder and shall be repaid to Landlord by Tenant promptly when billed therefor, and Landlord shall have all the same rights and remedies in respect thereof as Landlord has in respect of the rents herein reserved.

12.6 Landlord's Security Interest and Lien.

12.6.1 Landlord shall have, and Tenant hereby grants, a security interest in (a) Tenant's Personal Property (specifically excluding any proprietary software or proprietary operating systems of Tenant and items listed on Schedule 12.6 attached hereto) or the equity of Tenant therein located at the Leased Property and (b) Tenant's books and records related solely to and necessary to operate the Leased Property. This security interest is granted for the purpose of securing the payment of Rent, Additional Charges, assessments, penalties and damages herein covenanted to be paid by Tenant. Upon an Event of Default hereunder, Landlord shall have all remedies available under the Uniform Commercial Code enacted in the State, including, without limitation, the right to take possession of the above-mentioned property and dispose of it by sale in a commercially reasonable manner. Tenant hereby authorizes Landlord to file such financing statements as Landlord deems necessary and appropriate in such jurisdictions as Landlord deems necessary and appropriate for the purpose of serving notice to third parties of the security interest herein granted.

12.6.2 Landlord shall have at all times during the Term of this Lease, a valid lien for all Rent, Additional Charges and other sums of money becoming due hereunder from Tenant, upon all goods, wares, merchandise, Inventory, furniture, fixtures, equipment, vehicles and other personal property and effects of Tenant situated in or upon the Leased Property, including Tenant's Personal Property (specifically excluding any proprietary software or proprietary operating systems of Tenant and items listed on Schedule 12.6 attached hereto) and any interest of Tenant in P&E Replacements, and such property shall not be removed therefrom except in accordance with the terms of this Lease without the approval and consent of Landlord until all arrearages in Rent, Additional Charges or other sums of money then due to Landlord hereunder shall first have been paid and discharged in full. Alternatively, the lien hereby granted may be foreclosed in the manner and form provided by law for foreclosure of security interests or in any other manner and form provided by law. The statutory lien for Rent, if any, is not hereby waived and the express contractual lien herein granted is in addition thereto and supplementary thereto. Tenant agrees to execute and deliver to Landlord from time to time during the Term of this Lease such financing statements as Landlord deems necessary and appropriate in such jurisdictions as Landlord deems necessary and appropriate in order to perfect Landlord's lien provided herein or granted or created by state law. Tenant further agrees that during an Event of Default, Tenant shall not make any distributions to its shareholders, partners, members or other owners and any such distributions shall be considered and deemed to be fraudulent (within the meaning of the United States Commercial Code) and preferential and subordinate to Landlord's claim for Rent and other sums hereunder.

12.7 Collateral Assignment. As additional security for Tenant's performance of its obligations hereunder, Tenant hereby collaterally assigns to Landlord, to the extent assignable, all of Tenant's right, title and interest in Permits, Operating Contracts, and other agreements and documents held by Tenant (but expressly excluding documents and other materials which are legally privileged or which pertain to the ownership, corporate structure or corporate governance of Tenant) and necessary and used to operate the Leased Property for its Permitted Use. Such collateral assignment shall become an outright assignment and shall be effective upon the expiration or sooner termination of this Lease by Landlord as a result of an Event of Default by Tenant without the need to execute any additional instruments evidencing such assignment. Tenant agrees and acknowledges that any third party may rely upon a written statement by Landlord as to an Event of Default by Tenant and the termination of this Lease. Notwithstanding the foregoing, Tenant agrees to execute and deliver to Landlord, upon the termination of this Lease by Landlord as a result of Event of Default by Tenant, such instruments evidencing the assignment contemplated hereby as may be required by Landlord in its sole and absolute discretion.

#### ARTICLE 13

##### HOLDING OVER

If Tenant or any other Person or party claiming by, through or under Tenant shall remain in possession of the Leased Property or any part thereof following the expiration of the Term or earlier termination of this Lease without an agreement in writing between Landlord and Tenant with respect thereto, such Person or party remaining in possession shall be deemed to be a tenant at sufferance, and during any such holdover, the Rent payable under this Lease by such tenant at sufferance shall be equal to one hundred fifty percent (150%) of the rate or rates in effect immediately prior to the expiration of the Term or earlier termination of this Lease. In no event, however, shall such holding over be deemed or construed to be or constitute a renewal or extension of this Lease.

#### ARTICLE 14

##### LIABILITY OF LANDLORD: INDEMNIFICATION

14.1 Liability of Landlord. Landlord and its Affiliates shall not be liable to Tenant, its employees, agents, invitees, licensees, customers or clients for any damage, injury, loss, compensation or claim, including, but not limited to, claims for the interruption of or loss to Tenant's business, based on, arising out of or resulting from any cause whatsoever (other than Landlord's and/or any of its Affiliates' gross negligence or willful misconduct), including, but not limited to: (a) repairs to any portion of the Leased Property; (b) interruption in Tenant's use of the Leased Property; (c) any accident or damage resulting from the use or operation (by Landlord, Tenant or any other person or persons) of any equipment within the Leased Property, including without limitation, heating, cooling, electrical or plumbing equipment or apparatus; (d) the termination of this Lease by reason of the Condemnation or destruction of the Leased Property in accordance with the provisions of this Lease; (e) any fire, robbery, theft, mysterious disappearance or other casualty; (f) the actions of any other person or persons, other than Landlord or an Affiliate of Landlord; (g) any leakage or seepage in or from any part or portion of the Leased Property, whether from water, rain or other precipitation that may leak into, or flow from, any part of the Leased Property, or from drains, pipes or plumbing fixtures in the Leased Improvements; (h) any condition relating to the Environment, except as otherwise provided for herein; and (i) the existence of any Hazardous Substance located at, on or in the Land, except as otherwise provided for herein. Any goods, property or personal effects stored or placed by Tenant or its employees in or about the Leased Property including Tenant's Personal Property, shall be at the sole risk of Tenant.



14.2 Indemnification of Landlord. Tenant shall defend, indemnify, pay, save and hold Landlord harmless from and against any and all liabilities, obligations, losses, damages, injunctions, suits, actions, fines, penalties, claims, demands, costs and expenses of every kind or nature, including reasonable attorneys' fees and court costs, incurred by Landlord, arising directly or indirectly from: (a) any failure by Tenant to perform any of the terms, provisions, covenants or conditions of this Lease, on Tenant's part to be performed including but not limited to the payment of any fee, cost or expense which Tenant is obligated to pay and discharge hereunder, (b) any accident, injury or damage which shall happen at, in or upon the Leased Property; (c) any matter or thing growing out of the condition, occupation, maintenance, alteration, repair, use or operation by any person of the Leased Property, or any part thereof, or the operation of the Business contemplated by this Lease to be conducted thereon, thereat, therein, or therefrom arising during the Term; (d) any failure of Tenant to comply with the Legal Requirements as provided for or required under this Lease; (e) the presence of any Hazardous Substance or contamination of the Leased Property or the ground water thereof, arising during the Term, whether caused by Tenant or an Affiliate of Tenant, their employees, agents, invitees, customers, licensees or contractors; (f) any discharge of toxic or hazardous sewage or waste materials from the Leased Property into any septic facility or sanitary sewer system serving the Leased Property arising on or after the date Tenant takes possession of the Leased Property, whether by Tenant or Tenant Affiliate, their employees, agents, invitees, customers, licensees or contractors; or (g) any other act or omission of Tenant or Tenant Affiliate, or any of their employees, agents, invitees, customers, licensees or contractors. Notwithstanding anything set forth above in this Section 14.2, Tenant shall not be liable for or be obligated to defend, indemnify, pay, save, and hold Landlord harmless from and against any liabilities, obligations, losses, damages, injunctions, suits, actions, fines, penalties, claims, demands, costs or expenses of any kind or nature, including reasonable attorneys' fees and court costs, resulting from Landlord's gross negligence or willful misconduct. Tenant's indemnity obligations under this Article and elsewhere in this Lease shall survive expiration, assignment or earlier termination of this Lease.

14.3 Indemnification of Tenant. Landlord shall defend, indemnify, pay, save and hold Tenant harmless from and against any and all liabilities, obligations, losses, damages, injunctions, suits, actions, fines, penalties, claims, demands, costs and expenses of every kind or nature, including reasonable attorneys' fees and court costs, incurred by Tenant, arising directly from Landlord's and/or its employees', agents', invitees', licensees' or contractors' gross negligence or willful misconduct.

14.4 Notice of Claim or Suit. Tenant shall promptly notify Landlord of any claim, action, proceeding or suit instituted or threatened against Tenant or Landlord of which Tenant receives notice or of which Tenant acquires knowledge (a "**Claim**"). In the event Landlord is made a party to any action for damages or other relief against which Tenant has indemnified Landlord, as aforesaid, Tenant shall at its own expense using counsel reasonably approved by Landlord, diligently defend Landlord, and pay all costs in such litigation; provided, however, that Landlord shall have the option, at its sole cost and expense, to engage its own counsel in connection with its own defense or settlement of said litigation, in which event Tenant shall cooperate with Landlord and make available to Landlord all information and data which Landlord deems necessary or desirable for such defense. In the event Landlord is required to secure its own counsel due to a conflict in the interests of Tenant and Landlord in any action for damages or other relief against which Tenant has indemnified Landlord, Tenant shall pay all of Landlord's reasonable costs in such litigation. Notwithstanding anything to the contrary contained herein, Tenant shall not be required to pay costs incurred by Landlord in engaging separate counsel to defend Landlord pursuant to this Section 14.4, unless Landlord is required to secure its own counsel as a result of a conflict of interest between Landlord and Tenant in any action for damages or other relief against which Tenant has indemnified Landlord. Tenant is required to approve a settlement agreement for any such claim or suit as requested by Landlord and which is consistent with applicable insurance company requirements, unless Tenant posts a bond or other security acceptable to Landlord for any potentially uninsured liability amounts. Notwithstanding any provision herein to the contrary, on or before the end of each Fiscal Quarter, Tenant shall provide Landlord with a status report with respect to all claims, which status report shall include a summary as to the status of each claim.

14.5 Limitation on Liability of Landlord. In the event Tenant is awarded a money judgment against Landlord, Tenant's sole recourse for satisfaction of such judgment shall be limited to execution against Landlord's interest in the Leased Property. In no event shall any partner, member, officer, director, stockholder or shareholder of Landlord or any partner thereof or Affiliate or Subsidiary thereof, be personally liable for the obligations of Landlord hereunder.

## ARTICLE 15

### REIT AND UBTI REQUIREMENTS

Tenant understands that, in order for Landlord to qualify as a real estate investment trust (a "**REIT**") under the Code, the following requirements must be satisfied. The parties intend that amounts to be paid by Tenant hereunder and received or accrued, directly or indirectly, by Landlord with respect to the Leased Property (including any rents attributable to personal property that is leased with respect thereto) will qualify as "rents from real property" (within the meaning of Code Section 856(d) and Section 512(b)(3)), and that neither party will take, or permit to take, any action that would cause any amount received by Landlord under this Lease to fail to qualify as such under the Code. Consistent with this intent, the parties agree that:

15.1 Limitations on Rents Attributable to Personal Property. "Rents attributable to any personal property" leased to the Tenant cannot exceed fifteen percent (15%) of the total rent received or accrued by Landlord under this Lease for the Fiscal Year of Landlord. In addition, Landlord's customary practice is to limit "rents attributable to any personal property" to twelve and one-half percent (12.5%) of the total rent received or accrued by Landlord pursuant to any lease agreement. Consistent therewith, the average of the fair market values of the personal property (within the meaning set forth in Section 1.512(b) 1(c)(3)(ii) of the applicable Treasury Regulations) that is leased to Tenant with respect to the Leased Property at the beginning and end of a Fiscal Year cannot exceed twelve and one-half percent (12.5%) of the average of the aggregate fair market values of the real and personal property comprising such Leased Property that is leased to Tenant under such lease at the beginning and end of such Fiscal Year (the "**REIT Personal Property Limitation**"). If Landlord reasonably anticipates that the REIT Personal Property Limitation will be exceeded with respect to the Leased Property for any Fiscal Year, Landlord may, at Landlord's sole option and absolute discretion (i) notify Tenant, and Landlord and Tenant shall negotiate in good faith the purchase by Tenant of items of personal property anticipated by Landlord to be in excess of the REIT Personal Property Limitation, provided, in such event, Tenant's responsibility to purchase such personal property would be offset by Landlord in some mutually agreeable manner, which would not result in Landlord earning income which would constitute "unrelated business taxable income" within the meaning of Section 512 of the Code, if Landlord was a "qualified trust" within the meaning of Section 856(h)(3)(E) of the Code; or (ii) restructure the ownership of Landlord and/or Landlord's ownership of the personal property and lease, or cause an Affiliate to lease to Tenant, pursuant to a separate lease agreement, such personal property, and Tenant agrees that it shall cooperate with Landlord in good faith in connection with such restructuring and shall execute any separate or amended lease agreements, provided the same do not materially affect Tenant's rights and obligations under this Lease.

15.2 Basis for Sublease Rent Restricted. Tenant cannot sublet the property that is leased to it by Landlord, or enter into any similar arrangement, on any basis such that the rental or other amounts paid by the sublessee thereunder would be based, in whole or in part, on either (a) the net income or profits derived by the business activities of the sublessee or (b) any other formula such that any portion of the rent paid by Tenant to Landlord would fail to qualify as "rents from real property" within the meaning of Section 856(d) and Section 512(b)(3) of the Code and regulations promulgated thereunder.

15.3 Landlord Affiliate Subleases Restricted. Anything to the contrary in this Lease notwithstanding, Tenant shall not sublease the Leased Property to, or enter into any similar arrangement with, any person in which Landlord owns, directly or indirectly, a ten percent (10%) or more interest, with the meaning of Section 856(d)(2)(B) of the Code, and any such action shall be deemed void ab initio. Anything to the contrary in this Lease notwithstanding, Tenant shall not sublease the Leased Property to, or enter into any similar arrangement with, any Person that Landlord would be deemed to control within the meaning of Section 512(b)(13) of the Code.

15.4 Landlord Interests in Tenant Restricted. Anything to the contrary in this Lease notwithstanding, neither party shall take, or permit to take, any action that would cause Landlord to own, directly or indirectly, a ten percent (10%) or greater interest in Tenant within the meaning of Section 856(d)(2)(B) of the Code, and any similar or successor provision thereto, and any such action shall be deemed void ab initio. In addition, anything to the contrary in this Lease notwithstanding, Tenant shall not take or permit to take, any action that would cause Landlord to own, directly or indirectly, such interest in Tenant such that amounts received from Tenant would represent amounts received from a controlled entity within the meaning of Section 512(b)(13) of the Code.

15.5 Landlord Services. Any services provided by, or on behalf of, Landlord will not prevent any amounts received or accrued from qualifying as “rents from real property” (within the meaning of Section 856(d)(2) or Section 512(b)(3) of the Code.

15.6 Certain Subtenants Prohibited. Anything to the contrary in this Lease notwithstanding, Tenant shall not sublease the Leased Property to, or enter into any similar arrangement with, any Person that would be described in Section 514(c)(9)(B)(iii) or (iv) of the Code.

15.7 Future Amendment. Tenant hereby agrees to amend this Article 15 from time to time as Landlord deems necessary or desirable in order to effectuate the intent hereof, so long as any such amendment does not materially alter the economic terms of this Lease.

## ARTICLE 16

### SUBLETTING AND ASSIGNMENT

16.1 Transfers Prohibited Without Consent. Subject to Section 4.1, Tenant shall not, without the prior written consent of Landlord in each instance, which consent may be withheld in Landlord’s sole opinion and discretion, sell, assign, sublease, license, concession or otherwise transfer this Lease, or Tenant’s interest in the Leased Property, in whole or in part, or any rights or interest which Tenant may have under this Lease, or sublet, license or concession any part of the Leased Property, or grant or permit any Lien or encumbrance on or security interest in Tenant’s interest in this Lease, except as set forth in this Article 16 or under Section 20.4 below. Any sale, assignment, sublease, license, concession or transfer of this Lease without the prior written consent of Landlord shall be voidable at Landlord’s option. Notwithstanding the foregoing, this Section 16.1 shall not apply to a transfer in which, subject to Landlord’s reasonable approval, the transferee tenant and guarantor entities possess a net worth and credit profile equal to or greater than that of Tenant.

16.2 Indirect Transfer Prohibited Without Consent. Schedule 16.2 attached hereto sets forth the current ownership and Control of Tenant. A (a) sale, assignment, pledge, transfer, exchange or other disposition of the stock, partnership interests, membership interests or other equitable interests in Tenant or any Person Controlling Tenant, which results in a change or transfer of Control or a change or transfer of management of Tenant, or (b) merger, consolidation or other combination of Tenant with another entity which results in a change or transfer of management or Control of Tenant, shall be deemed an assignment hereunder and shall be subject to Section 16.1 hereof. For purposes hereof, change or transfer of management or Control or effective Control, shall mean a transfer of fifty percent (50%) or more of the economic benefit of, or Control of, any such entity. Notwithstanding the foregoing, any Affiliate of Tenant may transfer his, her or its stock, partnership interests, membership interests or other equitable interests in Tenant without first obtaining the prior written consent of Landlord if such transfer or other disposition (i) is the result of the death of such Affiliate, (ii) involves a transfer to (A) the Immediate Family of such Affiliate, or (B) a trust of which such Affiliate is the grantor and such Affiliate, or his or her spouse, is the trustee for the benefit of such spouse or Immediate Family of such spouse, or (C) an Entity or Entities in which such Affiliate, spouse or Immediate Family member shall retain Control; provided, however, that the prior written consent of Landlord, in its sole and absolute discretion, shall be obtained for any transfer(s) of a Controlling interest in the management of Tenant. Notwithstanding the foregoing, this Section 16.2 shall not apply to a transfer in which, subject to Landlord’s reasonable approval, the successor entity possesses a net worth and credit profile equal to or greater than that of its predecessor.

16.3 Adequate Assurances. Without limiting any of the foregoing provisions of this Article, if, pursuant to the U.S. Bankruptcy Code, as the same may be amended from time to time, Tenant is permitted to assign or otherwise transfer its rights and obligations under this Lease in disregard of the restrictions contained in this Article, the assignee shall be deemed to agree to provide adequate assurance to Landlord (a) of the continued use of the Leased Property solely in accordance with the Permitted Use thereof, (b) of the continuous operation of the business on the Leased Property in strict accordance with the requirements of Article 4 hereof, and (c) of such other matters as Landlord may reasonably require at the time of such assumption or assignment. Without limiting the generality of the foregoing, adequate assurance shall include, without limitation, the requirement that any such assignee shall (i) have a net worth (exclusive of good will) of not less than the aggregate of the Rent due and payable for the previous Fiscal Year and (ii) provide Landlord with a security deposit or irrevocable letter of credit equal to the then current Security Deposit amount. Such assignee shall expressly assume this Lease by an agreement in recordable form, an original counterpart of which shall be delivered to Landlord prior to an assignment of this Lease. Any approval of such successor Tenant shall not affect or alter Landlord's approval rights of each manager of the Leased Property or successor Tenants.

16.4 Landlord Transfers. Landlord may, in its sole and absolute discretion, sell, assign, convey or otherwise transfer its interest in this Lease or the Leased Property, or any portion thereof, or any interest therein, directly or indirectly, to any Person, without the consent of Tenant. Tenant shall attorn to any such transferee and continue to be bound by this Lease in the event of any such transfer, provided, however, that Tenant shall continue to pay Rent and other Additional Charges to Landlord and performance all other obligations under this Lease in favor of Landlord until Tenant receives written notice of any such assignment of this Lease by Landlord and a copy of such transferee's assumption of all obligations of Landlord under the terms of this Lease.

16.5 Resident Agreements. Notwithstanding Section 16.1, Tenant may without Landlord's consent enter into rental agreements with residents at the Facility under the form of resident agreement previously approved by Landlord (and any material amendments to the form approved by Landlord during the Term in its reasonable discretion).

#### ARTICLE 17

##### ESTOPPEL CERTIFICATES, FINANCIAL STATEMENTS AND OPERATING STATEMENTS

17.1 Estoppel Certificates. Each of Tenant and Landlord shall from time to time, within fifteen (15) days after receipt of a written request therefor and without charge, give an Estoppel Certificate in the form (or substantially the form) of Exhibit C attached hereto and containing such other matters as may be reasonably requested to any Person specified by such requesting party.

17.2 Quarterly Financial Statements. Throughout the Term of this Lease, Tenant shall prepare and deliver to Landlord: (i) within ten (10) calendar days after the end of each Fiscal Quarter, a statement of Gross Revenues for the Facility for the immediately preceding Fiscal Quarter and the Fiscal Year to date; (ii) within fifteen (15) calendar days after the end of each Fiscal Quarter, an income (or profit and loss) statement, an operating balance sheet and a cash flow statement for the Facility showing the results of the operation of the Leased Property, including an occupancy report and census data for the immediately preceding Fiscal Quarter and for the Fiscal Year to date; (iii) within fifteen (15) calendar days after the end of each Fiscal Quarter, an income (or profit and loss) statement, an operating balance sheet and a cash flow statement for the Parent of Tenant for the immediately preceding Fiscal Quarter and for the Fiscal Year to date; (iv) an accounts receivable aging report delivered each month; and (v) within twenty (20) calendar days after the end of each Fiscal Quarter, a reconciliation of the Reserve for the immediately preceding Fiscal Quarter. This information shall be provided to Landlord under a complete financial statement for the Business which shall be delivered electronically within the designated time periods in the form customarily provided in the industry and approved in advance by Landlord. The aforesaid financial statements shall be accompanied by an Officer's Certificate which, for purposes hereof shall mean a Certificate of the Chief Executive Officer or the Chief Financial Officer of Tenant (or of Tenant's general partner) (an "**Officer's Certificate**") in which such Officer shall certify to the best of such Officer's knowledge (a) that such statements have been properly prepared in accordance with GAAP and are true, correct and complete in all material respects and fairly present the consolidated financial condition of Tenant at and as of the dates thereof and the results of its operations for the period covered thereby, and (b) that no Event of Default has occurred and is continuing hereunder.

17.3 Annual Financial Statements. Tenant shall deliver to Landlord within ninety (90) days after the end of each Fiscal Year, a profit and loss statement, balance sheet and statement of cash flow certified by an independent certified public accountant who is actively engaged in the practice of his profession and who is acceptable to Landlord in Landlord's reasonable discretion or, as provided for below, and by the Chief Financial Officer of Tenant (which statement shall also be certified by an officer, partner or member in Tenant) showing results from the operation of the Leased Property during such Fiscal Year, including without limitation, an accounting of the calculation of amounts paid into the Reserve and reasons for material variations from the approved budget for such year. The aforesaid financial statements shall be accompanied by an Officer's Certificate which, for purposes hereof shall mean a Certificate of the Chief Executive Officer or the Chief Financial Officer of Tenant (which Certificate shall also be certified by another officer of Tenant or Tenant's general partner, managing member or manager, as applicable) in which such Officer shall certify to the best of such Officer's knowledge (a) that such statements have been properly prepared in accordance with GAAP and are true, correct and complete in all material respects and fairly present the consolidated financial condition of Tenant at and as of the dates thereof and the results of its operations for the period covered thereby, and (b) that no Event of Default has occurred and is continuing hereunder. Tenant shall also deliver to Landlord at any time and from time to time, upon not less than twenty (20) days' notice from Landlord, any financial statements or other financial reporting information required to be filed by Landlord with the SEC or any other governmental authority or required pursuant to any order issued by any Governmental Agencies or arbitrator in any litigation to which Landlord is a party for purposes of compliance therewith. Notwithstanding the foregoing, in the event that Tenant's financial records are not otherwise being reviewed or audited by an independent certified public accountant then Landlord will accept financial statements certified true and correct by the Chief Financial Officer of Tenant (or of Tenant's general partner). In connection with Landlord's responsibility to maintain effective internal controls over financial reporting and the requirements for complying with the Sarbanes-Oxley Act of 2002, Tenant hereby agrees to provide access to the Leased Property, including the Leased Property's books and records, and reasonable assistance necessary to Landlord that will allow Landlord to conduct activities necessary to satisfy such responsibilities, including, but not limited to, the activities necessary to comply with Sections 302 and 404 of the Sarbanes-Oxley Act of 2002, standards issued by the Public Company Accounting Oversight Board and adopted by the SEC, or other similarly promulgated guidance by other regulatory agencies. Landlord agrees to provide Tenant with appropriate notice regarding the conduct of activities anticipated in this provision. Tenant agrees to provide, at Landlord's request, evidence of Tenant's documented policies, if any, regarding "whistle-blower" procedures and regarding the reporting of fraud or misstatements involving financial reporting.

17.4 Records. Tenant shall keep and maintain at all times in accordance with GAAP (separate and apart from its other books, records and accounts) complete and accurate up to date books and records adequate to reflect clearly and correctly the results of operations of the Leased Property. Such books and records shall be kept and maintained at the Leased Property or Tenant's principal office at 14911 Quorum Drive, Suite 380, Dallas, Texas 75254. Landlord or its representatives shall have, at all reasonable times during normal business hours, reasonable access, on reasonable advance Notice, to examine and copy the books and records pertaining to the Leased Property.

17.5 General Operations Budget. In addition to the Reserve Budget, Tenant shall furnish to Landlord, on or before November 1 of each Fiscal Year proposed annual budgets and business plan in a form satisfactory to Landlord and consistent with the then standards for inpatient rehabilitation facilities comparable to the Facility setting forth the strategic plans of the Business, which specific departmental support plans and projected income and costs and expenses projected to be incurred by Tenant in managing, leasing, maintaining and operating the Business during the following Fiscal Year. Landlord shall approve or disapprove the annual budgets and business plan within thirty (30) days of receipt thereof.

17.6 Quarterly Meetings. At Landlord's request, Tenant shall make Tenant's property management team and the executive officers of Tenant (or of Tenant's general partner or managing member, if applicable) available to meet with Landlord once during each Fiscal Quarter to discuss the Reserve Budget, the annual budgets and any other items related to the operation of the Business, which Landlord wishes to discuss. Such meetings shall be conducted via teleconference or at a location mutually agreeable to Landlord and Tenant and each of Landlord and Tenant shall be solely responsible for their respective expenses in connection with such meetings. Tenant agrees to give good faith consideration to any suggestions or requests that Landlord may have.

17.7 Monthly Statements of Operations. Throughout the Term of this Lease, Tenant shall prepare and deliver to Landlord: within twenty (20) calendar days after the end of each Accounting Period, a report of Facility operations, to include, at a minimum: (a) census for the preceding month showing available units and resident days as well as actual units and resident days for the preceding month; (b) copies of any communications from regulatory agencies having authority over the Facility; and (c) notice of how much of the Facility is devoted to Medicaid or Medicare, if any.

17.8 Guarantor Financial Statements. Guarantor shall deliver to Landlord within ninety (90) days after the end of each Fiscal Year, a personal profit and loss statement and balance sheet reflecting the financial standing of Guarantor for the applicable quarter; provided, however, that upon the occurrence and continuance of an Event of Default, Guarantor shall deliver such financial statements on a quarterly basis, within thirty (30) days after the end of each quarter of a Fiscal Year.

17.9 Audit Rights. Landlord shall have the right, at its sole cost and expense, to perform an audit on any of the foregoing reports provided by Tenant, and Tenant agrees to reasonably cooperate with any such audit. Subject to Applicable Laws, Landlord shall have access to Tenant's books and records relating to the Leased Property and shall have the right to audit such books and records, including, with respect to any reports furnished by Tenant to Landlord pursuant to the terms of this Lease, during the period of this Lease and for a period of five (5) years after termination of this Lease. Subject to Applicable Laws, Landlord also reserves the right, upon reasonable notice and during business hours, to perform any and all additional audits relating to Tenant's activities either at the Leased Property or at Tenant's office located at 14911 Quorum Drive, Suite 380, Dallas, Texas 75254. If Landlord's employees or agents discover either weaknesses in internal control or errors in record keeping, Tenant shall correct such discrepancies either upon discovery or within a commercially reasonable period of time using diligent efforts to remedy same. Tenant shall inform Landlord in writing of the action taken to correct such audit discrepancies. If Tenant fails to correct such discrepancies, Landlord shall have the right to require Tenant to outsource the corresponding accounting or record-keeping functions to Landlord-approved providers or terminate this Lease. Any and all such audits conducted either by Landlord's employees or agents shall be at the sole expense of Landlord. However, if an audit reveals any material weaknesses or significant deficiencies in internal controls as defined by the Public Company Accounting Oversight Board, any errors in record keeping, any misappropriation of funds by Tenant, its agents or employees or if the audit reveals that the net cash flow from the Leased Property for the period audited exceeded the net cash flow reported by Tenant in the reports submitted to Landlord pursuant to the terms of this Lease for such period by 5%, the cost of the audit shall be borne by Tenant. Landlord's right to require Tenant to pay the cost of audit under these circumstances shall be in addition to any other rights or remedies that Landlord may have under this Lease or in law or equity.

## ARTICLE 18

### LANDLORD'S RIGHT TO INSPECT

Landlord, Mortgagee and their agents shall have the right, upon providing at least 24 hours advance notice to Tenant, to enter upon the Leased Property or any portion thereof at any reasonable time to inspect the same, including but not limited to, the operation, sanitation, safety, maintenance and use of the same, or any portions of the same and to assure itself that Tenant is in full compliance with its obligations under this Lease (but Landlord and Mortgagee shall not thereby assume any responsibility for the performance of any of Tenant's obligations hereunder, nor any liability arising from the improper performance thereof). In making any such inspections, neither Landlord nor Mortgagee shall unduly interrupt or interfere with the conduct of Tenant's Business.



ARTICLE 19

FACILITY MORTGAGES

19.1 Subordination. This Lease, Tenant's interest hereunder and Tenant's leasehold interest in and to the Leased Property are hereby agreed by Tenant to be and are hereby made junior, inferior, subordinate and subject in right, title, interest, lien, encumbrance, priority and all other respects to any mortgage or mortgages and security interests now or hereafter in force and effect upon or encumbering Landlord's interest in the Leased Property, or any portion thereof, and to all collateral assignments by Landlord to any third party or parties of any of Landlord's rights under this Lease or the rents, issues and profits thereof or therefrom as security for any liability or indebtedness, direct, indirect or contingent, of Landlord to such third party or parties, and to all future modifications, extensions, renewals, consolidations and replacements of, and all amendments and supplements to any such mortgage, mortgages or assignments, and upon recording of any such mortgage, mortgages or assignments, the same shall be deemed to be prior in dignity, lien and encumbrance to this Lease, Tenant's interest hereunder and Tenant's leasehold interest in and to the Leased Property irrespective of the dates of execution, delivery or recordation of any such mortgage, mortgages or assignments (such mortgages, mortgages, security interests, assignments, modifications, extensions, renewals, amendments, supplements and replacement being a "Facility Mortgage"). Tenant shall reasonably cooperate with Landlord and any Mortgagee or potential Mortgagee in connection with a Facility Mortgage, including, but not limited to, consenting to non-material and reasonable amendments to this Lease as may be requested by such Mortgagee, provided that such amendments do not materially alter the economic terms of this Lease or the use and operation of any of the Leased Property or materially increase Tenant's obligations or decrease its rights hereunder. The foregoing subordination provisions of this Section shall be automatic and self-operative without the necessity of the execution of any further instrument or agreement of subordination on the part of Tenant, so long as the terms of the Facility Mortgage recognize the existence of this Lease and acknowledge and evidence Mortgagee's reasonably satisfactory agreement that, so long as no Event of Default by Tenant has occurred and is continuing under this Lease (after the expiration of the applicable notice and curative periods contained herein) (i) Mortgagee, its successors and assigns (or any other purchaser at any foreclosure sale pursuant to the Facility Mortgage or any other security instrument in connection therewith) shall not disturb Tenant's right of possession to the Leased Property and all other rights of Tenant hereunder in the event that Mortgagee, its successors and assigns (or any other purchaser at any foreclosure sale pursuant to the Facility Mortgage or any other security instrument in connection therewith) acquires title to all or any part of the Leased Property pursuant to the exercise of any remedy provided for in the Facility Mortgage or any other related security instrument or acceptance of title to the Leased Property in lieu of any such foreclosure, (ii) Tenant may use the Reserves as provided in this Lease, and (iii) Tenant shall not be named as a party defendant to any action to foreclose the liens and security interests of the Facility Mortgage or any other related security instrument, except to the extent required by Applicable Law. Tenant acknowledges and agrees that notwithstanding the foregoing automatic subordination, if Landlord or Mortgagee shall request that Tenant execute and deliver any further instrument or agreement of subordination of this Lease or Tenant's interest hereunder or Tenant's leasehold interest in the Leased Property to any such Facility Mortgage, in confirmation or furtherance of or in addition to the foregoing subordination provisions of this Section, Tenant shall promptly execute and deliver the same to the requesting party so long as the same is reasonably acceptable to Tenant, is consistent with the terms and provisions of this Lease and does not materially increase Tenant's obligations or decrease its rights hereunder. Tenant agrees that it will, from time to time, execute such documentation as may be reasonably requested by Landlord and any Mortgagee (a) to assist Landlord and such Mortgagee in establishing or perfecting any security interest in Landlord's interest in the Reserve and any funds therein; and (b) to facilitate or allow Landlord to encumber the Leased Property or any portion thereof as herein contemplated. If, within thirty (30) calendar days following Tenant's receipt of a written request by Landlord, Tenant shall fail or refuse or shall have not executed any such further instrument or agreement of subordination, which satisfies the criteria set forth in this Section 19.1, Tenant shall be in breach and default of its obligation to do so and of this Lease and Landlord shall be entitled thereupon to exercise any and all remedies available to Landlord pursuant to this Lease or otherwise provided by law. To the extent Tenant is required to incur any additional out of pocket costs, fees and expenses in connection with the review and negotiation of any agreements or confirmations required from Tenant under the terms of this Section 19.1, Landlord shall promptly reimburse Tenant for all such reasonable costs, fees and expenses.

19.2 Attornment. Tenant shall and hereby agrees to attorn, and be bound under all of the terms, provisions, covenants and conditions of this Lease, to any successor of the interest of Landlord under this Lease for the balance of the Term of this Lease remaining at the time of the succession of such interest to such successor. In particular, in the event that any proceedings are brought for the foreclosure of any Facility Mortgage, Tenant shall attorn to the purchaser at any such foreclosure sale and recognize such purchaser as Landlord under this Lease. Tenant agrees that neither the purchaser at any such foreclosure sale nor the foreclosing Mortgagee or holder of any such Facility Mortgage shall have any liability for any act or omission of Landlord, be subject to any offsets or defenses which Tenant may have as claims against Landlord, or be bound by any advance rents which may have been paid by Tenant to Landlord for more than the current period in which such rents come due.

19.3 Rights of Mortgagees and Assignees. Any Mortgagee shall have the right to unilateral enjoyment, exercise or control over the rights, remedies, powers and interests of Landlord hereunder, or otherwise arising under Applicable Law, as assigned or granted to such Mortgagee by Landlord or as provided in any Facility Mortgage. At the time of giving any notice of default to Landlord, Tenant shall mail or deliver to any Mortgagee of whom Tenant has notice, a copy of any such notice. No notice of default or termination of this Lease by Tenant shall be effective until each Mortgagee shall have been furnished a copy of such notice by Tenant. In the event Landlord fails to cure any default by it under this Lease, the Mortgagee shall have, at its option, a period of thirty (30) days after expiration of any cure period of Landlord within which to remedy such default of Landlord or to cause such default to be remedied. In the event that the Mortgagee elects to cure any such default by Landlord, then Tenant shall accept such performance on the part of such Mortgagee as though the same had been performed by Landlord, and for such purpose Tenant hereby authorizes any Mortgagee to enter upon the Leased Property, to the extent necessary to exercise any of Landlord's rights, powers and duties under this Lease. If, in the event of any default by Landlord which is reasonably capable of being cured by a Mortgagee, the Mortgagee promptly commences and diligently pursues to cure the default, then Tenant will not terminate this Lease or cease to perform any of its obligations under this Lease so long as the Mortgagee is, with due diligence, engaged in the curing of such default.

ARTICLE 20

ADDITIONAL COVENANTS OF TENANT

20.1 Conduct of Business. Tenant shall not engage in any business on the Leased Property other than for the Permitted Use, and any activities incidental thereto, and shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect and in good standing its corporate, limited partnership, limited liability company or other entity status and existence and its rights and Permits reasonably necessary to conduct the Business.

20.2 Additional Covenants of Tenant. In addition to the other covenants and representations of Tenant herein and in this Lease, Tenant hereby covenants, acknowledges and agrees that Tenant shall:

- (a) Not guaranty any obligation of any Person.
- (b) Pay or cause to be paid all lawful claims for labor and rents with respect to the Leased Property, unless bonded, and in accordance with the terms hereof.
- (c) Pay or cause to be paid all trade payables with respect to the Leased Property.
- (d) Not declare, order, pay or make, directly or indirectly, any Distribution or any payments to any partners or Affiliates as to Tenant (including payments in the ordinary course of business and payments pursuant to any management agreements with any such Affiliate, but expressly excluding payments to any partners or Affiliates of Tenant for reimbursement of operating expenses incurred by such partners or Affiliates in connection with the operation and management of the Leased Property pursuant to any management agreement with such partners or Affiliates), or set apart any sum of property therefor, or agree to do so, if, at the time of any proposed action described in this Section 20.2(d) or immediately after giving effect thereto, any Event of Default shall exist.
- (e) Except as otherwise permitted by this Lease, not sell, lease (as lessor or sublessor), transfer or otherwise dispose of or abandon, all or any material portion of its assets or business to any Person, or sell, lease, transfer or otherwise dispose of or abandon any of the P&E or Tenant's Personal Property; provided, however, Tenant may dispose of portions of the P&E or Tenant's Personal Property which have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, provided substitute equipment or fixtures having equal or greater value and utility have been provided.

(f) Provide and maintain throughout the Term, all Tenant's Personal Property and P&E Replacements as shall be necessary in order to operate the Leased Property in compliance with applicable Legal Requirements, Insurance Requirements and otherwise in accordance with customary practice in the industry for the Permitted Use.

(g) Not, except as approved in writing by Landlord, either directly or indirectly, for itself, or through, or on behalf of, or in connection with any Person, divert or attempt to divert any business or customer of the Leased Property to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the good will associated with Landlord or the Leased Property.

(h) Except for liabilities incurred in the ordinary course of business, not create, incur, assume or guarantee, or permit to exist or become or remain liable directly or indirectly upon, any Indebtedness except the Indebtedness of Tenant to Landlord (or, if unsecured and expressly subject to the terms of this Lease and Landlord's interest hereunder, and payable solely out of excess cash flow after payment of all Rent hereunder, to Tenant's shareholders, partners or members, as applicable). Tenant further agrees that the obligee in respect of any such Indebtedness shall agree in writing, in form and substance satisfactory to Landlord, that (w) the payment of such Indebtedness shall be expressly subordinate in all respects to all of Tenant's obligations under this Lease, (x) no remedies may be exercised by the obligee with respect to enforcement or collection of such Indebtedness until such time as this Lease shall be terminated and all of Tenant's obligations hereunder shall have been discharged in full; (y) such Indebtedness shall not be assigned by the obligee to any other party; and (z) the obligee shall not initiate or join in any bankruptcy proceedings against Tenant. As used in this Section 20.2(h) (and notwithstanding any other definition of Indebtedness herein), Indebtedness shall mean all obligations, contingent or otherwise, to pay or repay monies irrespective of whether, in accordance with GAAP, such obligations should be reflected on the obligor's balance sheet as debt.

(i) Ensure compliance with the terms and conditions of that certain Development Agreement by and between City of Surprise, Arizona and Cobalt Medical Partners, LLC dated December 11, 2013 in the Official Records at 2013-1051037.

20.3 Notice to Landlord of Severe Incident and/or Significant Property Damage In the event of a Severe Incident (defined in Section 20.3.1 below) or Significant Property Damage (defined in Section 20.3.2 below) (in each case, an "**Incident**"), Tenant shall notify Landlord within twenty-four (24) hours of learning of the occurrence of any such Incident via email at [notice@cnl.com](mailto:notice@cnl.com). Such email notification shall include, at a minimum, (i) the names and contact information of the parties involved in the Incident, to the extent known at that time, (ii) a brief description of the Incident, and (iii) all measures that Tenant (or any other Person(s), to the knowledge of Tenant) is currently undertaking, or plans to undertake to the extent known, to resolve the Incident and to prevent, in connection with a Severe Incident and/or Significant Property Damage, any further harm to person or damage to property as result of such Incident.

20.3.1 **Severe Incident.** The defined term “**Severe Incident**” shall mean any material or significant accident, incident, claim, cause of action, loss of or damage to the Leased Property, Tenant’s Personal Property or any other property of third parties, or injury to or death of a person occurring on or about the Leased Property or adjoining sidewalks or rights of way under Tenant’s control during the Term, including, but not limited to, the following: (i) a fatality, (ii) claim of abuse, assault or molestation, (iii) personal injury resulting in the amputation of a limb, brain injury, burns over fifty percent (50%) or more of a person’s body, hearing or sight loss, internal injury resulting in impaired organ function, spinal cord injury resulting in any degree of paralysis, or substantial disfigurement, or (iv) a mass casualty event, such as a ride or other attraction incident, wildfire or building fire, earthquake, and pier collapse.

20.3.2 **Significant Property Damage.** The defined term “**Significant Property Damage**” shall mean any incident resulting in significant damage to the Leased Property including, but not limited to the following: fires, floods, avalanches, earthquakes, catastrophic structure failure, roof collapse, or any Force Majeure Event caused by either man or nature.

20.4 **Leasehold and Accounts Receivable Financing.** Without the prior written consent of Landlord, which consent shall not be unreasonably conditioned, withheld or delayed, Tenant shall not: (a) encumber any or all of the Leased Property, or any or all of its interests under this Lease, with leasehold or accounts receivable financing; or (b) engage in equipment financing for the Business (collectively, “**Tenant Financing**”). If such consent is granted by Landlord, Landlord agrees, upon written request of Tenant, to subordinate its lien and security interest in the accounts receivable or purchased equipment to liens of third party lenders for such approved financing(s), pursuant to the terms of a commercially reasonable intercreditor agreement (the “**Intercreditor**”). The Intercreditor shall be subject to the prior reasonable review and approval of Landlord. Landlord shall not be required to execute and deliver the Intercreditor, and subordinate its lien hereunder unless and until: (y) a copy of all relevant documents comprising the proposed Tenant Financing (the “**Tenant Loan Documents**”) have been delivered to Landlord, and (z) Landlord has reasonably reviewed and approved of the terms and conditions of the Tenant Loan Documents. Tenant shall pay Landlord’s legal fees incurred in connection with Landlord’s review and approval of the Intercreditor and Tenant Loan Documents.

20.5 **Resale Certificate.** Tenant acknowledges that Landlord may provide, but has no obligation to do so, Tenant with a resale certificate pursuant to A.R.S. Section 42-5022 (the “**Resale Certificate**”). Tenant shall not use the Resale Certificate for any purpose other than for the purchase of Leased Property, and any use of the Resale Certificate by Tenant shall comply with all Legal Requirements, Applicable Laws, and any instructions provided to Tenant by Landlord from time to time. Tenant shall be responsible for, and shall indemnify, save, insure, pay, defend, and hold harmless Landlord from and against, all liabilities, obligations, claims, damages, penalties, fines, causes of action, costs, and expenses (including, without limitation, attorneys’ fees), to the maximum extent permitted by law, which are imposed upon, incurred by, or asserted against Landlord by reason of Tenant’s use of the Resale Certificate in violation of this Section 20.5. The foregoing indemnity obligation of Tenant shall survive the termination or expiration of this Lease.

20.6 Intellectual Property License; After-Acquired Intellectual Property; Use of All Intellectual Property

20.6.1 Intellectual Property License. Tenant hereby grants to Landlord a limited, non-exclusive, royalty-free license (the "**IP License**") to use (i) the names "Cobalt Rehabilitation Hospital" and "Cobalt Rehabilitation Hospital of Surprise", (ii) any derivative or variation of the foregoing, or (iii) any other names utilized by Tenant or its Affiliates in the operation of the Leased Property (collectively, the "**Licensed Intellectual Property**") during the Term of this Lease throughout the world (the "**Territory**"). Landlord may use the Licensed Intellectual Property in its discretion (each such use, a "**Licensed Use**" and together the "**Licensed Uses**") but only to the extent any such Licensed Use does not violate the terms of this Lease.

20.6.2 No Implied License. Landlord acknowledges that the IP License granted herein is limited to the rights and Licensed Uses explicitly set forth herein and that nothing herein shall be construed to grant any rights to Landlord other than those rights that are explicitly described hereunder.

20.6.3 Right to Sublicense. Landlord shall have the right to sublicense the rights granted to Landlord herein to any Affiliate or agent without the prior written consent of Tenant.

20.6.4 Compliance with Laws. Landlord shall exercise the IP License and engage in all Licensed Uses of the Licensed Intellectual Property in compliance with all applicable federal, state, and/or local laws, statutes, regulations and ordinances.

20.6.5 Tenant's Right to Grant Additional Licenses. Notwithstanding any other provision of this Lease, Tenant and its Affiliates shall have the right to use the Licensed Intellectual Property for any and all purposes. Tenant retains all rights not expressly granted herein.

20.6.6 Protection and Maintenance of Licensed Intellectual Property. Tenant shall be obligated to protect, maintain and renew any protection, registration or filings for any of the Licensed Intellectual Property that requires filing, registration or maintenance, including payment of fees, with any governmental body or agency. Landlord agrees that Tenant has the sole right to pursue such registrations and protections, and to the extent applicable choose to abandon any such registrations or protections, in its sole and complete discretion. If Tenant intends to abandon or cease maintaining any of the Licensed Intellectual Property, it shall notify Landlord and Landlord shall have the option, at Landlord's sole discretion, cost and expense, to assume all responsibilities for maintenance and prosecution of any such Licensed Intellectual Property in the event Tenant chooses to abandon such Licensed Intellectual Property.

20.6.7 Compensation. The IP License granted to Landlord by Tenant hereunder is fully-paid and royalty free for the Licensed Use of the Licensed Intellectual Property. Landlord shall not be responsible for paying any monetary fees to Tenant in consideration for the grant of the IP License for the Licensed Uses.

20.6.8 Termination. The IP License granted hereunder shall automatically terminate on the date which is sixty (60) days after the termination of this Lease. The terms of this Section 20.6 shall survive the termination of this Lease.

20.7 After Acquired Intellectual Property. To the extent Landlord permits Tenant to make use of any intellectual property created or provided by Landlord to Tenant after the Effective Date that relates to the Leased Property ("**After-Acquired Intellectual Property**"), Tenant covenants hereunder to comply with any restrictions that Landlord may impose with respect to Tenant's use thereof, including, without limitation, any restrictions contained in any license or other agreement pursuant to which Landlord derives its rights with respect to such intellectual property.

20.7.1 Use of After Acquired Intellectual Property and Leased Intellectual Property. In addition to the conditions set forth in Section 20.7 above with respect to the After- Acquired Intellectual Property, with respect to any After-Acquired Intellectual Property or any Intellectual Property leased to Tenant pursuant hereto, Tenant agrees as follows:

(a) Such After-Acquired Intellectual Property and Intellectual Property shall be used only for the purposes and in the manner of promoting the Facility by way of Tenant's website, marketing materials and any other media approved by Landlord in its sole and absolute discretion;

(b) Tenant shall not depict such After-Acquired Intellectual Property or Intellectual Property in any manner or in any materials that would tend to denigrate, disparage, tarnish, present in a false light or otherwise reflect negatively on the such After-Acquired Intellectual Property or Intellectual Property, Landlord or any of its Affiliates or any of the their respective products or services;

(c) Tenant shall not assign or otherwise transfer any of its rights, or delegate, subcontract or otherwise transfer any of its obligations or performance hereunder with respect to such After-Acquired Intellectual Property or Intellectual Property. Any purported assignment, delegation or transfer in violation hereof is void.

#### ARTICLE 21

##### MISCELLANEOUS

21.1 Limitation on Payment of Rent. All agreements between Landlord and Tenant herein are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of Rent or otherwise, shall the Rent or any other amounts payable to Landlord under this Lease exceed the maximum permissible under Applicable Laws, the benefit of which may be asserted by Tenant as a defense, and if, from any circumstance whatsoever, fulfillment of any provision of this Lease, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, or if from any circumstances Landlord should ever receive as fulfillment of such provision such an excessive amount, then, ipso facto, the amount which would be excessive shall be applied to the reduction of the installment(s) of Minimum Rent next due and not to the payment of such excessive amount. This provision shall control every other provision of this Lease and any other agreements between Landlord and Tenant.

21.2 No Waiver. No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon Landlord or Tenant unless in writing and executed by Landlord or Tenant, as the case may be. Neither the failure of Landlord or Tenant to insist upon a strict performance of any of the terms, provisions, covenants, agreements and conditions hereof, nor the acceptance of any Rent by Landlord with knowledge of a breach of this Lease by Tenant in the performance of its obligations hereunder, or the following of any practice or custom at variance with the terms hereof, shall be deemed or constitute a waiver of any rights or remedies that Landlord or Tenant may have or a waiver of any subsequent breach or default in any of such terms, provisions, covenants, agreements and conditions or the waiver of the right to demand exact compliance with the terms hereof.

21.3 Remedies Cumulative. To the maximum extent permitted by law, each legal, equitable or contractual right, power and remedy of Landlord, now or hereafter provided either in this Lease or by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers and remedies.

21.4 Severability. Any clause, sentence, paragraph, section or provision of this Lease held by a court of competent jurisdiction to be invalid, illegal or ineffective shall not impair, invalidate or nullify the remainder of this Lease, but rather the effect thereof shall be confined to the clause, sentence, paragraph, section or provision so held to be invalid, illegal or ineffective, and this Lease shall be construed as if such invalid, illegal or ineffective provisions had never been contained therein.

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

21.6 No Merger of Title. It is expressly acknowledged and agreed that it is the intent of the parties that there shall be no merger of this Lease or of the leasehold estate created hereby by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, this Lease or the leasehold estate created hereby and the fee estate or ground landlord's interest in the Leased Property.

21.7 Tenant's Representations. In addition to any other representation or warranty set forth herein and as an inducement to Landlord to enter into this Lease, Tenant hereby represents and warrants to Landlord as follows:

(a) Tenant is a Texas limited liability company which is duly organized and validly existing and in good standing under the laws of the state of its formation. Tenant has all requisite power and authority under the laws of the state of its formation and its articles of organization and agreement of limited partnership or other charter documents to enter into and perform its obligations under this Lease and to consummate the transactions contemplated hereby. Tenant is duly registered or authorized, as applicable, to transact business in any jurisdiction in which the nature of the business conducted by it requires such qualification.



(b) Tenant has taken all necessary action to authorize the execution, delivery and performance of this Lease, and upon the execution and delivery of any document to be delivered by Tenant, prior to the date hereof, such document shall constitute the valid and binding obligation and agreement of Tenant, enforceable against Tenant in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors and except to the extent that the availability of equitable relief may be subject to the discretion of the court before which any proceeding may be brought.

(c) There are no judgments presently outstanding and unsatisfied against Tenant or any of its properties, and neither Tenant nor any of its properties are involved in any material litigation at law or in equity or any proceeding before any court, or by or before any governmental or administrative agency, which litigation or proceeding could materially adversely affect Tenant, and no such material litigation or proceeding is, to the knowledge of Tenant, threatened against Tenant and no investigation looking toward such a proceeding has begun or is contemplated.

(d) To the knowledge of Tenant, neither this Lease nor any other document, certificate or statement furnished to Landlord by or on behalf of Tenant in connection with the transaction contemplated herein contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact or condition which materially and adversely affects the business, operations, affairs, properties or condition of Tenant which has not been set forth in this Lease or in other documents, certificates or statements furnished to Landlord in connection with the transaction contemplated hereby.

(e) All employees of Tenant or any Affiliate, if any, are solely employees of Tenant or such Affiliate and not Landlord. Neither Tenant nor any Affiliate of Tenant is Landlord's agent for any purpose in regard to Tenant's or any Affiliate of Tenant's employees or otherwise. Further, Tenant expressly acknowledges and agrees that Landlord does not exercise any direction or control over the employment policies or employment decisions of Tenant or any Affiliate of Tenant. NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, TENANT HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT TENANT MAY ENGAGE CERTAIN EMPLOYEES OF THE BUSINESS WHO WERE EMPLOYEES OF SELLER OR PRIOR MANAGER PRIOR TO THE EFFECTIVE DATE (THE "**PRIOR EMPLOYEES**"). TENANT FURTHER ACKNOWLEDGES AND AGREES THAT LANDLORD MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER AS TO COMPLIANCE WITH THE TERMS OR CONDITIONS OF ANY WRITTEN OR VERBAL EMPLOYMENT CONTRACTS OR AGREEMENTS, WRITTEN OR UNWRITTEN EMPLOYEE POLICIES OR PROCEDURES, OR COMPLIANCE OF SELLER OR THE PRIOR MANAGER WITH APPLICABLE LAWS REGARDING SUCH PRIOR EMPLOYEES, INCLUDING, WITHOUT LIMITATION, OSHA, THE AMERICANS WITH DISABILITIES ACT, THE WARN ACT OR THE COBRA ACT, AND TENANT ACKNOWLEDGES THAT ITS EMPLOYMENT OF SUCH PRIOR EMPLOYEES IS AT TENANT'S SOLE RISK, AND FURTHER, THAT TENANT SHALL INDEMNIFY, SAVE, PAY, INSURE, DISCHARGE AND HOLD HARMLESS LANDLORD WITH RESPECT TO ANY LOSS, COST, LIABILITY OR EXPENSE IN CONNECTION WITH ANY CLAIMS THEREUNDER OR THEREFOR, FOR THE PERIOD ON AND AFTER THE EFFECTIVE DATE.

(f) Tenant owns or has a license to use the names “Cobalt Rehabilitation Hospital” and “Cobalt Rehabilitation Hospital Surprise” in connection with the Facility and Tenant has not received notification of any claims or actions by any party disputing or challenging Tenant’s right to use such names. Tenant has all rights necessary to grant Landlord the non-exclusive use of the name “Cobalt Rehabilitation Hospital” and “Cobalt Rehabilitation Hospital Surprise” and any and all derivations thereof and to grant the IP License set forth in Section 20.6.1.

(g) Tenant has not (i) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made, (ii) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books or (iii) made any payments to any person with the intention or understanding that any part of such payment was to be used for any purpose other than that described in the documents supporting the payment. Tenant shall not take any such actions during the Term of this Lease.

For the purposes of this Section 21.7, the phrase “to the knowledge of Tenant” shall mean the actual knowledge of Erik de Vries, Omar Jenkins, and the current general manager (or equivalent thereto) of the Facility after commercially reasonable investigation and inquiry.

21.8 Quiet Enjoyment. Landlord covenants and agrees that so long as Tenant shall timely pay all rents due to Landlord from Tenant hereunder and keep, observe and perform all covenants, promises and agreements on Tenant’s part to be kept, observed and performed hereunder, Tenant shall and may peacefully and quietly have, hold and occupy the Leased Property free of any interference from Landlord or any Person claiming by, through or under Landlord of any of its Affiliates; subject, however, and nevertheless to the terms, provisions and conditions of this Lease, the Permitted Encumbrances and documents affecting title to the Leased Property approved by Tenant.

21.9 Recordation of Memorandum of Lease. At either party’s option, a short form memorandum of this Lease in the form of Exhibit D attached hereto and made a part hereof, may be recorded or filed among the applicable public records of Maricopa County, Arizona. Tenant shall pay the transfer and all recording costs associated therewith. In the event of a discrepancy between the provisions of this Lease and such short form memorandum thereof, the provisions of this Lease shall prevail.

21.10 Notices. Any and all notices, demands, consents, approvals, offers, elections and other communications required or permitted under this Lease (each, a “Notice”) shall be deemed adequately given if in writing and the same shall be delivered by (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) legible facsimile transmission with a confirmation sheet or e-mail, sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other Person as the addressee shall have designated by written notice sent in accordance herewith. Any notice so given shall be deemed to have been given upon receipt or refusal to accept delivery, or, in the case of facsimile transmission or e-mail, as of the date of the facsimile transmission or e-mail provided that an original of such facsimile or e-mail is also sent to the intended addressee by means described in clauses (a), (b) or (c) above.

(a) All such notices shall be addressed:

if to Landlord to: CHP SURPRISE AZ REHAB OWNER, LLC  
c/o CNL Healthcare Properties, Inc.  
450 South Orange Avenue, Suite 1200  
Orlando, Florida 32801  
Attention: Chief Financial Officer and General Counsel  
Telephone No.: (407) 835-3201  
Facsimile No.: (407) 835-3232  
E-Mail: tracey.bracco@cnl.com

with a copy to: Michael A. Okaty, Esq.  
Foley & Lardner LLP  
111 North Orange Avenue, Suite 1800  
Orlando, Florida 32801  
Fax: (407) 648-1743  
Email: MOkaty@Foley.com

if to Tenant to: COBALT REHABILITATION HOSPITAL IV, LLC  
14911 Quorum Drive, Suite 380  
Dallas, TX 75254  
Attention: Erik de Vries  
Telephone No.: (972) 330-5871  
Facsimile No.: (972) 330-5866  
Email: edevries@cobaltmedicaldevelopment.com

with a copy to (which shall not constitute notice): Marshall Law Group PLLC  
612 Pebble Beach Drive  
Ardmore, Oklahoma 73401  
Attention: Rich Marshall  
Telephone No.: (214) 390-9151  
Facsimile No.: (877) 827-0911  
Email: rmarshall@legallmlg.com

(b) The addresses given above may be changed by any party, and their successors and assigns and each shall have the right to specify as its address any other address within the United States of America, by ten (10) days' prior notice to all other parties given in the manner provided herein.

21.11 Construction; Nonrecourse. Anything contained in this Lease to the contrary notwithstanding, all claims against, and liabilities of, Tenant or Landlord arising prior to any date of termination or expiration of this Lease with respect to the Leased Property shall survive such termination or expiration. Each term or provision of this Lease to be performed by Tenant shall be construed as an independent covenant and condition. Time is of the essence with respect to the performance of all obligations under this Lease, including, without limitation, obligations for the payment of money. Except as otherwise set forth in this Lease, any obligations arising prior to the expiration or sooner termination of this Lease of Tenant (including without limitation, any monetary, repair and indemnification obligations) and Landlord shall survive the expiration or sooner termination of this Lease. In addition, solely with respect to Landlord, nothing contained in this Lease shall be construed to create or impose any liabilities or obligations and no such liabilities or obligations shall be imposed on any of the shareholders, beneficial owners, direct or indirect, officers, directors, trustees, employees or agents of Landlord or Tenant for the payment or performance of the obligations or liabilities of Landlord hereunder. The parties have participated jointly in the negotiation and drafting of this Lease. In the event an ambiguity or question of intent or interpretation arises, this Lease shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Lease.

21.12 Counterparts; Headings. This Lease may be executed in two or more counterparts, each of which shall constitute an original, but which, when taken together, shall constitute but one instrument and shall become effective as of the date hereof when copies hereof, which, when taken together, bear the signatures of each of the parties hereto shall have been signed. Captions and headings in this Lease are for purposes of reference only and shall in no way define, limit or describe the scope or intent of, or otherwise affect, the provisions of this Lease. Each Exhibit referred to herein and attached hereto is by this reference incorporated in this Lease.

21.13 Applicable Law. This Lease shall be governed by, and construed in accordance with, the laws of the State in which the Leased Property is located.

21.14 Right to Make Agreement. Each party warrants as of the Effective Date, with respect to itself, that neither the execution and delivery of this Lease, nor the compliance with the terms and provisions hereof, shall violate any provision of any law, or any judgment, writ, injunction, order or decree of any court or Governmental Authority; nor result in or constitute a breach or default under or the creation of any lien, charge or encumbrance upon any of its property or assets under, any indenture, mortgage, deed of trust, contract, other commitment or restriction to which it is a party or by which it is bound; nor require any consent, vote or approval which has not been given or taken, or at the time of the transaction involved shall not have been given or taken. Each party covenants that it has and will continue to have throughout the term of this Lease and any extensions thereof, the full right to enter into this Lease and perform its obligations hereunder.

21.15 Brokerage. Landlord and Tenant hereby represent and warrant to each other that they have not engaged, employed or utilized the services of any business or real estate brokers, salesmen, agents or finders in the initiation, negotiation or consummation of the business and real estate transaction reflected in this Lease. On the basis of such representation and warranty, each party shall and hereby agrees to indemnify, pay and save and hold the other party harmless from and against the payment of any commissions or fees to or claims for commissions or fees by any real estate or business broker, salesman, agent or finder resulting from or arising out of any actions taken or agreements made by them with respect to the business and real estate transaction reflected in this Lease.

21.16 No Partnership or Joint Venture. Landlord shall not, by virtue of this Lease, in any way or for any purpose, be deemed to be a partner of Tenant in the conduct of Tenant's business upon, within or from the Leased Property or otherwise, or a joint venture partner or a member of a joint enterprise with Tenant.

21.17 Entire Agreement. This Lease (including all exhibits hereto) contains the entire agreement between the parties and, except as otherwise provided herein, can only be changed, modified, amended or terminated by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Landlord and Tenant that there are no verbal agreements, representations, warranties or other understandings affecting the same; and that Tenant hereby waives, as a material part of the consideration hereof, all claims against Landlord for rescission, damages or any other form of relief by reason of any alleged covenant, warranty, representation, agreement or understanding not contained in this Lease.

21.18 Costs and Attorneys' Fees. In addition to Landlord's rights under Sections 12.2 and 14.2, if either party shall bring an action to recover any sum due hereunder, or for any breach hereunder, and shall obtain a judgment or decree in its favor, the court may award to such prevailing party its reasonable costs and reasonable attorney's fees, specifically including reasonable attorney's fees incurred in connection with any appeals (whether or not taxable as such by law). Landlord shall also be entitled to recover its reasonable attorney's fees and costs incurred in any bankruptcy action filed by or against Tenant, including, without limitation, those incurred in seeking relief from the automatic stay, in dealing with the assumption or rejection of this Lease, in any adversary proceeding, and in the preparation and filing of any proof of claim.

21.19 Approval of Landlord. Whenever Tenant is required under this Lease to do anything to meet the satisfaction or judgment of Landlord, the reasonable satisfaction or judgment of Landlord shall be deemed sufficient. The foregoing provision of this Section shall not apply in any instance where the provisions of this Lease expressly state that the provisions of this Section do not apply or where the provisions of this Lease expressly state that such consent, approval or satisfaction are subject to the sole and absolute discretion or judgment of Landlord, and in each such instance Landlord's approval or consent may be unreasonably withheld or unreasonable satisfaction or judgment may be exercised by Landlord.

21.20 Successors and Assigns. The agreements, terms, provisions, covenants and conditions contained in this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and, to the extent permitted herein, their respective successors and assigns.

21.21 Waiver of Jury Trial. TENANT AND LANDLORD HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, THE RIGHT EITHER OF THEM OR THEIR HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS OR ASSIGNS MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION PROCEEDINGS OR COUNTERCLAIM, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO TENANT'S ENTERING INTO THIS LEASE AND LANDLORD'S ACCEPTING THIS LEASE.

21.22 Treatment of Lease. Landlord and Tenant each acknowledge and agree that: (i) this Lease is a "true lease" and not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Lease are those of a true lease; (ii) the business relationship created by this Lease and any other related documents is solely that of a long term commercial lease between Landlord and Tenant, this Lease has been entered into by both parties in reliance upon the economic and legal bargains contained herein, and none of the agreements contained herein is intended, nor shall the same be deemed or construed to create a partnership between Landlord and Tenant, to make them joint venturers, to make Tenant an agent, legal representative, partner, or subsidiary of Landlord, nor to make Landlord in any way responsible for the debts, obligations or losses of Tenant; (iii) except as required by Applicable Law, (x) each party will treat this Lease as a true lease for tax purposes and an operating lease under GAAP, and for federal income tax purposes, (y) each party shall report this Lease as a true lease with Landlord as the owner of the Leased Property and Tenant as the tenant of the Leased Property; (iv) each party will not, nor will it permit any Affiliate to, at any time, take any action or fail to take any action with respect to the preparation or filing of any statement or disclosure to any governmental authority, including, without limitation, any income tax return (or amended return), to the extent that such action or such failure to take action would be inconsistent with the intention of the parties expressed in this Section 21.22; (v) the Minimum Rent is the fair market value for the use of the Leased Property and was agreed to by Landlord and Tenant on that basis, and the execution and delivery of, and the performance by Tenant of its obligations under this Lease do not constitute a sale, transfer or conveyance of the Leased Property by Landlord to Tenant; (vi) each of Landlord and Tenant waives any claim or defense based upon the characterization of this Lease as anything other than a true lease, and each party stipulates and agrees that it will not challenge the validity, enforceability or characterization of this Lease as a true lease, nor will it assert or take or omit to take any action inconsistent with the agreements and understandings of this Section 21.22.

21.23 Transfer of Permits and Operating Contracts. Upon the expiration or sooner termination of this Lease, Tenant shall use commercially reasonable efforts to transfer and assign to Landlord's designee or assist Landlord or its designee in obtaining transfer or assignment of all (a) Permits and Operating Contracts, including, without limitation, any trade names and intellectual property (except for trade names, trade secrets, proprietary matters, and other intellectual property and/or proprietary software included within the Tenant Personal Property), and (b) to the extent owned by or held in the name of Tenant, (i) governmental permits, including licenses and authorizations, required for the construction, ownership and operation of the Leased Improvements, including without limitation, certificates of authority, certificates of occupancy, building permits, signage permits, site use approvals, zoning certificates, environmental and land use permits, and any and all necessary approvals from state or local authorities and other approvals granted by any public body or by any private party pursuant to a recorded instrument relating to such Leased Improvements or the Land; (ii) development rights, telephone exchange numbers identified with the Leased Property, if any; and (iii) certificates, licenses, warranties and guarantees and contracts. If requested by Landlord and to the extent permitted by law and any licensor, Tenant shall provide a collateral assignment or similar pledge of such licenses and other intangible rights upon Landlord's request and as further security for their respective obligations hereunder plus Permits and Operating Contracts, all of which shall be assumed by Landlord or its designee. Unless termination of this Lease is as a result of an Event of Default by Tenant, Landlord shall bear the costs of any fees associated with the transfer of any of the foregoing.

21.24 Confidential Information. Each Party shall treat as strictly confidential any and all information concerning the other Party and its operations including, without limitation, this Lease, information concerning the business operations, financial models and operating systems of the other Party (collectively, “**Confidential Information**”), and shall not divulge, disclose, publish or otherwise communicate any such Confidential Information to any person or entity for any reason; provided, however, Tenant shall be permitted to (i) deliver a copy of this Lease to a prospective purchaser with the consent of the Landlord, which consent shall not be unreasonably withheld; provided, however, that, with respect to any request made in connection with disclosure to a prospective acquirer of Tenant’s interest in this Lease (or a Controlling interest in Tenant), it shall not be unreasonable for Landlord to withhold its consent if, in Landlord’s reasonable opinion, such party lacks the character or the quality and relevant experience necessary to satisfy the obligations of Tenant hereunder, and (ii) provided further that Tenant obtain a standard non-disclosure agreement from the party to whom such information is to be disclosed (in form, and substance reasonably satisfactory to Landlord), notwithstanding the foregoing, Tenant may disclose the general economic terms of its operations (including, without limitation, the economic terms contained in this Lease Agreement) to prospective acquirers of substantially all of Tenant’s assets or the interests of and/or in Tenant, lenders and investors. As used herein, the term Confidential Information shall not include information that (i) is generally available to the public other than as a result of an improper disclosure by a Party or its Affiliates or representatives, or was available to the public on a non-confidential basis prior to its disclosure by Landlord or Tenant, as applicable, or (ii) must be disclosed as a matter of law, including such public disclosure obligations as are required by the SEC or in response to a subpoena or other legal process. The provisions of this Section 21.24 shall survive any termination of this Lease.

21.25 Tenant’s Personal Property. Upon the expiration or sooner termination of the Term of this Lease, Landlord may, in its sole and absolute discretion, elect either (i) to give Tenant Notice that Tenant shall be required, within sixty (60) Business Days after such expiration or termination, to remove all of Tenant’s Personal Property from the Leased Property or (ii) to give Tenant Notice that Landlord shall purchase Tenant’s Personal Property within sixty (60) Business Days after such expiration or termination. In the event that Landlord exercises its option under the foregoing clause (ii) of this Section 21.25, the purchase price for all items of Tenant’s Personal Property shall be the lesser of the fair market value or Tenant’s book value of such Tenant’s Personal Property (free of, and net of, all Liens and other encumbrances, monetary or otherwise).

21.26 No Third Party Beneficiaries. Nothing herein is intended or shall be construed to confer upon or give to any person other than Landlord and Tenant, any rights or remedies under or by reason of this Lease.

21.27 Non-Compete. Tenant agrees that during the Term of this Lease, Tenant shall not engage, and shall not cause or permit any of its Subsidiaries or any of its Affiliates to (each, a "Covered Person") to engage directly or indirectly, in any capacity, in: (a) any activities within a ten (10) mile radius of the Facility that Compete with the Business or (b) developing, owning, operating, leasing or managing an inpatient rehabilitation facility within ten a (10) mile radius of the Facility. For purposes of this provision, "Compete" means (i) to, directly or indirectly, conduct, facilitate, participate or engage in, or bid for or otherwise pursue a business, whether as a principal, sole proprietor, partner, stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity, or (ii) to, directly or indirectly, have any ownership interest in any Person or business which conducts, facilitates, participates or engages in, or bids for or otherwise pursues a business, whether as a principal, sole proprietor, partner, stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity. The parties recognize and acknowledge that a breach of this Section 21.27 by Tenant or any of its Affiliates will cause irreparable and material loss and damage to Landlord and hereby consent to the granting by any court of competent jurisdiction of an injunction or other equitable relief, without the necessity of posting a bond, cash or otherwise, and without the necessity of actual monetary loss being proved or Landlord's establishing the inadequacy of any remedy at law, and order that the breach or threatened breach of such provisions may be effectively restrained.



IN WITNESS WHEREOF, the parties have executed this Lease Agreement as a sealed instrument as of the date above first written.

**LANDLORD:**

CHP SURPRISE AZ REHAB OWNER, LLC, a Delaware limited liability company

By: /s/ Tracy Bracco

Name: Tracy Bracco

Title: Vice President

**TENANT:**

**COBALT REHABILITATION HOSPITAL IV,  
LLC, a Texas limited liability company**

By: /s/ Erik de Vries  
Name: Erik de Vries  
Title: President

**EXHIBIT A**

**THE LAND**

Exhibit A - 1

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EXHIBIT "A"

**Lot 6A of RE-PLAT OF LOT 6 OF BELL & DYSART COMMERCE CENTER, as shown in book 1183 of Maps, page 23, records of Maricopa County, Arizona.**

ALTA Owner's Policy (6/17/06)

**EXHIBIT B**

**GUARANTY OF LEASE AGREEMENT**

**THIS GUARANTY OF LEASE AGREEMENT**, dated as of December 30, 2015 (the "Guaranty"), is executed by **COBALT REHABILITATION HOSPITALS, LLC**, a Texas limited liability company (the "Guarantor"), and extended to **CHP SURPRISE AZ REHAB OWNER, LLC**, a Delaware limited liability company (the "Landlord"), for the benefit of **COBALT REHABILITATION HOSPITAL IV, LLC**, a Texas limited liability company (the "Tenant").

**RECITALS:**

**WHEREAS**, Landlord wishes to lease to Tenant, and Tenant wishes to lease from Landlord an inpatient rehab facility and related improvements in Surprise, Arizona (the "Facility") pursuant to the terms of that certain Lease Agreement between Tenant and Landlord dated of even date herewith (the "Agreement").

**WHEREAS**, without this Guaranty, Landlord would be unwilling to lease the Facility to Tenant.

**WHEREAS**, because of the direct benefit to Guarantor from the Landlord's leasing of the Facility to Tenant, and as an inducement to Landlord to so lease the Facility to Tenant, Guarantor agrees to guarantee to Landlord the obligations of Tenant pursuant to the Agreement as set forth herein.

**NOW, THEREFORE**, in consideration of Landlord leasing the Facility to Tenant pursuant to the Agreement, and for other good and valuable consideration by Tenant to Guarantor, the receipt and sufficiency of which is hereby acknowledged by Guarantor, Guarantor hereby covenants and agrees as follows:

1. Guaranty of Payment. Guarantor hereby unconditionally guarantees to Landlord the payment, when due, of all Lease Obligations. For the purposes hereof, the term "Lease Obligations" shall include any and all payment or indemnity obligations of Tenant to Landlord pursuant to the Agreement, including without limitation, all obligations of the Tenant pursuant to Article 3 and Article 14 of the Agreement, as such Lease Obligations may be modified, amended, increased, or extended from time to time without notice to, or the consent of, the Guarantor. The guaranty of Guarantor, as set forth in this section, is a guaranty of payment and not of collection.

2. Subordination. All rights and claims of Guarantor now or hereafter existing including, without limitation, rights to distributions or dividends from the Tenant (collectively the "Guarantor Claims") against Tenant or any of Tenant's property which Tenant now owns or shall acquire in the future or hereafter existing shall be subordinate and subject in right of payment to the prior payment in full of the Lease Obligations to Landlord. No Guarantor's Claims shall, in any event, be payable from Tenant to Guarantor while any Event of Default (as such term is defined in the Agreement) exists.

3. Guarantor Covenants. Guarantor hereby covenants and agrees that, until all outstanding Lease Obligations are fully paid, and all obligations of Tenant pursuant to the Agreement are performed and discharged, Guarantor will:

a. Not, without Landlord's prior written consent, issue, sell, transfer, assign, or allow any equity owner of Guarantor to sell, transfer, or assign, any capital stock or similar ownership interests in Guarantor which would result in any person not presently an equity owner of the Guarantor directly or indirectly owning capital stock or similar ownership interests in Guarantor representing fifty percent (50%) or more of the combined voting power of Guarantor's then-outstanding capital stock or any class of ownership interests in Guarantor; and

b. Promptly notify Landlord of: (i) any breach or non-performance of, or any default under, any contractual obligation of Guarantor which would have a material adverse effect on Guarantor's financial condition, and (ii) any action, suit, litigation or proceeding which may exist at any time which would have a material adverse effect on Guarantor's financial condition; and (iii) the occurrence of any event or development that would have a material adverse effect on Guarantor's financial condition; and

c. Pay all taxes, assessments, governmental charges and other obligations applicable to or assessed against Guarantor when due the failure of which to pay would have a material adverse effect on Guarantor's financial condition, except as may be contested in good faith or those as to which a bona fide dispute may exist.

4. Guarantor Waivers. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or claim of right to cause a marshalling of any of Tenant's assets or the assets of any other party now or hereafter held as security for the Lease Obligations; (b) the defense of the statute of limitations in any action hereunder or for the payment of the Lease Obligations and performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any Guarantor, any other guarantor of the Lease Obligations, or Tenant or any other person or entity, or the voluntary or involuntary dissolution of Tenant or Guarantor, or the failure of Landlord to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Tenant or any other person or entity; (d) any defense based on the failure of Landlord to give notice of the existence, creation, or incurring of any new or additional Lease Obligations, or of any action or non-action on the part of any other person whomsoever, or any modification, amendment, increase, or extension of the terms of the Agreement, or the Lease Obligations, in connection with any obligation hereby guaranteed; (e) any defense based upon an election of remedies by Landlord which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Lease Obligations or the right of Guarantor to proceed against Tenant or any other guarantor for reimbursement, or both; (f) any defense based upon failure of Landlord to commence an action against Tenant; (g) any defense based upon acceptance of this Guaranty by Landlord; (h) any defense based upon the invalidity or unenforceability of the Agreement or any of the Lease Obligations; (i) any defense based upon any limitation of liability contained in the Agreement; (j) any defense based upon the failure of Landlord to perfect any security or to extend or renew the perfection of any security; (k) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled; and (l) the applicability and benefits of A.R.S. Section 12-1641 and Section 12-1642 et seq. and Arizona Rules of Civil Procedure 17(f).

5 . Consent to Landlord's Actions or Inactions. Guarantor consents that Landlord may, at any time and from time to time, before or after any default by Tenant pursuant to the Agreement, without affecting the liability of Guarantor hereunder and with or without further notice to or assent from Guarantor:

- a. Waive or delay the exercise of any of its rights or remedies against Tenant or any other person or entity, including without limitation, any guarantor guaranteeing payment of any portion of the Lease Obligations; notwithstanding any waiver or delay, Landlord shall not be precluded from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative;
- b. Waive or extend the time of Tenant's or any other guarantor's performance of any and all terms, provisions and conditions set forth in the Agreement;
- c. Release Tenant or any other person or entity, including without limitation any other guarantor guaranteeing the payment of any portion of the Lease Obligations, from their obligations to repay all or any portion of the Lease Obligations;
- d. Proceed against Guarantor without first proceeding against or joining Tenant or any other guarantor guaranteeing payment of any portion of the Lease Obligations;
- e. Modify, amend, increase, or extend any of the Lease Obligations or the terms of the Agreement; and
- f. Generally deal with Tenant or other person or party as Landlord may see fit.

Guarantor shall remain bound under this Guaranty notwithstanding any such exchange, release, surrender, subordination, waiver (whether or not such waiver is oral or written), delay, proceeding, renewal, extension, modification, act or failure to act, or other dealings or events described in Subsections 5.a through 5.f above, even if done without notice or consent from Guarantor.

6. Waiver of Notice. Guarantor waives all notices whatsoever with respect to the Agreement, this Guaranty, and the Lease Obligations, including, but not limited to, notice of:

- a. Landlord's acceptance of this Guaranty or its intention to act, or its action, in reliance hereon;

- b. Presentment and demand for payment of any Lease Obligations or any portion thereof;
- c. Protest and notice of dishonor or non-payment with respect to any Lease Obligations or any portion thereof;
- d. Any default by Tenant or any pledgor, grantor of security, or any other guarantor guaranteeing the payment of any portion of the Lease Obligations;
- e. Any modification, amendment, increase, or extension of any Lease Obligations or the terms of the Agreement;
- f. Any other notices to which Guarantor may otherwise be entitled; and
- g. Any demand for payment under this Guaranty.

7 . Primary Liability of Guarantor. Guarantor agrees that this Guaranty may be enforced by Landlord without the necessity at any time of resorting to or exhausting any other security or collateral, and Guarantor hereby waives any rights to require Landlord to proceed against Tenant or any other guarantor or to require Landlord to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the Lease Obligations against the Tenant or any other guarantor, unless and until all of the Lease Obligations have been paid in full to Landlord or otherwise satisfied to Landlord's satisfaction. Guarantor further agrees that nothing contained herein shall prevent Landlord from exercising any other rights available to it under the Agreement or any instrument of security if the Tenant fails to timely perform the obligations of Tenant thereunder, and the exercise of the aforesaid rights shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Tenant or any other guarantor or by reason of Tenant's or any other guarantor's bankruptcy, insolvency, death, or dissolution.

8 . Subrogation Rights. Guarantor irrevocably waives any present or future right to which Guarantor is or becomes entitled to be subrogated to Landlord's rights against Tenant or to seek contribution, reimbursement, indemnification, or the like from Tenant on account of this Guaranty or to assert any other claim or right of action against Tenant on account of, arising under, or relating to this Guaranty.

9 . Cost of Enforcement. In the event that the Lease Obligations or this Guaranty are not paid when due, or should it be necessary for Landlord to enforce any other of its rights under the Agreement or this Guaranty, Guarantor will pay to Landlord, in addition to payment of all Lease Obligations, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees, costs and expenses, whether incurred with respect to collection, litigation, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Landlord arising out of or related to the Agreement, enforcement of any judgment based on this Guaranty, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.



10. Term of Guaranty: Warranties. This Guaranty shall continue in full force and effect until all outstanding Lease Obligations are fully paid, and all obligations of Tenant pursuant to the Agreement and Guarantor pursuant to this Guaranty are performed and discharged. This Guaranty covers the Lease Obligations whether presently outstanding or arising subsequent to the date hereof. Guarantor warrants and represents to Landlord, (i) that this Guaranty is binding upon and enforceable against Guarantor, its heirs, personal representatives, executors, successors, and assigns in accordance with its terms, (ii) that the execution and delivery of this Guaranty does not violate any applicable laws or constitute a breach of any agreement to which Guarantor is a party, and (iii) that except as may have been specifically disclosed to Landlord in writing, there is no litigation, claim, action or proceeding pending, or, to the best knowledge of Guarantor, threatened against Guarantor which would adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to promptly inform Landlord of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder.

11. Additional Liability of Guarantor. If Guarantor is or becomes liable for any indebtedness owing by Tenant to Landlord by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.

12. Cumulative Rights. All rights of Landlord hereunder or otherwise arising under the Agreement or any documents executed in connection with or as security for the Lease Obligations are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued without affecting, reducing or limiting any other right of Landlord and without affecting, reducing, or impairing the liability of Guarantor.

13. Binding Effect, Joint and Several Liability. This Guaranty is binding not only on Guarantor, but also on Guarantor's heirs, personal representatives, successors and assigns. Upon the death of Guarantor, if Guarantor is a natural person, this Guaranty shall continue against Guarantor's estate as to all of the Lease Obligations, including that portion incurred or arising after the death of Guarantor and shall be provable in full against Guarantor's estate, whether or not Lease Obligations are then due and payable. If this Guaranty is signed by more than one Person, then all of the obligations of Guarantor arising hereunder shall be jointly and severally binding on each of the undersigned, and their respective heirs, personal representatives, successors and assigns, and the term "Guarantor" shall mean all of such Persons and each of them individually.

14. Pronouns; Captions; Severability; Defined Terms. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Use of the singular includes the plural, and vice versa. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Use of the term "include" or "including" is always without limitation. "Person" or "party" means any natural person or artificial entity having legal capacity.

15. Landlord Assigns. This Guaranty is intended for and shall inure to the benefit of Landlord and its successors or assignees, and each and every reference herein to Landlord shall include and refer to each and every successor or assignee of Landlord at any time holding or owning any part of or interest in any part of the Lease Obligations. Guarantor expressly waives notice of transfer or assignment, and agrees that the failure of the Landlord to give notice will not affect the liabilities of Guarantor hereunder.

16. Application of Payments. Landlord may apply any payments received by it from any source against that portion of the Lease Obligations it deems appropriate in such priority and fashion as it may deem appropriate.

17. Notices. Except as otherwise provided in this Guaranty, all notices or other communications under this Guaranty shall be sent by hand, by overnight courier, or by registered or certified mail, postage prepaid, to the parties at the following addresses:

to Guarantor:

COBALT REHABILITATION HOSPITALS, LLC  
14911 Quorum Drive, Suite 380  
Dallas, TX 75254 Attention: Erik de Vries  
Telephone No.: (972) 330-5871  
Facsimile No.: (972) 330-5866  
Email: edevries@cobaltmedicaldevelopment.com

*with a copy, which does not constitute notice, to:*

Marshall Law Group PLLC  
612 Pebble Beach Drive  
Ardmore, Oklahoma 73401  
Attention: Rich Marshall  
Telephone No.: (214) 390-9151  
Facsimile No.: (877) 827-0911  
Email: rmarshall@legalmg.com

to Landlord:

CHP SURPRISE AZ REHAB OWNER, LLC  
c/o CNL Healthcare Properties, Inc.  
450 South Orange Avenue, Suite 1200  
Orlando, Florida 32801  
Attention: Chief Financial Officer and General Counsel

*with a copy, which does not constitute notice, to:*

Foley & Lardner LLP  
111 North Orange Avenue  
Suite 1800  
Orlando, Florida 32801  
Attn: Michael A. Okaty, Esq.

This section shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon Guarantor in any situation or for any reason.

18. Conflict of Law. This Guaranty shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Arizona.

19. Submission to Jurisdiction. Guarantor irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Guaranty may be brought, at the option of the Landlord, in a court of competent jurisdiction in Surprise, Arizona or any United States District Court having jurisdiction in Surprise, Arizona; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (c) waives any and all personal rights under the laws of any state to object to the laying of venue of any such suit, action or proceeding in Surprise, Arizona. Nothing contained herein, however, shall prevent the Landlord from bringing an action or exercising any rights against any security or against Guarantor personally, and against any property of Guarantor, within any other state or jurisdiction. Initiating such proceeding or taking such action in any other state shall in no event constitute a waiver of the agreement contained herein that the law of the State of Arizona shall govern the rights and obligations of Guarantor and the Landlord hereunder or of the submission herein made by Guarantor to personal jurisdiction within the State of Arizona. The aforesaid means of obtaining personal jurisdiction are not intended to be exclusive but are cumulative and in addition to all other means of obtaining personal jurisdiction and perfecting service of process now or hereafter provided by the law of the State of Arizona.

20. Oral Modification Ineffective. Any amendment to or modification of this Guaranty, and any waiver of any provision hereof, shall be in writing and shall require the prior written approval of the Landlord as evidenced by the handwritten, non-electronic signature of the Landlord affixed by the Landlord to a paper document. This Guaranty shall be irrevocable by Guarantor until all outstanding Lease Obligations are fully paid, and all obligations of Tenant pursuant to the Agreement are performed and discharged, at which time Landlord will terminate this Guaranty. This Guaranty shall continue in full force and effect unless and until discharged or released by Landlord pursuant to a written instrument properly executed by the Landlord.

2 1 . Reservation of Rights. Nothing in this Guaranty shall be deemed to (i) limit the applicability of any otherwise applicable statutes of limitation or repose and any waivers contained in this Guaranty; or (ii) limit the right of the Landlord hereto (a) to exercise self-help remedies such as (but not limited to) setoff, or (b) to foreclose against any real or personal property collateral, or (c) to obtain from a court provisional or ancillary remedies such as (but not limited to) injunctive relief or the appointment of a receiver. The Landlord may exercise such self-help rights, foreclose upon such property, or obtain such provisional or ancillary remedies before, during or after the pendency of any arbitration proceeding brought pursuant to this Guaranty. Neither this exercise of self-help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies shall constitute a waiver of the right of any party, including the claimant in any such action, to arbitrate the merits of the controversy or claim occasioning resort to such remedies.

2 2 . Replacement Guarantor. Guarantor may at any time propose that a replacement guarantor (a Replacement Guarantor) execute a guaranty of Lease Obligations on the same terms and conditions as this Guaranty and deliver such guaranty to Landlord, pursuant to which, in each case, such Replacement Guarantor agrees to be liable under such guaranty for the Lease Obligations from and after the date thereof, provided, that (i) such Replacement Guarantor shall possess a net worth equal to or greater than the Guarantor as of the date of this Guaranty, or as of the date of the replacement request (whichever is greater), (ii) such Replacement Guarantor shall possess a credit agency rating equal to or greater than the credit agency rating of the Guarantor as of the date of this Guaranty or as of the date of the replacement request (whichever is more favorable), (iii) Landlord shall have received: (A) evidence that the proposed transferee has never been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy proceeding, and has no material outstanding judgments or litigations continuing or threatened against such proposed transferee or its interest, and (B) a credit check reasonably acceptable to Landlord, (iv) such Replacement Guarantor shall either control Tenant or own a direct or indirect interest in Tenant, and (v) such Replacement Guarantor shall otherwise be reasonably acceptable to Landlord in all respects.

[Remainder of Page Intentionally Deleted]

**COBALT REHABILITATION HOSPITALS, LLC**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_

Witnessed by:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**EXHIBIT C**

**ESTOPPEL CERTIFICATE**

THIS ESTOPPEL CERTIFICATE ("Certificate") is given this \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Certification Date"), by the undersigned in favor of \_\_\_\_\_, a \_\_\_\_\_, with principal office and place of business at \_\_\_\_\_ ("Beneficiary").

**RECITALS:**

A. Pursuant to the terms and conditions of that certain Lease Agreement dated \_\_\_\_\_, 20\_\_ (as may be amended, the "Lease"), CHP SURPRISE AZ REHAB OWNER, LLC, a Delaware limited liability company ("Landlord"), leased to COBALT REHABILITATION HOSPITAL IV, LLC, a Texas limited liability company ("Tenant"), certain real property in Surprise, Arizona ("Leased Property"), which Leased Property is more particularly described in the Lease.

B. Pursuant to the terms and conditions of the Lease, the Beneficiary has requested that the undersigned execute and deliver this Certificate with respect to the Lease.

NOW, THEREFORE, in consideration of the above Leased Property, the undersigned hereby makes the following statements as of the Certification Date for the benefit of the Assignee:

1. The copy of the Lease attached hereto and made a part hereof as Exhibit A is a true, correct and complete copy of the Lease, which Lease is in full force and effect as of the date hereof, and has not been modified or amended.

2. The Lease sets forth the entire agreement between Landlord and Tenant relating to the leasing of the Leased Property, and there are no other agreements, written or oral, relating to the leasing of the Leased Property.

3. To the actual knowledge of the undersigned, there exist no uncured or outstanding defaults or events of default under the Lease, or events which, with the passage of time, and the giving of notice, or both, would be a default or event of default under the Lease.

4. No notice of termination has been given or received by the undersigned with respect to the Lease.

5. All payments due Landlord under the Lease through and including the date hereof have been made, including the monthly installment of Minimum Rent (as defined in the Lease) for the period of \_\_\_\_\_ to \_\_\_\_\_ in the amount of \$ \_\_\_\_\_.

6. As of the date hereof, the annual Minimum Rent under the Lease is \$ \_\_\_\_\_.

7. To the actual knowledge of the undersigned, there are no disputes between Landlord and Tenant with respect to any rental due under the Lease or with respect to any provision of the Lease.

8. Tenant hereby agrees that from and after the date hereof copies of all notices which Tenant is required to deliver to Landlord under the Lease with respect to defaults, events of default or failure to perform by Landlord under the Lease, shall be delivered to Beneficiary at the following address:

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9. [If Estoppel Certificate of Tenant] The undersigned represents and warrants that (a) all improvements constructed on the Leased Property have been approved and accepted by the undersigned, (b) all utility sources and utility companies which service the Leased Property have been approved and accepted by undersigned and utility service is available to the Leased Property, (c) undersigned is in occupancy of the Leased Property pursuant to the Lease, and (d) undersigned has no offsets, counterclaims or defenses with respect to its obligations under the Lease.]

10. The undersigned understands and acknowledges that Beneficiary is relying upon the representations set forth in this Certificate, [if applicable] and may rely thereon in connection with the [collateral] assignment of the Lease to Beneficiary.

IN TESTIMONY WHEREOF, witness the signature of the undersigned as of the day and year first set forth above.

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of the \_\_\_\_\_. He (She)  is personally known to me or  has produced \_\_\_\_\_ as identification.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
(Name typed, printed or stamped)



**EXHIBIT D**

**MEMORANDUM OF LEASE**

After recording, return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Space above for recorder's use)

**MEMORANDUM OF LEASE**

This MEMORANDUM OF LEASE ("Memorandum"), entered into as of this \_\_\_\_\_ day of [\_\_\_\_\_], by and between CHP SURPRISE AZ REHAB OWNER, LLC, a Delaware limited liability company, whose address is 450 South Orange Avenue, Orlando, Florida 32801, as landlord ("Landlord"), and COBALT REHABILITATION HOSPITAL IV, LLC, a Texas limited liability company, whose address is 14911 Quorum Drive, Suite 380, Dallas, Texas 75254, as tenant ("Tenant").

**WITNESETH:**

THAT, Landlord and Tenant have heretofore entered into a certain Lease Agreement dated [\_\_\_\_\_] (the "Lease") covering certain Leased Property consisting of, among other things, certain real property located in Surprise, Arizona, more particularly described on **Exhibit A** attached hereto upon which there is constructed and located certain improvements (together the "Leased Property"), and

WHEREAS, it is the desire of both Landlord and Tenant to memorialize the Lease and set forth certain pertinent data with respect thereto,

NOW THEREFORE, with respect to the Lease, Landlord and Tenant hereby acknowledge and agree as follows:

1 ) Demise. The Leased Property has been and is hereby demised, let and leased by Landlord to Tenant, and taken and accepted by Tenant from Landlord, all pursuant to and in accordance with the Lease.

2 ) Term. The Term of the Lease is from [\_\_\_\_\_] until [\_\_\_\_\_]. Tenant has the right, privilege and option to renew and extend the initial term of the Lease for two (2) additional periods of five (5) years each, subject to the provisions and conditions of the Lease.

3 ) Possession. Landlord has delivered possession of the Leased Property to Tenant and, subject to the express provisions of the Lease, Tenant has accepted delivery and taken possession of the Leased Property from Landlord in the "as is" condition of the Leased Property as of the Effective Date.

4 ) Liens on Landlord's Interest Prohibited. By the terms of the Lease, Landlord's interest in the Leased Property may not be subjected to liens of any nature by reason of Tenant's construction, alteration, repair, restoration, replacement or reconstruction of any improvements on or in the Leased Property, including those arising in connection with or as an incident to the renovation of the improvements located on the Leased Property, or by reason of any other act or omission of Tenant (or of any person claiming by, through or under Tenant) including, but not limited to, construction, mechanics' and materialmen's liens. Accordingly, all persons dealing with Tenant are hereby placed on notice that such persons shall not look to Landlord or to Landlord's credit or assets (including Landlord's interest in the Leased Property) for payment or satisfaction of any obligations incurred in connection with the construction, alteration, repair, restoration, renovation, replacement or reconstruction thereof by or on behalf of Tenant. Tenant has no power, right or authority to subject Landlord's interest in the Leased Property to any construction, mechanic's or materialmen's lien or claim of lien.

5 ) Subordination and Attornment. The Lease specifically provides that, so long as any "Facility Mortgage" (as defined in the Lease) satisfies the requirements of Section 19.1 of the Lease, the Lease and Tenant's leasehold interest in and to the Leased Property are junior, inferior, subordinate and subject in all respects to any mortgage or mortgages now or hereafter in force and effect upon or encumbering the Leased Property or any portion thereof, and that Tenant shall, and has agreed to, attorn to any successor of the interest of Landlord under the Lease, including the purchaser at any foreclosure sale occasioned by the foreclosure of any such mortgage or mortgages, for the balance of the Term of the Lease remaining at the time of the succession of such interest to such successor.

6 ) Inconsistent Provisions. The provisions of this Memorandum constitute only a general description of the content of the Lease with respect to matters set forth herein. Accordingly, third parties are advised that the provisions of the Lease itself shall be controlling with respect to all matters set forth herein. In the event of any discrepancy between the provisions of the Lease and this Memorandum, the provisions of the Lease shall take precedence and prevail over the provisions of this Memorandum.

7 ) Termination of Lease. All rights of Tenant shall terminate upon the expiration or earlier termination of the Lease, which may be evidenced by a written notice of such expiration or termination recorded or filed by Landlord among the appropriate land records of the County in which the Leased Property is located.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Lease to be duly executed on or as of the day and year first above written.

**LANDLORD:**

CHP SURPRISE AZ REHAB OWNER, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of CHP SURPRISE AZ REHAB OWNER, LLC, a Delaware limited liability company, on behalf of the company. She  is personally known to me or  has produced \_\_\_\_\_ as identification.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
(Name typed, printed or stamped)

**TENANT:**

COBALT REHABILITATION HOSPITAL IV,  
LLC, a Texas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of COBALT REHABILITATION HOSPITAL IV, LLC, a Texas limited liability company, on behalf of the company. He  is personally known to me or  has produced as identification.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
(Name typed, printed or stamped)

Exhibit A

Legal Description

Exhibit A - 1

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**EXHIBIT E**  
**OPERATING CONTRACTS**

NONE.

**EXHIBIT F**

**PERMITTED ENCUMBRANCES**

Exhibit F - 1

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**SCHEDULE B****EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. Property taxes for the year 2016, a lien not yet assessed.
2. Any rights, liens, claims or equities, if any, in favor of McMicken Irrigation District and Maricopa County Municipal Water Conservation District.
3. Reservations contained in the Patent

From: The United States of America  
 Recording Date: October 1, 1910  
 Recording No: Book 89 of Deeds, page 369

As follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts; and the reservation from the lands hereby granted of a right of way thereon for ditches or canals constructed by the authority of the United States.

4. Water rights, claims or title to water, whether or not disclosed by the public records.
5. Matters contained in that certain document

Entitled: Pre-Annexation Development Agreement  
 Executed by: City of Surprise and Grand Avenue and Bell Road Property Limited Partnership, an Arizona limited partnership  
 Recording Date: May 24, 1996  
 Recording No: 96-0363662

6. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recorded: May 2, 1997 in Recording No. 97-0295650 and re-recorded May 27, 1997 in Recording No. 97-0350647

7. Easements, covenants, conditions and restrictions as set forth on the recorded plat of BELL & DYSART COMMERCE CENTER, recorded November 14, 2006 in Book 881 of Maps, page 8.

ALTA Owner's Policy (6/17/06)



8. Matters contained in that certain document
- Entitled: Dysart and Bell Development Agreement  
 Dated: December 5, 2006  
 Executed by: City of Surprise; Grand Avenue & Bell Road Property Limited Partnership, an Arizona limited partnership and DT Moore Family Limited Partnership, an Arizona limited partnership  
 Recording Date: December 5, 2006  
 Recording No: 2006-1591063
9. Easements, covenants, conditions and/or restrictions as set forth on the recorded plat of RE-PLAT OF LOT 2 & LOT 6 OF BELL & DYSART COMMERCE CENTER, recorded October 2, 2007 in Book 950 of Maps, page 32.
10. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: Arizona Public Service Company  
 Purpose: electrical lines and appurtenant facilities  
 Recording Date: July 24, 2008  
 Recording No: 20080645247  
 Affects: said land more particularly described therein
11. A Resolution No. 2010-69 in favor of City of Surprise, Arizona
- For: Commerce Park East # 109 Lighting Improvement District  
 Recording Date: July 29, 2010  
 Recording No: 20100646356  
 Re-Recording Date: August 31, 2010  
 Re-Recording No: 20100749985
12. Matters contained in that certain document
- Entitled: Development Agreement  
 Dated: November 12, 2013  
 Executed by: City of Surprise, Arizona, an Arizona municipal corporation; and Cobalt Medical Partners, LLC, a Texas limited partnership  
 Recording Date: December 11, 2013  
 Recording No: 20131051037
13. Easements, covenants, conditions and restrictions as set forth on the recorded plat of RE-PLAT OF LOT 6 OF BELL & DYSART COMMERCE CENTER, recorded April 16, 2014 in Book 1183 of Maps, page 23.
14. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document
- Recording No: 2014-261182

SCHEDULE B

Policy No.

15. Matters contained in that certain document

Entitled: Memorandum of Development Agreement  
Recording Date: April 23, 2014  
Recording No: 2014-261183  
Thereafter Amended November 7, 2014 in Recording No. 2014-741741.

16. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Subordination, Non-Disturbance and Attornment Agreement  
Lessor: SURPRISE REHAB, LP, a Texas limited partnership  
Lessee: Cobalt Rehabilitation Hospital IV, LLC, a Texas limited liability company  
Recording Date: November 7, 2014  
Recording No: 2014-741744

17. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: utility  
Recording Date: March 23, 2015  
Recording No: 2015-191080

18. Parties in possession under unrecorded leases.

19. Intentionally Omitted

ALTA Owner's Policy (6/17/06)

**EXHIBIT G**  
**INITIAL LANDLORD P&E**

NONE.

Exhibit G - 1

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**EXHIBIT H**

**TENANT'S PERSONAL PROPERTY**

See attached.

Exhibit H - 1

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Administrative Support of Research  
 Fund by Source  
 10/1/18

Department	Acct	Proj #	Proj Title	Proj Start	Proj End	Proj Status	Department	Division	Proj #	Proj Title	Proj Start	Proj End	Proj Status	Department	Division	Proj #	Proj Title	Proj Start	Proj End	Proj Status	Department	Division	Proj #	Proj Title	Proj Start	Proj End	Proj Status	Department	Division	Proj #	Proj Title	Proj Start	Proj End	Proj Status	Department	Division	Proj #	Proj Title	Proj Start	Proj End	Proj Status			
Administrative Support of Research	10000	10000	10000	10000	10000	10000	Administrative Support of Research	Administrative Support of Research	10000	10000	10000	10000	10000	Administrative Support of Research	Administrative Support of Research	10000	10000	10000	10000	10000	Administrative Support of Research	Administrative Support of Research	10000	10000	10000	10000	Administrative Support of Research	Administrative Support of Research	10000	10000	10000	10000	Administrative Support of Research	Administrative Support of Research	10000	10000	10000	10000	Administrative Support of Research	Administrative Support of Research	10000	10000	10000	10000

Department	Unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55	Year 56	Year 57	Year 58	Year 59	Year 60	Year 61	Year 62	Year 63	Year 64	Year 65	Year 66	Year 67	Year 68	Year 69	Year 70	Year 71	Year 72	Year 73	Year 74	Year 75	Year 76	Year 77	Year 78	Year 79	Year 80	Year 81	Year 82	Year 83	Year 84	Year 85	Year 86	Year 87	Year 88	Year 89	Year 90	Year 91	Year 92	Year 93	Year 94	Year 95	Year 96	Year 97	Year 98	Year 99	Year 100
Research Support	Research Support	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100																
Research Support	Research Support	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100																







Submittal Schedule of Items  
Issued by Item  
10/11/20

Item No.	Item Name	Rev	QTY	Unit	Description	Manufacturer	Model #	Notes	Submittal Status	Submission Date	Submission Time	Submission Location	Submission Method	Submission User	Submission Group	Submission Status	Submission Reason	Submission Comment	Submission Date	Submission Time	Submission Location	Submission Method	Submission User	Submission Group	Submission Status	Submission Reason	Submission Comment	
1001	Item 1	1.0	1	EA	Item 1 Description	Manufacturer	Model #	Notes	Submitted	10/11/20	10:11:20	10/11/20	10/11/20	1001	1001	Submitted												
1002	Item 2	1.0	1	EA	Item 2 Description	Manufacturer	Model #	Notes	Submitted	10/11/20	10:11:20	10/11/20	10/11/20	1002	1002	Submitted												





Department	Unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55	Year 56	Year 57	Year 58	Year 59	Year 60	Year 61	Year 62	Year 63	Year 64	Year 65	Year 66	Year 67	Year 68	Year 69	Year 70	Year 71	Year 72	Year 73	Year 74	Year 75	Year 76	Year 77	Year 78	Year 79	Year 80	Year 81	Year 82	Year 83	Year 84	Year 85	Year 86	Year 87	Year 88	Year 89	Year 90	Year 91	Year 92	Year 93	Year 94	Year 95	Year 96	Year 97	Year 98	Year 99	Year 100
Administrative Support of Research	Administrative Support of Research	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68	2068-69	2069-70	2070-71	2071-72	2072-73	2073-74	2074-75	2075-76	2076-77	2077-78	2078-79	2079-80	2080-81	2081-82	2082-83	2083-84	2084-85	2085-86	2086-87	2087-88	2088-89	2089-90	2090-91	2091-92	2092-93	2093-94	2094-95	2095-96	2096-97	2097-98	2098-99	2099-100													

Item Name	Item Code	Item Type	Item Class	Item Sub-Class	Item Description	Item Location	Item Unit	Item Weight	Item Volume	Item Value	Item Status	Item Category	Item Sub-Category	Item Material	Item Quantity	Item Unit Cost	Item Total Cost	Item Lead Time	Item Notes
Item 1	10000	Product	1000	10000	Item 1 Description	Item 1 Location	Item 1 Unit	Item 1 Weight	Item 1 Volume	Item 1 Value	Item 1 Status	Item 1 Category	Item 1 Sub-Category	Item 1 Material	Item 1 Quantity	Item 1 Unit Cost	Item 1 Total Cost	Item 1 Lead Time	Item 1 Notes
Item 2	10000	Product	1000	10000	Item 2 Description	Item 2 Location	Item 2 Unit	Item 2 Weight	Item 2 Volume	Item 2 Value	Item 2 Status	Item 2 Category	Item 2 Sub-Category	Item 2 Material	Item 2 Quantity	Item 2 Unit Cost	Item 2 Total Cost	Item 2 Lead Time	Item 2 Notes
Item 3	10000	Product	1000	10000	Item 3 Description	Item 3 Location	Item 3 Unit	Item 3 Weight	Item 3 Volume	Item 3 Value	Item 3 Status	Item 3 Category	Item 3 Sub-Category	Item 3 Material	Item 3 Quantity	Item 3 Unit Cost	Item 3 Total Cost	Item 3 Lead Time	Item 3 Notes
Item 4	10000	Product	1000	10000	Item 4 Description	Item 4 Location	Item 4 Unit	Item 4 Weight	Item 4 Volume	Item 4 Value	Item 4 Status	Item 4 Category	Item 4 Sub-Category	Item 4 Material	Item 4 Quantity	Item 4 Unit Cost	Item 4 Total Cost	Item 4 Lead Time	Item 4 Notes
Item 5	10000	Product	1000	10000	Item 5 Description	Item 5 Location	Item 5 Unit	Item 5 Weight	Item 5 Volume	Item 5 Value	Item 5 Status	Item 5 Category	Item 5 Sub-Category	Item 5 Material	Item 5 Quantity	Item 5 Unit Cost	Item 5 Total Cost	Item 5 Lead Time	Item 5 Notes
Item 6	10000	Product	1000	10000	Item 6 Description	Item 6 Location	Item 6 Unit	Item 6 Weight	Item 6 Volume	Item 6 Value	Item 6 Status	Item 6 Category	Item 6 Sub-Category	Item 6 Material	Item 6 Quantity	Item 6 Unit Cost	Item 6 Total Cost	Item 6 Lead Time	Item 6 Notes
Item 7	10000	Product	1000	10000	Item 7 Description	Item 7 Location	Item 7 Unit	Item 7 Weight	Item 7 Volume	Item 7 Value	Item 7 Status	Item 7 Category	Item 7 Sub-Category	Item 7 Material	Item 7 Quantity	Item 7 Unit Cost	Item 7 Total Cost	Item 7 Lead Time	Item 7 Notes
Item 8	10000	Product	1000	10000	Item 8 Description	Item 8 Location	Item 8 Unit	Item 8 Weight	Item 8 Volume	Item 8 Value	Item 8 Status	Item 8 Category	Item 8 Sub-Category	Item 8 Material	Item 8 Quantity	Item 8 Unit Cost	Item 8 Total Cost	Item 8 Lead Time	Item 8 Notes
Item 9	10000	Product	1000	10000	Item 9 Description	Item 9 Location	Item 9 Unit	Item 9 Weight	Item 9 Volume	Item 9 Value	Item 9 Status	Item 9 Category	Item 9 Sub-Category	Item 9 Material	Item 9 Quantity	Item 9 Unit Cost	Item 9 Total Cost	Item 9 Lead Time	Item 9 Notes
Item 10	10000	Product	1000	10000	Item 10 Description	Item 10 Location	Item 10 Unit	Item 10 Weight	Item 10 Volume	Item 10 Value	Item 10 Status	Item 10 Category	Item 10 Sub-Category	Item 10 Material	Item 10 Quantity	Item 10 Unit Cost	Item 10 Total Cost	Item 10 Lead Time	Item 10 Notes











<b>ITEM</b>	<b>#</b>	<b>Cost</b>
Room Controller w/6 Color LED Dome Light	59	
Enhanced Single Patient Station	51	
Audio Bathroom Station	50	
Enhanced Pillow Speaker	45	
Pullcord and Pushbutton Shower Station	44	
Pillow Speaker Aux Output Interface	40	
Bed Receptacle	40	
Cord Saver Extension	55	
36 " Jumper, P103 to P106 for Pillow Connection	40	
Wall Plate Assembly for Pillow Connection	40	
Patient Room Nurse Call / TV Connection	40	
Room Controller	32	
Staff and Duty Station	32	
10 ft DIN Call Cord	10	
6 Color LED Zone Light	8	
Nurse Call Gateway, 8 Channel	4	
Power Supply	4	
Power Splitters	4	
EIS Reporting Software	4	
PC Console Software	4	
Console Controller	3	
Color Touchscreen Nurse Console	3	
Console Receptacle	3	
Rack Mount Adaptor (Q3)	1	
Rack Mount Adaptor (Q1)	1	
LAN Switch, 8 Port + 1 Uplink	1	
LAN Bridge Software	1	
Dell Server w/Server 2008 R2	1	
Battery Backup	1	
Admin/Programming Software	1	
Infrastructure Materials	1	
:: CAT 6 Plenum Cable		
:: CAT 5e Plenum Cable		
:: 22/2 Wire		
:: RJ45 Mod Ends		
Device Installation	610	
System Setup	1	
:: Lab Staging		
:: Engineering, Design, and Drawings		
:: Programming and Configuration		
:: Staff Orientation and Training		
Infrastructure and Cabling Labor	1	
:: Cable Installation		
:: Termination		
:: Testing		
:: Certification		

*Total Materials*  
*Total Labor*  
**Total System Design Build**

CREATED  
 VALID THROUGH  
 Prepared By  
 Quote Filename

1/5/2015  
 4/5/2015  
 Matt Hartman  
 Cobalt Medical Development: New Rehabilitation Hospital - Surprise, AZ - 15MDH-220834/C

Line	Model	Qty.	List Price	Extended List Price	Discount Percent	Sell Price	Extended Total	TBD Options
Tag 1								
AD1013- Admit								

1.1	SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61	
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Price Description: Delivered/Open Market	Price Level: Level1	Major Product Group: SIFT	Family Code: SIFTU
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Base Finish	Plastic base	/P	
Casters	Carpet casters	/C	
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR	
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1	
P1 Pallas Fabric	BOUNCE	BOUNCE	
BOUNCE	SMOKEY TAUPE	/27.160.171.P	

1.6	SOMB/FC	Soltice Metal Multiple Seating-Bariatric Chair,No Table No Chair Connect,Open Arm,Contrast	1	\$1,890.00	\$1,890.00	56.6	\$820.26	
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Price Description: Delivered/Open Market	Price Level: Level1	Major Product Group: SOLTM	Family Code: SMMB
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Highest Grade Contrasting Fabric	Fabric Grade I	I	
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR	
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade I	I	
Fabric	H2O	H2O	
H2O	NATURAL	/27.183.011.P	
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR	
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E	
Fabric	SANDSTONE	SANDSTONE	
SANDSTONE	TIGER EYE	/27.222.161.P2	
Base Finish	Starlight Silver Metallic	/SX	
Armcap Option	Black poly	/PACBL	
Glide Color	Flannel (Dark Grey)	/NGFN	
Moisture Barrier	No Moisture Barrier	/NMB	

1.7	SOMC/FC	Soltice Metal Multiple Seating-1 Seat Unit,No Table No Chair Connect,Open Arm,Contrast	1	\$1,228.00	\$1,228.00	56.6	\$532.95	
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Price Description: Delivered/Open Market	Price Level: Level1	Major Product Group: SOLTM	Family Code: SMMC
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Highest Grade Contrasting Fabric	Fabric Grade I	I	
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR	
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade I	I	
Fabric	H2O	H2O	
H2O	NATURAL	/27.183.011.P	
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR	
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E	
Fabric	SANDSTONE	SANDSTONE	
SANDSTONE	TIGER EYE	/27.222.161.P2	
Base Finish	Starlight Silver Metallic	/SX	
Armcap Option	Black poly	/PACBL	
Glide Color	Flannel (Dark Grey)	/NGFN	
Moisture Barrier	No Moisture Barrier	/NMB	

Tag 1  
 AD1013 WorkGroup Product Subtotal

Tag 1  
 AD1014-Conference Room  
 2.4 S412BF3-KN

Synthesis Fixed Leg,Boat Shape,3-TT Bases,Knife Edge,36x48x144" 1 \$3,407.00 \$3,407.00 56.6 \$1,478.64

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	COCOBALA 7942-38	/LCC
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	Under table wire mngmt & leg wireways	/HW

2.5 ALTMNA

Altus Mesh Chair,No Arms,Upholstered 10 \$1,014.00 \$10,140.00 56.6 \$440.08

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ALTUS</b>
<b>Price Level: Level1</b>	<b>Family Code: ALTM</b>

Base	Plastic base	/P
Casters	Carpet casters	/C
Headrest Option	No headrest	/NHR
Lumbar Support	No lumbar support	/NLS
Altus Upholstery	Compliance to TB 117-2013	/NFR
Altus Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	Fedora 29.093.141	/PO
Altus Mesh	Champagne	/AMCM

2.6 KWMOD60.H

Aristotle Wall-Mounted Overhead,Closed,60"W 1 \$1,064.00 \$1,064.00 56.6 \$461.78

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	Cocobala	/LCC
Laminate Base (Vertical)	Cocobala	/LBCC
Lock Option	No lock (standard)	/NL

Tag 1  
 AD1014

WorkGroup Product Subtotal

Tag 1  
 AD1015- Medical Director  
 3.1 KDA7220.H

Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: ARSPD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

3.2 KF2BF.H	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: ARHPD</b>

Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

3.3 KRAL4830EM.H	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: ARPRT</b>

Laminate (Horizontal)	White	/LWT
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3.4 KWMSD72.H	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

3.5 KWMTK72	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: ARTAC</b>

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRP2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

3.6 SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: LevelI</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

3.7 SIGUFA	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>
<b>Price Level: LevelI</b>	<b>Family Code: SIGU</b>

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	OFF TRACK	OFF TRACK
OFF TRACK	MIDNIGHT	/27.209.114.P
Polished Aluminum Frame	Polished aluminum	/PA

3.8 TLT5.48	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: LevelI</b>	<b>Family Code: HRDPT_TLT5.48</b>



Tag 1

AD1016-Bill/Ins Acct

4.1	<b>KDA7220.H</b>	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARSPD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

4.2	<b>KF2BF.H</b>	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARHPD</b>

Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

4.3	<b>KRAL4830EM.H</b>	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARPRT</b>

Laminate (Horizontal)	White	/LWT
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4.4	<b>KWMOSD72.H</b>	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

4.5	<b>KWMTK72</b>	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARTAC</b>

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRP2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

4.6	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

4.7	<b>SIGUFA</b>	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIGU</b>

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	OFF TRACK	OFF TRACK
OFF TRACK	MIDNIGHT	/27.209.114.P
Polished Aluminum Frame	Polished aluminum	/PA

4.8	<b>TLT5.48</b>	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: Level1</b>	<b>Family Code: HRDPT_TLT5.48</b>





Tag 1  
AD1017-CEO Office

5.1 ALTMAA Altus Mesh Chair,Adjustable Arms,Upholstered 1 \$1,280.00 \$1,280.00 56.6 \$555.52

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ALTUS</b>	
<b>Price Level: LevelI</b>	<b>Family Code: ALTM</b>	

Base	Aluminum base	/A
Casters	Carpet Casters	/C
Headrest Option	No headrest	/NHR
Lumbar Support	Lumbar support	/LS
Altus Upholstery	Compliance to TB 117-2013	/NFR
Altus Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	Fedora 29.093.141	/P0
Altus Mesh	Black (standard)	/AMBL

5.2 KPRM7236.H Aristotle P-Top with End Panel,Right,MP,72x36" 1 \$1,135.00 \$1,135.00 56.6 \$492.59

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>	
<b>Price Level: LevelI</b>	<b>Family Code: ARDPT</b>	

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Leg Color	Silver leg	/SL
Modesty Panel Option	Full height modesty panel	/FMP

5.3 KRL6024B.H Aristotle Pedestal Return-Left,Box/Box/File Pedestal,60x24" 1 \$1,161.00 \$1,161.00 56.6 \$503.87

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>	
<b>Price Level: LevelI</b>	<b>Family Code: ARPRT</b>	

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Back Panel Option	Open Back	/OB
Key Option	Key alike - 1 lock (Note room numbers on	/KA

5.4 KWFS242472L.H Aristotle Wardrobe File & Stor Tower,Hinged Lt,24x24x72"H 1 \$1,866.00 \$1,866.00 56.6 \$809.84

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>	
<b>Price Level: LevelI</b>	<b>Family Code: ARHPD</b>	

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (4)	/RCP4
Lock Option	With lock	/L
Key Option	Key alike - 1 lock (Note room numbers on	/KA

5.5 KWMSD60.H Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,60"W 1 \$1,080.00 \$1,080.00 56.6 \$468.72

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>	
<b>Price Level: LevelI</b>	<b>Family Code: AROVD</b>	

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

5.6 KWMTK60 Aristotle Tackboard Under Wl-MntOverhd,59x3/4Dx17"H 1 \$266.00 \$266.00 56.6 \$115.44

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>	
<b>Price Level: LevelI</b>	<b>Family Code: ARTAC</b>	

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRP2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

5.7 SIGUFA Silhouette Polished Cast Frame Four-Leg Armchair,Uph 2 \$922.00 \$1,844.00 56.6 \$400.15

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>	
<b>Price Level: LevelI</b>	<b>Family Code: SIGU</b>	

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	HIGHWAY PATROL	HIGHWAY PATROL
HIGHWAY PATROL	COAL	/27.217.121.P

		Polished Aluminum Frame	Polished aluminum	/PA			
5.8	<b>TLT5.48</b>	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: Level1</b>	<b>Family Code: HRDPT_TLT5.48</b>

Tag 1  
AD1017

**WorkGroup Product Subtotal**

Tag 1  
AD1018-Quality

6.1	KDA7220.H	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>			<b>Major Product Group: ARIST</b>				
<b>Family Code: ARSPD</b>							
	Laminate (Horizontal)	White			/LWT		
	Laminate Base (Vertical)	Cocobala			/LBCC		
	Back Panel Option	1/2 height back panel			/2Q		
	Grommet Option	Grommet			/G		
6.2	KF2BF.H	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>			<b>Major Product Group: ARIST</b>				
<b>Family Code: ARHPD</b>							
	Laminate Base (Vertical)	Cocobala			/LBCC		
	File Pull	Rectangular silver pull (3)			/RCP3		
	Key Option	Key alike - 1 lock (Note room numbers on			/KA		
6.3	KRAL4830EM.H	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>			<b>Major Product Group: ARIST</b>				
<b>Family Code: ARPRT</b>							
	Laminate (Horizontal)	White			/LWT		
6.4	KWMOSD72.H	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>			<b>Major Product Group: ARIST</b>				
<b>Family Code: AROVD</b>							
	Laminate (Horizontal)	White			/LWT		
	Laminate Base (Vertical)	Cocobala			/LBCC		
6.5	KWMTK72	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>			<b>Major Product Group: ARIST</b>				
<b>Family Code: ARTAC</b>							
	Fabric Selection	Pallas Vertical Fabric Grade PV2			GRP2		
	PV2 Fabric	NEW TWIST			NEW TWIST		
	NEW TWIST	SASSY			/28.056.071.P		
6.6	SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>			<b>Major Product Group: SIFT</b>				
<b>Family Code: SIFTU</b>							
	Base Finish	Plastic base			/P		
	Casters	Carpet casters			/C		
	Sift Seat Upholstery	Compliance to TB 117-2013			/NFR		
	Sift Upholstery NFR	Pallas Fabric Group P1			GRPP1		
	P1 Pallas Fabric	BOUNCE			BOUNCE		
	BOUNCE	SMOKEY TAUPE			/27.160.171.P		
6.7	SIGUFA	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>			<b>Major Product Group: SILHT</b>				
<b>Family Code: SIGU</b>							
	Seat & Back Color	Black			/PBL		
	Upholstery Grade/Color	No Fire Retardant			/NFR		
	Silhouette Upholstery	Pallas Fabric Group P0			GRPP0		
	P0 Fabric	OFF TRACK			OFF TRACK		
	OFF TRACK	MIDNIGHT			/27.209.114.P		
	Polished Aluminum Frame	Polished aluminum			/PA		
6.8	TLT5.48	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>			<b>Major Product Group: S3000</b>				
<b>Family Code: HRDPT_TLT5.48</b>							



Tag 1  
AD1019-Travel Office

7.1	KDA7220.H	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>							
			<b>Major Product Group: ARIST</b>				
			<b>Family Code: ARSPD</b>				
Laminate (Horizontal)		White	/LWT				
Laminate Base (Vertical)		Cocobala	/LBCC				
Back Panel Option		1/2 height back panel	/2Q				
Grommet Option		Grommet	/G				
7.2	KF2BF.H	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>							
			<b>Major Product Group: ARIST</b>				
			<b>Family Code: ARHPD</b>				
Laminate Base (Vertical)		Cocobala	/LBCC				
File Pull		Rectangular silver pull (3)	/RCP3				
Key Option		Key alike - 1 lock (Note room numbers on	/KA				
7.3	KRAL4830EM.H	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>							
			<b>Major Product Group: ARIST</b>				
			<b>Family Code: ARPRT</b>				
Laminate (Horizontal)		White	/LWT				
7.4	KWMOSD72.H	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>							
			<b>Major Product Group: ARIST</b>				
			<b>Family Code: AROVD</b>				
Laminate (Horizontal)		White	/LWT				
Laminate Base (Vertical)		Cocobala	/LBCC				
7.5	KWMTK72	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>							
			<b>Major Product Group: ARIST</b>				
			<b>Family Code: ARTAC</b>				
Fabric Selection		Pallas Vertical Fabric Grade PV2	GRP2				
PV2 Fabric		NEW TWIST	NEW TWIST				
NEW TWIST		SASSY	/28.056.071.P				
7.6	SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>							
			<b>Major Product Group: SIFT</b>				
			<b>Family Code: SIFTU</b>				
Base Finish		Plastic base	/P				
Casters		Carpet casters	/C				
Sift Seat Upholstery		Compliance to TB 117-2013	/NFR				
Sift Upholstery NFR		Pallas Fabric Group P1	GRPP1				
P1 Pallas Fabric		BOUNCE	BOUNCE				
BOUNCE		SMOKEY TAUPE	/27.160.171.P				
7.7	SIGUFA	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>							
			<b>Major Product Group: SILHT</b>				
			<b>Family Code: SIGU</b>				
Seat & Back Color		Black	/PBL				
Upholstery Grade/Color		No Fire Retardant	/NFR				
Silhouette Upholstery		Pallas Fabric Group P0	GRPP0				
P0 Fabric		OFF TRACK	OFF TRACK				
OFF TRACK		MIDNIGHT	/27.209.114.P				
Polished Aluminum Frame		Polished aluminum	/PA				
7.8	TLT5.48	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
<b>Price Description: Delivered/Open Market</b>							
<b>Price Level: Level1</b>							
			<b>Major Product Group: S3000</b>				
			<b>Family Code: HRDPT_TLT5.48</b>				



Tag 1  
AD1021-HR

8.1	ALTMAA	Altus Mesh Chair,Adjustable Arms,Upholstered	1	\$1,280.00	\$1,280.00	56.6	\$555.52
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ALTUS</b>
<b>Price Level: Level1</b>	<b>Family Code: ALTM</b>

Base	Aluminum base	/A
Casters	Carpet casters	/C
Headrest Option	No headrest	/NHR
Lumbar Support	Lumbar support	/LS
Altus Upholstery	Compliance to TB 117-2013	/NFR
Altus Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	Fedora 29.093.141	P0
Altus Mesh	Black (standard)	/AMBL

8.2	KPRM6036.H	Aristotle P-Top with End Panel,Right,MP,60x36"	1	\$1,081.00	\$1,081.00	56.6	\$469.15
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARDPT</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Leg Color	Silver leg	/SL
Modesty Panel Option	Full height modesty panel	/FMP

8.3	KRL5424C.H	Aristotle Pedestal Return-Left,File/File Pedestal,54x24"	1	\$1,119.00	\$1,119.00	56.6	\$485.65
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARPRT</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (2)	/RCP2
Back Panel Option	Open Back	/OB
Key Option	Key alike - 1 lock (Note room numbers on	/KA

8.4	KWMOS54.H	Aristotle Wall-Mounted Overhead,Open,54"W	1	\$722.00	\$722.00	56.6	\$313.35
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

8.5	S15620814	SPECIAL ARISTOTLE TACK BOARD 54" FOR WALL MOUNT OVHD	1	\$267.00	\$267.00	55	\$120.15
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<b>Price Description:</b>	<b>Major Product Group:</b>
<b>Price Level:</b>	<b>Family Code:</b>

Pallas Vertical Fabric Grade PV2	/GRP2
New Twist Sassy	/28.056.071.P

**MK: S15620814**

8.6	SIGUFA	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIGU</b>

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	HIGHWAY PATROL	HIGHWAY PATROL
HIGHWAY PATROL	COAL	/27.217.121.P
Polished Aluminum Frame	Polished aluminum	/PA

8.7	TLT5.36	Overhead Task Light, 36"W,For 42" & 48" Overheads	1	\$79.00	\$79.00	56.6	\$34.29
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: Level1</b>	<b>Family Code: HRDPT_TLT5.36</b>

Tag 1  
AD1021

WorkGroup Product Subtotal





Tag 1  
 AD1022- HR Assist  
 9.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 2 \$771.00 \$1,542.00 56.6 \$334.61

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 AD1022  
 Tag 1  
 AD1023-Waiting  
 10.1 SPMC/FC

Soltice Metal Multiple Seating-1 Seat Unit,No Table No Chair Connect,Closed Arm,Contrast 3 \$1,495.00 \$4,485.00 56.6 \$648.83

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMMC
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Highest Grade Contrasting Fabric	Fabric Grade I	I
Fabric Contrast #1/Back and Arms	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back/Arms-NFR	Fabric Grade I	I
Fabric	H2O	H2O
H2O	NATURAL	/27.183.011.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	TIGER EYE	/27.222.161.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB
Moisture Barrier	No Moisture Barrier	/NMB

WorkGroup Product Subtotal

Tag 1  
 AD1023  
 Tag 1  
 AD1024- Admin Asst  
 11.1 KDA7220.H

Aristotle Rect Desk Shell,2 Full End Panels,72x20" 1 \$700.00 \$700.00 56.6 \$303.80

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: ARIST Family Code: ARSPD
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Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

11.2 KF2BF.H Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28" 1 \$812.00 \$812.00 56.6 \$352.41

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: ARIST Family Code: ARHPD
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Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

11.3 KRAL4830EM.H Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30" 1 \$1,346.00 \$1,346.00 56.6 \$584.16

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: ARIST Family Code: ARPRT
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Laminate (Horizontal)	White	/LWT
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11.4	<b>KWMOSD72.H</b>	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

11.5	<b>KWMTK72</b>	Aristotle Tackboard Under Wl- MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARTAC</b>

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRP2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

11.6	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

11.7	<b>TLT5.48</b>	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: Level1</b>	<b>Family Code: HRDPT_TLT5.48</b>

<b>Tag 1</b>	<b>WorkGroup Product Subtotal</b>
<b>AD1024</b>	

Tag 1  
AD1029-Work

12.1	SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**WorkGroup Product Subtotal**

Tag 1  
AD1029  
Tag 1  
AD1030- Medical Records

13.1	SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**WorkGroup Product Subtotal**

Tag 1  
AD1030  
Tag 1  
AD1031- Medical Records

14.1	KDA7220.H	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARSPD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

14.2	KF2BF.H	Aristotle Full Ht Pedestal,Box/Box/File, 15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARHPD</b>

Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

14.3	KRAL4230EM.H	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,42x30"	1	\$1,324.00	\$1,324.00	56.6	\$574.62
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARPRT</b>

Laminate (Horizontal)	White	/LWT
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14.4	KWMOSD72.H	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

14.5	<b>KWMTK72</b>	Aristotle Tackboard Under Wl- MntOverhd, 70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARTAC</b>

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRPV2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

14.6	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

14.7	<b>SIGUFA</b>	Silhouette Polished Cast Frame Four-Leg Armchair, Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIGU</b>

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	OFF TRACK	OFF TRACK
OFF TRACK	MIDNIGHT	/27.209.114.P
Polished Aluminum Frame	Polished aluminum	/PA

14.8	<b>TLT5.48</b>	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: Level1</b>	<b>Family Code: HRDPT_TLT5.48</b>

<b>Tag 1</b>	<b>WorkGroup Product Subtotal</b>
<b>AD1031</b>	

Tag 1  
AD1033-Dictation

15.1 GLNAU Grazie Four-Leg Chair,Armless,Uph Seat 2 \$469.00 \$938.00 56.6 \$203.55

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable- will	/PBT

15.2 SIFTUAA Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 2 \$815.00 \$1,630.00 56.6 \$353.71

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

15.3 SR3FX-KN Synthesis Fixed Leg,Round,x Base,Knife Edge,36"Dia 1 \$798.00 \$798.00 56.6 \$346.33

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

**WorkGroup Product Subtotal**

Tag 1  
AD1033  
Tag 1  
CP1050-DPO office  
16.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 2 \$815.00 \$1,630.00 56.6 \$353.71

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**WorkGroup Product Subtotal**

Tag 1  
CP1050

Tag 1  
DT1066-Staff Lounge  
17.1 GLCAU

Grazie Four-Leg Chair,Cantilever 2 \$569.00 \$1,138.00 56.6 \$246.95  
Arm,Uph Seat

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable- will be Chocolate if frame is chrome,	/PBT

17.2 GLNAU Grazie Four-Leg Chair,Armless,Uph Seat 2 \$469.00 \$938.00 56.6 \$203.55

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable- will be Chocolate if frame is chrome,	/PBT

17.3 SR3FX-KN Synthesis Fixed Leg,Round,x Base,Knife 1 \$798.00 \$798.00 56.6 \$346.33  
Edge,36"Dia

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

Tag 1  
DT1066 WorkGroup Product Subtotal

Tag 1  
DT1076-Dietary Office  
18.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 2 \$815.00 \$1,630.00 56.6 \$353.71

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
DT1076  
Tag 1  
DT1077-Servery  
19.1 S15638866

Grazie Task Armless Stool,Uphol Seat 1 \$755.00 \$755.00 56.6 \$327.67

DR Discount From List 56.6	OB% of KI Net Price 0	Accrual % of Net 0
DR/DLR Gross % per unit 0	Unit Overbill 0	Unit Accrual 0
DR/DLR Gross Dollars per Unit 0	Total Overbill 0	Total Accrual 0
Total DR/DLR Gross Dollars 0		

Price Description: Price Level:	Major Product Group: Family Code:
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Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Caster Option	Nylon Bell Glides	/GLIDE
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color	Bronze, Translucent (Steel tube arm support and armcaps-if applicable-will be	/PBT
Base Color	Polished aluminum	/PA

WorkGroup Product Subtotal

Tag 1  
DT1077  
Tag 1  
DT1078- Dining Room  
20.1 GLCAU

Grazie Four-Leg Chair,Cantilever Arm,Uph Seat 14 \$569.00 \$7,966.00 56.6 \$246.95

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: GRZ4L Family Code: GLU
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Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	PUMPKIN SPICE	/27.160.069.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT



20.2 GLNAU Grazie Four-Leg Chair,Armless,Uph Seat 13 \$469.00 \$6,097.00 56.6 \$203

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	PUMPKIN SPICE	/27.160.069.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable will be Chocolate if frame is chrome,	- /PBT

20.3 H33/FC Hub Armless Lounge,Contrast,26x39" 1 \$2,246.00 \$2,246.00 56.6 \$974.76

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: HUB</b>
<b>Price Level: Level1</b>	<b>Family Code: HUB</b>

Highest Grade Contrasting Fabric	Fabric Grade I	I
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Fabric Contrast #1/Back-NFR	Fabric Grade I	I
Fabric	BUSY BEE	BUSY BEE
BUSY BEE	CHOCOLATE TRUFFLE	/27.145.041.P
Fabric Contrast #2/Seat, sides	Compliance to TB 117-2013	NFR
Fabric Contrast #2/Seat, sides-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	TIGER EYE	/27.222.161.P2
Base and Seat Back Upright Finish	Chrome	/CH
Ganging	No gangers	/HNG
Privacy Screen	No privacy screen	/NPS
Moisture Barrier	No Moisture Barrier	/NMB
Glide Option	Nylon glides (cream color)	/GNY

20.4 H43/FC Hub Armless Lounge,Contrast,26x78" 4 \$3,209.00 \$12,836.00 56.6 \$1,392.71

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: HUB</b>
<b>Price Level: Level1</b>	<b>Family Code: HUB</b>

Highest Grade Contrasting Fabric	Fabric Grade I	I
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Hub Fabric NFR Contrast #1/Back	Fabric Grade I	I
Fabric	BUSY BEE	BUSY BEE
BUSY BEE	CHOCOLATE TRUFFLE	/27.145.041.P
Fabric Contrast #2/Seat, sides	Compliance to TB 117-2013	NFR
Hub Fabric NFR Contrast #2/Seat, sides	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	TIGER EYE	/27.222.161.P2
Base and Seat Back Upright Finish	Chrome	/CH
Ganging	With gangers (2) ganging assemblies shipped per unit	/HWG
Privacy Screen	No privacy screen	/NPS
Moisture Barrier	No Moisture Barrier	/NMB
Glide Option	Nylon glides (cream color)	/GNY

20.5 S255F-KN Synthesis Fixed Leg,Rect,T Base,Lam Top,Knife Edge,30x60" 2 \$959.00 \$1,918.00 56.6 \$416.21

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM
Grommet Option	No grommets	-NOGRM
Rolling Base Option	No rolling base	-NRB

20.6	<b>SS25FX-KN</b>	Synthesis Fixed Leg,Square,x Base,Knife Edge,30x30"	8	\$759.00	\$6,072.00	56.6	\$329.41
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

20.7	<b>SS35FX-KN</b>	Synthesis Fixed Leg,Square,x Base,Knife Edge,42x42"	3	\$1,122.00	\$3,366.00	56.6	\$486.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

<b>Tag 1</b>	<b>WorkGroup Product Subtotal</b>
<b>DT1078</b>	

Tag 1  
 EU1036-Marketing Director  
 21.1 ALTMAA

Altus Mesh Chair,Adjustable Arms,Upholstered 1 \$1,325.00 \$1,325.00 56.6 \$575.05

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ALTUS</b>
<b>Price Level: Level1</b>	<b>Family Code: ALTM</b>

Base	Aluminum base	/A
Casters	Carpet casters	/C
Headrest Option	No headrest	/NHR
Lumbar Support	Lumbar support	/LS
Altus Upholstery	Compliance to TB 117-2013	/NFR
Altus Upholstery	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	Fedora 29.093.141	/P0
Altus Mesh	Black (standard)	/AMBL

21.2 KCSS7224.H Aristotle Double Storage Door Credenza,72x24" 1 \$1,563.00 \$1,563.00 56.6 \$678.34

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARCRD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (4)	/RCP4
Key Option	Key alike - 2 locks (Note room numbers on	/KA

21.3 KFS362465.H Aristotle Storage Tower w/Lateral File,36x24x65"H 1 \$2,160.00 \$2,160.00 56.6 \$937.44

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARHPD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (4)	/RCP4
Key Option	Key alike - 1 lock (Note room numbers on	/KA

21.4 KPRM6636.H Aristotle P-Top with End Panel,Right,MP,66x36" 1 \$1,108.00 \$1,108.00 56.6 \$480.87

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARDPT</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Leg Color	Silver leg	/SL
Modesty Panel Option	Full height modesty panel	/FMP

21.5 KRL4824B.H Aristotle Pedestal Return-Left,Box/Box/File Pedestal,48x24" 1 \$1,102.00 \$1,102.00 56.6 \$478.27

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARPRT</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Back Panel Option	Open Back	/OB
Key Option	Key alike - 1 lock (Note room numbers on	/KA

21.6 KWMOSD48.H Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,48"W 1 \$921.00 \$921.00 56.6 \$399.71

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

21.7	<b>KWMTK48</b>	Aristotle Tackboard Under WI- MntOverhd,47x3/4Dx17"H	1	\$213.00	\$213.00	56.6	\$92.44
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARTAC</b>

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRPV2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

21.8	<b>SIGUFA</b>	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIGU</b>

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	HIGHWAY PATROL	HIGHWAY PATROL
HIGHWAY PATROL	COAL	/27.217.121.P
Polished Aluminum Frame	Polished aluminum	/PA

21.9	<b>TLT5.36</b>	Overhead Task Light, 36"W,For 42" & 48" Overheads	1	\$79.00	\$79.00	56.6	\$34.29
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: Level1</b>	<b>Family Code: HRDPT_TLT5.36</b>

<b>Tag 1</b>							<b>WorkGroup Product Subtotal</b>
<b>EU1036</b>							

**Tag 1**  
**EU1037-Marketing Work**

22.1	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	3	\$771.00	\$2,313.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

<b>Tag 1</b>							<b>WorkGroup Product Subtotal</b>
<b>EU1037</b>							

**Tag 1**  
**EU1038-R&F Control**

23.1	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$815.00	\$815.00	56.6	\$353.71
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

<b>Tag 1</b>							<b>WorkGroup Product Subtotal</b>
<b>EU1038</b>							

**Tag 1**  
**GY1081A-OP Registration**

24.1	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	2	\$771.00	\$1,542.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

<b>Tag 1</b>							<b>WorkGroup Product Subtotal</b>
<b>GY1081A</b>							

Tag 1  
 GY1082-Therapist Work room  
 25.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 6 \$771.00 \$4,626.00 56.6 \$334.61

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**WorkGroup Product Subtotal**

Tag 1  
 GY1082  
 Tag 1  
 GY1085-Splint/OT  
 26.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 3 \$771.00 \$2,313.00 56.6 \$334.61

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**WorkGroup Product Subtotal**

Tag 1  
 GY1085  
 Tag 1  
 GY1091-Scheduling (Staff  
 27.1 GLCAU

Grazie Four-Leg Chair,Cantilever Arm,Uph Seat 2 \$569.00 \$1,138.00 56.6 \$246.95

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

27.2 GLNAU Grazie Four-Leg Chair, Armless, Uph Seat 2 \$469.00 \$938.00 56.6 \$203.55

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

27.3 SR4FX-KN Synthesis Fixed Leg,Round,x Base,Knife 1 \$1,054.00 \$1,054.00 56.6 \$457.44  
Edge,48"Dia

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

**WorkGroup Product Subtotal**

**Tag 1**  
**GY1091**  
**Tag 1**  
**GY1093-Training Suite (ADL)**

28.1 DBCOC-SS Dante Bedside Cabinet,1 1 \$1,386.00 \$1,386.00 56.6 \$601.52  
Drawer/Open,Caster Base,Solid Resin  
Top 1" Thick (SS)

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: DANT2</b>
<b>Price Level: Level1</b>	<b>Family Code: DBC</b>

Solid Surface Finish	Key west	/SKT
Vertical Surface Laminate	Cocobala	/CLCC
Lock Option	No lock (standard)	/NL
Pull Option	Square pull	/DSQ
Pull Finish	Brass Nickel (standard)	/BN

28.2 GLCAU Grazie Four-Leg Chair,Cantilever 2 \$569.00 \$1,138.00 56.6 \$246.95  
Arm,Uph Seat

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

28.3 GLNAU Grazie Four-Leg Chair,Armless,Uph Seat 2 \$469.00 \$938.00 56.6 \$203.55

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

28.4	SOMC/FC	Soltice Metal Multiple Seating-1 Seat Unit,No Table No Chair Connect,Open Arm,Contrast	1	\$1,228.00	\$1,228.00	56.6	\$532.95
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Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMMC
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Highest Grade Contrasting Fabric	Fabric Grade I	I
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade I	I
Fabric	H2O	H2O
H2O	NATURAL	/27.183.011.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	TIGER EYE	/27.222.161.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

28.5	SR4FX-KN	Synthesis Fixed Leg,Round,x Base,Knife Edge,48"Dia	1	\$1,054.00	\$1,054.00	56.6	\$457.44
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Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SYNTH Family Code: SFX
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Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	COCOBALA 7942-38	/LCC
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

Tag 1 GY1093	WorkGroup Product Subtotal
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Tag 1  
MM1054-Materials  
29.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 2 \$815.00 \$1,630.00 56.6 \$353.71

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
MM1054  
Tag 1  
MM1056-Central  
30.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 1 \$815.00 \$815.00 56.6 \$353.71

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
MM1056  
Tag 1  
PATIENT ROOMS-First floor  
31.1 DBCOC-SS

Dante Bedside Cabinet,1 Drawer/Open,Caster Base,Solid Resin Top 1" Thick (SS) 13 \$1,386.00 \$18,018.00 56.6 \$601.52

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: DANT2 Family Code: DBC
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Solid Surface Finish	Key west	/SKT
Vertical Surface Laminate	Cocobala	/CLCC
Lock Option	No lock (standard)	/NL
Pull Option	Square pull	/DSQ
Pull Finish	Brass Nickel (standard)	/BN

31.2 SOMB/FC

Soltice Metal Multiple Seating-Bariatric Chair,No Table No Chair Connect,Open Arm,Contrast 4 \$1,973.00 \$7,892.00 56.6 \$856.28

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMMB
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Highest Grade Contrasting Fabric	Fabric Grade J	J
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade J	J
Fabric	HALFTONE	HALFTONE
HALFTONE	GREY TREE	/27.198.101.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	BALIN	/27.222.031.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB



31.3	SOMC/FC	Soltice Metal Multiple Seating-1 Seat Unit,No Table No Chair Connect,Open Arm,Contrast	9	\$1,283.00	\$11,547.00	56.6	\$556.82
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SOLTM Family Code: SMMC</b>
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Highest Grade Contrasting Fabric	Fabric Grade J	J
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade J	J
Fabric	HALFTONE	HALFTONE
HALFTONE	GREY TREE	/27.198.101.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	BALIN	/27.222.031.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

31.4	SPMPX/NC	Soltice Metal Motion Patient Chair,Closed Arm,Non-Contrast	4	\$2,545.00	\$10,180.00	56.6	\$1,104.53
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SOLTM Family Code: SMPX</b>
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Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

31.5	SR/NC	Soltice Recliner,Closed Arm,Non-Contrast,No Articulating Tablet	4	\$3,190.00	\$12,760.00	56.6	\$1,384.46
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SOLTC Family Code: SORL</b>
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Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Arm Option	Black poly (pair)	/PAC
Moisture Barrier	No Moisture Barrier	/NMB
I.V. Pole (Facing)	No pole	-NS
Catheter Attachment	No catheter attachment	-NCA
Mechanism Type	Standard mechanism	/SM
Monitor Arm	No monitor arm	-NMA
Magazine Rack	No rack	-NMR

31.6	SRII/NC	Soltice II Recliner,Closed Arm,Non-Contrast,No Tablet Arm	5	\$4,929.00	\$24,645.00	56.6	\$2,139.19
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SOLTC Family Code: SORL2</b>
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Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Magazine Pouch	No magazine pouch	-NMR
I.V. Pole (Facing)	No pole	-NS
Catheter Attachment	No catheter attachment	-NCA
Arm Option	Black poly (pair)	/PAC
Moisture Barrier	No Moisture Barrier	/NMB
Monitor Arm	No monitor arm	-NMA

Tag 1  
PATIENT ROOMS

WorkGroup Product Subtotal

Tag 1  
 PB1002-OP Waiting area  
 32.1 2208/L-74P

Soltice Metal Square Table,Laminate 2 \$629.00 \$1,258.00 56.6 \$272.99  
 Top,74P Edge,20x20x22"H

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMFT</b>

Base Finish	Starlight Silver Metallic	/SX
Laminate Color	KI Laminates	Standard
KI Laminates	COCOBALA 7942-38	/LCC
Edge Color	Cocobala edge	/ECC
Glide Color	Flannel (Dark Grey)	/NGFN

32.2 8505 Soltice Occasional Table, 18"H,Laminate 1 \$1,135.00 \$1,135.00 56.6 \$492.59  
 Top,24x42"

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTC</b>
<b>Price Level: Level1</b>	<b>Family Code: SLFS</b>

Wood Finish Color	Wood finish-Core	CORE
Wood Finish Color	Cocoa on Beech	/BCA
Laminate Color	KI Laminates	Standard
KI Laminates	COCOBALA 7942-38	/LCC

32.3 SLOM23/FC Soltice Metal Lounge Chair,Open 4 \$1,928.00 \$7,712.00 56.6 \$836.75  
 Arm,Contrast

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMLS</b>

Highest Grade Contrasting Fabric	Fabric Grade G	G
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade G	G
Fabric	URBANIZED	URBANIZED
URBANIZED	LINEN	/29.093.012.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	ALABASTER	/27.222.022.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

32.4 SLOM33/FC Soltice Metal Loveseat,Open 2 \$2,770.00 \$5,540.00 56.6 \$1,202.18  
 Arm,Contrast

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMLS</b>

Highest Grade Contrasting Fabric	Fabric Grade I	I
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade I	I
Fabric	DEEPLY ROOTED	DEEPLY ROOTED
DEEPLY ROOTED	BRICK	/27.148.039.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	ALABASTER	/27.222.022.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

Tag 1  
 PB1002

WorkGroup Product Subtotal

Tag 1  
 PB1003-Inpatient Waiting area  
 33.1 2208/L-74P

Soltice Metal Square Table,Laminate 3 \$629.00 \$1,887.00 57.5 \$267.33  
 Top,74P Edge,20x20x22"H

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMFT
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Base Finish Starlight Silver Metallic /SX  
 Laminate Color KI Laminates Standard  
 KI Laminates COCOBALA 7942-38 /LCC  
 Edge Color Cocobala edge /ECC  
 Glide Color Flannel (Dark Grey) /NGFN

33.2 8505 Soltice Occasional Table, 18"H,Laminate 1 \$1,135.00 \$1,135.00 57.5 \$482.38  
 Top,24x42"

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTC Family Code: SLFS
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Wood Finish Color Wood finish-Core CORE  
 Wood Finish Color Cocoa on Beech /BCA  
 Laminate Color KI Laminates Standard  
 KI Laminates COCOBALA 7942-38 /LCC

33.3 SLOM23/FC Soltice Metal Lounge Chair,Open 9 \$1,928.00 \$17,352.00 57.6 \$817.47  
 Arm,Contrast

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMLS
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Highest Grade Contrasting Fabric Fabric Grade G G  
 Fabric Contrast #1/Back Compliance to TB 117-2013 /NFR  
 Soltice Metal Fabric Contrast #1/Back- Fabric Grade G G  
 NFR  
 Fabric URBANIZED URBANIZED  
 URBANIZED LINEN /29.093.012.P  
 Fabric Contrast #2/Seat Compliance to TB 117-2013 /NFR  
 Soltice Metal Fabric Contrast #2/Seat- Fabric Grade E E  
 NFR  
 Fabric SANDSTONE SANDSTONE  
 SANDSTONE ALABASTER /27.222.022.P2  
 Base Finish Starlight Silver Metallic /SX  
 Armcap Option Black poly /PACBL  
 Glide Color Flannel (Dark Grey) /NGFN  
 Moisture Barrier No Moisture Barrier /NMB

33.4 SLOM33/FC Soltice Metal Loveseat,Open 4 \$2,770.00 \$11,080.00 57.6 \$1,174.48  
 Arm,Contrast

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMLS
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Highest Grade Contrasting Fabric Fabric Grade I I  
 Fabric Contrast #1/Back Compliance to TB 117-2013 /NFR  
 Soltice Metal Fabric Contrast #1/Back- Fabric Grade I I  
 NFR  
 Fabric DEEPLY ROOTED DEEPLY  
 ROOTED  
 DEEPLY ROOTED BRICK /27.148.039.P  
 Fabric Contrast #2/Seat Compliance to TB 117-2013 /NFR  
 Soltice Metal Fabric Contrast #2/Seat- Fabric Grade E E  
 NFR  
 Fabric SANDSTONE SANDSTONE  
 SANDSTONE ALABASTER /27.222.022.P2  
 Base Finish Starlight Silver Metallic /SX  
 Armcap Option Black poly /PACBL  
 Glide Color Flannel (Dark Grey) /NGFN  
 Moisture Barrier No Moisture Barrier /NMB

WorkGroup Product Subtotal

Tag 1  
 PB1003  
 Tag 1  
 PB1005-Concierge  
 34.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 1 \$771.00 \$771.00 56.6 \$334.61  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish Plastic base /P  
 Casters Carpet casters /C  
 Sift Seat Upholstery Compliance to TB 117-2013 /NFR  
 Sift Upholstery NFR Pallas Fabric Group P1 GRPP1  
 P1 Pallas Fabric BOUNCE BOUNCE  
 BOUNCE SMOKEY TAUPE /27.160.171.P



Altus Mesh Chair,Adjustable Arms,Upholstered 1 \$1,325.00 \$1,325.00 56.6 \$575.05

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ALTUS</b>
<b>Price Level: LevelI</b>	<b>Family Code: ALTM</b>

Base	Aluminum base	/A
Casters	Hard floor casters	/S
Headrest Option	No headrest	/NHR
Lumbar Support	Lumbar support	/LS
Altus Upholstery	Compliance to TB 117-2013	/NFR
Altus Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	Fedora 29.093.141	/P0
Altus Mesh	Black (standard)	/AMBL

35.2 KPLM6636.H Aristotle P-Top with End Panel,Left,MP,66x36" 1 \$1,108.00 \$1,108.00 56.6 \$480.87

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: ARDPT</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Leg Color	Silver leg	/SL
Modesty Panel Option	Full height modesty panel	/FMP

35.3 KRR4824B.H Aristotle Pedestal Return-Right,Box/Box/File Pedestal,48x24" 1 \$1,102.00 \$1,102.00 56.6 \$478.27

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: ARPRT</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Back Panel Option	Open Back	/OB
Key Option	Key alike - 1 lock (Note room numbers on	/KA

35.4 KWMOSD48.H Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,48"W 1 \$921.00 \$921.00 56.6 \$399.71

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

35.5 KWMTK48 Aristotle Tackboard Under Wl-MntOverhd,47x3/4Dx17"H 1 \$213.00 \$213.00 56.6 \$92.44

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: LevelI</b>	<b>Family Code: ARTAC</b>

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRPV2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

35.6 SIGUFA Silhouette Polished Cast Frame Four-Leg Armchair,Uph 2 \$922.00 \$1,844.00 56.6 \$400.15

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>
<b>Price Level: LevelI</b>	<b>Family Code: SIGU</b>

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	HIGHWAY PATROL	HIGHWAY PATROL
HIGHWAY PATROL	COAL	/27.217.121.P
Polished Aluminum Frame	Polished aluminum	/PA

35.7 TLT5.36 Overhead Task Light, 36"W,For 42" & 48" Overheads 1 \$79.00 \$79.00 56.6 \$34.29

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: LevelI</b>	<b>Family Code: HRDPT_TLT5.36</b>

Tag 1  
 PB1137-Office/Flex  
 36.1 KDA7220.H

Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARSPD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

36.2 KF2BF.H	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARHPD</b>

Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

36.3 KRAL4230EM.H	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,42x30"	1	\$1,324.00	\$1,324.00	56.6	\$574.62
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARPRT</b>

Laminate (Horizontal)	White	/LWT
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36.4 KWMOSD72.H	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

36.5 KWMTK72	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARTAC</b>

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRP2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

36.6 SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

36.7 SIGUFA	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIGU</b>

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	OFF TRACK	OFF TRACK
OFF TRACK	MIDNIGHT	/27.209.114.P
Polished Aluminum Frame	Polished aluminum	/PA

36.8 TLT5.48	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: Level1</b>	<b>Family Code: HRDPT_TLT5.48</b>



Tag 1  
 RU1110-Activity Dining  
 37.1 2208/L-74P

Solstice Metal Square Table,Laminate 2 \$629.00 \$1,258.00 56.6 \$272.99  
 Top,74P Edge,20x20x22"H

**Price Description: Delivered/Open Market** **Major Product Group: SOLTM**  
**Price Level: Level1** **Family Code: SMFT**

Base Finish Starlight Silver Metallic /SX  
 Laminate Color KI Laminates Standard  
 KI Laminates COCOBALA 7942-38 /LCC  
 Edge Color Cocobala edge /ECC  
 Glide Color Flannel (Dark Grey) /NGFN

37.2 GLCAU Grazie Four-Leg Chair,Cantilever 2 \$569.00 \$1,138.00 56.6 \$246.95  
 Arm,Uph Seat

**Price Description: Delivered/Open Market** **Major Product Group: GRZ4L**  
**Price Level: Level1** **Family Code: GLU**

Grazie Seat Uph Compliance to TB 117-2013 /NFR  
 Grazie Upholstery NFR Pallas Fabric Group P1 GRPP1  
 P1 Pallas Fabric UNRAVELED UNRAVELED  
 UNRAVELED ESPRESSO /27.168.111.P  
 Frame Color Chrome /CH  
 Glide Option Plastic glides /P  
 Poly Seat & Back Color Compliance to TB 117-2013 -NFR  
 Poly Seat & Back Color NFR Bronze, Translucent (Armcaps-if applicable-) /PBT

37.3 GLNAU Grazie Four-Leg Chair,Armless,Uph Seat 2 \$469.00 \$938.00 56.6 \$203.55

**Price Description: Delivered/Open Market** **Major Product Group: GRZ4L**  
**Price Level: Level1** **Family Code: GLU**

Grazie Seat Uph Compliance to TB 117-2013 /NFR  
 Grazie Upholstery NFR Pallas Fabric Group P1 GRPP1  
 P1 Pallas Fabric UNRAVELED UNRAVELED  
 UNRAVELED ESPRESSO /27.168.111.P  
 Frame Color Chrome /CH  
 Glide Option Plastic glides /P  
 Poly Seat & Back Color Compliance to TB 117-2013 -NFR  
 Poly Seat & Back Color NFR Bronze, Translucent (Armcaps-if applicable-) /PBT

37.4 SLOM23/FC Solstice Metal Lounge Chair,Open 2 \$2,012.00 \$4,024.00 56.6 \$873.21  
 Arm,Contrast

**Price Description: Delivered/Open Market** **Major Product Group: SOLTM**  
**Price Level: Level1** **Family Code: SMLS**

Highest Grade Contrasting Fabric Fabric Grade I I  
 Fabric Contrast #1/Back Compliance to TB 117-2013 /NFR  
 Solstice Metal Fabric Contrast #1/Back- Fabric Grade I I  
 NFR  
 Fabric H2O H2O  
 H2O NATURAL /27.183.011.P  
 Fabric Contrast #2/Seat Compliance to TB 117-2013 /NFR  
 Solstice Metal Fabric Contrast #2/Seat- Fabric Grade E E  
 NFR  
 Fabric SANDSTONE SANDSTONE  
 SANDSTONE TIGER EYE /27.222.161.P2  
 Base Finish Starlight Silver Metallic /SX  
 Armcap Option Black poly /PACBL  
 Glide Color Flannel (Dark Grey) /NGFN  
 Moisture Barrier No Moisture Barrier /NMB

37.5 SLOM43/FC Solstice Metal Sofa,Open Arm,Contrast 1 \$3,441.00 \$3,441.00 56.6 \$1,493.39

**Price Description: Delivered/Open Market** **Major Product Group: SOLTM**  
**Price Level: Level1** **Family Code: SMLS**

Highest Grade Contrasting Fabric Fabric Grade I I  
 Fabric Contrast #1/Back Compliance to TB 117-2013 /NFR  
 Solstice Metal Fabric Contrast #1/Back- Fabric Grade I I  
 NFR  
 Fabric H2O H2O  
 H2O NATURAL /27.183.011.P  
 Fabric Contrast #2/Seat Compliance to TB 117-2013 /NFR  
 Solstice Metal Fabric Contrast #2/Seat- Fabric Grade E E  
 NFR  
 Fabric SANDSTONE SANDSTONE  
 SANDSTONE TIGER EYE /27.222.161.P2  
 Base Finish Starlight Silver Metallic /SX  
 Armcap Option Black poly /PACBL  
 Glide Color Flannel (Dark Grey) /NGFN  
 Moisture Barrier No Moisture Barrier /NMB

37.6 SS25FX-KN Synthesis Fixed Leg,Square,x Base,Knife 2 \$759.00 \$1,518.00 56.6 \$329.41  
 Edge,30x30"



<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>	
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>	

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

Tag 1  
RU1110

**WorkGroup Product Subtotal**

Tag 1  
 RU1114-Nurses Station  
 38.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 2 \$815.00 \$1,630.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 RU1114  
 Tag 1  
 RU1115-dictation  
 39.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 1 \$815.00 \$815.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 RU1115  
 Tag 1  
 RU1116-Nurses Station  
 40.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 2 \$815.00 \$1,630.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 RU1116

Tag 1  
 RU1122-Staff Lounge  
 41.1 GLCAU

Grazie Four-Leg Chair,Cantilever Arm,UpH Seat 2 \$569.00 \$1,138.00 56.6 \$246.95

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

41.2 GLNAU

Grazie Four-Leg Chair,Armless,UpH Seat 2 \$469.00 \$938.00 56.6 \$203.55

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

41.3 SR4FX-KN

Synthesis Fixed Leg,Round,x Base,Knife Edge,48"Dia 1 \$1,054.00 \$1,054.00 56.6 \$457.44

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

Tag 1 WorkGroup Product Subtotal  
 RU1122

Tag 1  
 RU1133-Quiet Gym  
 42.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 1 \$815.00 \$815.00 56.6 \$353.71

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

Tag 1 WorkGroup Product Subtotal  
 RU1133

Tag 1  
ST1094-Speech Therapy  
43.1 KDA7220.H

Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARSPD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

43.2 KF2BF.H	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARHPD</b>

Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

43.3 KRAL4830EM.H	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARPRT</b>

Laminate (Horizontal)	White	/LWT
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43.4 KWMOSD72.H	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: AROVD</b>

Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

43.5 KWMTK72	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: ARIST</b>
<b>Price Level: Level1</b>	<b>Family Code: ARTAC</b>

Fabric Selection	Pallas Vertical Fabric Grade PV2	GRP2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

43.6 SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$815.00	\$815.00	56.6	\$353.71
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

43.7 SIGUFA	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SILHT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIGU</b>

Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	OFF TRACK	OFF TRACK
OFF TRACK	MIDNIGHT	/27.209.114.P
Polished Aluminum Frame	Polished aluminum	/PA

43.8 TLT5.48	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: S3000</b>
<b>Price Level: Level1</b>	<b>Family Code: HRDPT_TLT5.48</b>



Tag 1

AD2008-Staff Lounge

44.1	GLCAU	Grazie Four-Leg Chair,Cantilever Arm,Uph Seat	2	\$569.00	\$1,138.00	56.6	\$246.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric UNRAVELED	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

44.2	GLNAU	Grazie Four-Leg Chair,Armless,Uph Seat	2	\$469.00	\$938.00	56.6	\$203.55
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric UNRAVELED	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

44.3	SR35FX-KN	Synthesis Fixed Leg,Round,x Base,Knife Edge,42"Dia	1	\$924.00	\$924.00	56.6	\$401.02
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

WorkGroup Product Subtotal

Tag 1

AD2008

Tag 1

AD2009-Case Manager

45.1	SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	3	\$771.00	\$2,313.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1

AD2009

Tag 1  
AD2010-Office/Flex

46.1	<b>KDA6620.H</b>	Aristotle Rect Desk Shell,2 Full End Panels,66x20"	1	\$659.00	\$659.00	56.6	\$286.01
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARSPD</b>
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Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

46.2	<b>KF2BF.H</b>	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARHPD</b>
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Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

46.3	<b>KRAL4830EM.H</b>	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARPRT</b>
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Laminate (Horizontal)	White	/LWT
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46.4	<b>KWMOSD66.H</b>	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,66"W	1	\$1,116.00	\$1,116.00	56.6	\$484.34
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: AROVD</b>
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Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

46.5	<b>KWMTK66</b>	Aristotle Tackboard Under Wl-MntOverhd,65x3/4Dx17"H	1	\$273.00	\$273.00	56.6	\$118.48
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARTAC</b>
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Fabric Selection	Pallas Vertical Fabric Grade PV2	GRPV2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

46.6	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SIFT Family Code: SIFTU</b>
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Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

46.7	<b>SIGUFA</b>	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SILHT Family Code: SIGU</b>
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Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	OFF TRACK	OFF TRACK
OFF TRACK	MIDNIGHT	/27.209.114.P
Polished Aluminum Frame	Polished aluminum	/PA

46.8	<b>TLT5.48</b>	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: S3000 Family Code: HRDPT_TLT5.48</b>
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Tag 1 AD2010	<b>WorkGroup Product Subtotal</b>
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Tag 1  
AD2011-Behavior Health

47.1	KDA7220.H	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: ARSPD</b>		
		Laminate (Horizontal)	White			/LWT	
		Laminate Base (Vertical)	Cocobala			/LBCC	
		Back Panel Option	1/2 height back panel			/2Q	
		Grommet Option	Grommet			/G	
47.2	KF2BF.H	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: ARHPD</b>		
		Laminate Base (Vertical)	Cocobala			/LBCC	
		File Pull	Rectangular silver pull (3)			/RCP3	
		Key Option	Key alike - 1 lock (Note room numbers on			/KA	
47.3	KRAL4830EM.H	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: ARPRT</b>		
		Laminate (Horizontal)	White			/LWT	
47.4	KWMOSD72.H	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: AROVD</b>		
		Laminate (Horizontal)	White			/LWT	
		Laminate Base (Vertical)	Cocobala			/LBCC	
47.5	KWMTK72	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: ARTAC</b>		
		Fabric Selection	Pallas Vertical Fabric Grade PV2			GRPV2	
		PV2 Fabric	NEW TWIST			NEW TWIST	
		NEW TWIST	SASSY			/28.056.071.P	
47.6	SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: SIFT Family Code: SIFTU</b>		
		Base Finish	Plastic base			/P	
		Casters	Carpet casters			/C	
		Sift Seat Upholstery	Compliance to TB 117-2013			/NFR	
		Sift Upholstery NFR	Pallas Fabric Group P1			GRPP1	
		P1 Pallas Fabric	BOUNCE			BOUNCE	
		BOUNCE	SMOKEY TAUPE			/27.160.171.P	
47.7	SIGUFA	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	1	\$922.00	\$922.00	56.6	\$400.15
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: SILHT Family Code: SIGU</b>		
		Seat & Back Color	Black			/PBL	
		Upholstery Grade/Color	No Fire Retardant			/NFR	
		Silhouette Upholstery	Pallas Fabric Group P0			GRPP0	
		P0 Fabric	OFF TRACK			OFF TRACK	
		OFF TRACK	MIDNIGHT			/27.209.114.P	
		Polished Aluminum Frame	Polished aluminum			/PA	
47.8	TLT5.48	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: S3000 Family Code: HRDPT_TLT5.48</b>		

Tag 1  
AD2011

WorkGroup Product Subtotal



Tag 1  
AD2012-DON

48.1	<b>KDA7220.H</b>	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARSPD</b>
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Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

48.2	<b>KF2BF.H</b>	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARHPD</b>
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Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

48.3	<b>KRAL4830EM.H</b>	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARPRT</b>
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Laminate (Horizontal)	White	/LWT
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48.4	<b>KWMOSD72.H</b>	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: AROVD</b>
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Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

48.5	<b>KWMTK72</b>	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARTAC</b>
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Fabric Selection	Pallas Vertical Fabric Grade PV2	GRP2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

48.6	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SIFT Family Code: SIFTU</b>
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Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

48.7	<b>SIGUFA</b>	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	1	\$922.00	\$922.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SILHT Family Code: SIGU</b>
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Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	OFF TRACK	OFF TRACK
OFF TRACK	MIDNIGHT	/27.209.114.P
Polished Aluminum Frame	Polished aluminum	/PA

48.8	<b>TLT5.48</b>	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: S3000 Family Code: HRDPT_TLT5.48</b>
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Tag 1  
AD2012

WorkGroup Product Subtotal

Tag 1  
AD2013-Nurse Manager/Nurse

49.1	<b>KDA7220.H</b>	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: ARSPD</b>		
		Laminate (Horizontal)	White		/LWT		
		Laminate Base (Vertical)	Cocobala		/LBCC		
		Back Panel Option	1/2 height back panel		/2Q		
		Grommet Option	Grommet		/G		
49.2	<b>KF2BF.H</b>	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: ARHPD</b>		
		Laminate Base (Vertical)	Cocobala		/LBCC		
		File Pull	Rectangular silver pull (3)		/RCP3		
		Key Option	Key alike - 1 lock (Note room numbers on		/KA		
49.3	<b>KRAL4830EM.H</b>	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: ARPRT</b>		
		Laminate (Horizontal)	White		/LWT		
49.4	<b>KWMOSD72.H</b>	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: AROVD</b>		
		Laminate (Horizontal)	White		/LWT		
		Laminate Base (Vertical)	Cocobala		/LBCC		
49.5	<b>KWMTK72</b>	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: ARIST Family Code: ARTAC</b>		
		Fabric Selection	Pallas Vertical Fabric Grade PV2		GRPV2		
		PV2 Fabric	NEW TWIST		NEW TWIST		
		NEW TWIST	SASSY		/28.056.071.P		
49.6	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: SIFT Family Code: SIFTU</b>		
		Base Finish	Plastic base		/P		
		Casters	Carpet casters		/C		
		Sift Seat Upholstery	Compliance to TB 117-2013		/NFR		
		Sift Upholstery NFR	Pallas Fabric Group P1		GRPP1		
		P1 Pallas Fabric	BOUNCE		BOUNCE		
		BOUNCE	SMOKEY TAUPE		/27.160.171.P		
49.7	<b>SIGUFA</b>	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: SILHT Family Code: SIGU</b>		
		Seat & Back Color	Black		/PBL		
		Upholstery Grade/Color	No Fire Retardant		/NFR		
		Silhouette Upholstery	Pallas Fabric Group P0		GRPP0		
		P0 Fabric	OFF TRACK		OFF TRACK		
		OFF TRACK	MIDNIGHT		/27.209.114.P		
		Polished Aluminum Frame	Polished aluminum		/PA		
49.8	<b>TLT5.48</b>	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
			<b>Price Description: Delivered/Open Market Price Level: Level1</b>		<b>Major Product Group: S3000 Family Code: HRDPT_TLT5.48</b>		

Tag 1  
AD2014-Consult

50.1	<b>KDA7220.H</b>	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARSPD</b>
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Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC
Back Panel Option	1/2 height back panel	/2Q
Grommet Option	Grommet	/G

50.2	<b>KF2BF.H</b>	Aristotle Full Ht Pedestal, Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.41
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARHPD</b>
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Laminate Base (Vertical)	Cocobala	/LBCC
File Pull	Rectangular silver pull (3)	/RCP3
Key Option	Key alike - 1 lock (Note room numbers on	/KA

50.3	<b>KRAL4830EM.H</b>	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARPRT</b>
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Laminate (Horizontal)	White	/LWT
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50.4	<b>KWMOSD72.H</b>	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: AROVD</b>
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Laminate (Horizontal)	White	/LWT
Laminate Base (Vertical)	Cocobala	/LBCC

50.5	<b>KWMTK72</b>	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: ARIST Family Code: ARTAC</b>
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Fabric Selection	Pallas Vertical Fabric Grade PV2	GRPV2
PV2 Fabric	NEW TWIST	NEW TWIST
NEW TWIST	SASSY	/28.056.071.P

50.6	<b>SIFTUAA</b>	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SIFT Family Code: SIFTU</b>
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Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

50.7	<b>SIGUFA</b>	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	2	\$922.00	\$1,844.00	56.6	\$400.15
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: SILHT Family Code: SIGU</b>
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Seat & Back Color	Black	/PBL
Upholstery Grade/Color	No Fire Retardant	/NFR
Silhouette Upholstery	Pallas Fabric Group P0	GRPP0
P0 Fabric	OFF TRACK	OFF TRACK
OFF TRACK	MIDNIGHT	/27.209.114.P
Polished Aluminum Frame	Polished aluminum	/PA

50.8	<b>TLT5.48</b>	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
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<b>Price Description: Delivered/Open Market Price Level: Level1</b>	<b>Major Product Group: S3000 Family Code: HRDPT_TLT5.48</b>
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Tag 1  
AD2014

WorkGroup Product Subtotal

Tag 1  
 GY2005-Therapy Workroom  
 51.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 6 \$771.00 \$4,626.00 56.6 \$334.61

<b>Price Description: Delivered/Open Market</b> <b>Price Level: Level1</b>	<b>Major Product Group: SIFT</b> <b>Family Code: SIFTU</b>
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Base Finish	Plastic base	/P
Casters	Carpet casters	/C
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 GY2005  
 Tag 1  
 LA2023-Lab  
 52.1 L2STUS/NA/FBR

Learn2 Strive No-arm Chair,Uph Seat,Flat Access Rack 1 \$809.00 \$809.00 56.6 \$351.11

<b>Price Description: Delivered/Open Market</b> <b>Price Level: Level1</b>	<b>Major Product Group: LRN2</b> <b>Family Code: 2SWSU</b>
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Learn2 Strive Frame Color	Starlight Silver Metallic	/SX
Learn2 Strive Surface Type	Plastic worksurface	/PW
Learn2 Strive Plastic Worksurface	Black	/BLWS
Learn2 Strive Base	Glides	/GL
Learn2 Strive Flat Rack Upholstery	Compliance to TB 117-2013	/NFR
Learn2 Strive Flat Rack NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Poly Seat & Back Color	No Fire Retardant	-NFR
Poly Seat & Back Color	Bronze, Translucent (Armcaps-if applicable-	/PBT

WorkGroup Product Subtotal

Tag 1  
 LA2023  
 Tag 1  
 PATIENT ROOMS-Second  
 53.1 DBCOC-SS

Dante Bedside Cabinet,1 Drawer/Open,Caster Base,Solid Resin Top 1" Thick (SS) 21 \$1,386.00 \$29,106.00 56.6 \$601.52

<b>Price Description: Delivered/Open Market</b> <b>Price Level: Level1</b>	<b>Major Product Group: DANT2</b> <b>Family Code: DBC</b>
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Solid Surface Finish	Key west	/SKT
Vertical Surface Laminate	Cocobala	/CLCC
Lock Option	No lock (standard)	/NL
Pull Option	Square pull	/DSQ
Pull Finish	Brass Nickel (standard)	/BN

53.2 SOMB/FC

Soltice Metal Multiple Seating-Bariatric Chair,No Table No Chair Connect,Open Arm,Contrast 7 \$1,973.00 \$13,811.00 56.6 \$856.28

<b>Price Description: Delivered/Open Market</b> <b>Price Level: Level1</b>	<b>Major Product Group: SOLTM</b> <b>Family Code: SMMB</b>
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Highest Grade Contrasting Fabric	Fabric Grade J	J
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade J	J
Fabric	HALFTONE	HALFTONE
HALFTONE	GREY TREE	/27.198.101.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	BALIN	/27.222.031.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

53.3 SOMC/FC Soltice Metal Multiple Seating-1 Seat 14 \$1,283.00 \$17,962.00 56.6 \$556.82  
 Unit,No Table No Chair Connect,Open Arm,Contrast

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMMC
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Highest Grade Contrasting Fabric	Fabric Grade J	J
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade J	J
Fabric	HALFTONE	HALFTONE
HALFTONE	GREY TREE	/27.198.101.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	BALIN	/27.222.031.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

53.4 SPMPX/NC Soltice Metal Motion Patient 7 \$2,545.00 \$17,815.00 56.6 \$1,104.53  
 Chair,Closed Arm,Non-Contrast

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMPX
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Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

53.5 SR/NC Soltice Recliner,Closed Arm,Non-Contrast,No Articulating Tablet 7 \$3,190.00 \$22,330.00 56.6 \$1,384.46

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTC Family Code: SORL
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Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Arm Option	Black poly (pair)	/PAC
Moisture Barrier	No Moisture Barrier	/NMB
I.V. Pole (Facing)	No pole	-NS
Catheter Attachment	No catheter attachment	-NCA
Mechanism Type	Standard mechanism	/SM
Monitor Arm	No monitor arm	-NMA
Magazine Rack	No rack	-NMR

53.6 SRII/NC Soltice II Recliner,Closed Arm,Non-Contrast,No Tablet Arm 7 \$4,929.00 \$34,503.00 56.6 \$2,139.19

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTC Family Code: SORL2
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Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Magazine Pouch	No magazine pouch	-NMR
I.V. Pole (Facing)	No pole	-NS
Catheter Attachment	No catheter attachment	-NCA
Arm Option	Black poly (pair)	/PAC
Moisture Barrier	No Moisture Barrier	/NMB
Monitor Arm	No monitor arm	-NMA

Tag 1 PATIENT ROOMS **WorkGroup Product Subtotal**

Tag 1 PH2019-Pharmacy  
 54.1 SIFTUAA Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat 3 \$815.00 \$2,445.00 56.6 \$353.71

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

Tag 1 PH2019 **WorkGroup Product Subtotal**



Tag 1  
RT2027-Respiratory Office

55.1	KDA7220.H	Aristotle Rect Desk Shell,2 Full End Panels,72x20"	1	\$700.00	\$700.00	56.6	\$303.80
<b>Price Description: Delivered/Open Market</b>					<b>Major Product Group: ARIST</b>		
<b>Price Level: Level1</b>					<b>Family Code: ARSPD</b>		
		Laminate (Horizontal)		White		/LWT	
		Laminate Base (Vertical)		Cocobala		/LBCC	
		Back Panel Option		1/2 height back panel		/2Q	
		Grommet Option		Grommet		/G	
55.2	KF2BF.H	Aristotle Full Ht Pedestal,Box/Box/File,15.5x19x28"	1	\$812.00	\$812.00	56.6	\$352.
<b>Price Description: Delivered/Open Market</b>					<b>Major Product Group: ARIST</b>		
<b>Price Level: Level1</b>					<b>Family Code: ARHPD</b>		
		Laminate Base (Vertical)		Cocobala		/LBCC	
		File Pull		Rectangular silver pull (3)		/RCP3	
		Key Option		Key alike - 1 lock (Note room numbers on		/KA	
55.3	KRAL4830EM.H	Aristotle Return,Alum Wave Profile,w/Acrylic End & Mod,48x30"	1	\$1,346.00	\$1,346.00	56.6	\$584.16
<b>Price Description: Delivered/Open Market</b>					<b>Major Product Group: ARIST</b>		
<b>Price Level: Level1</b>					<b>Family Code: ARPRT</b>		
		Laminate (Horizontal)		White		/LWT	
55.4	KWMOSD72.H	Aristotle Wall-Mounted Overhead w/Sliding Acrylic Door,72"W	1	\$1,154.00	\$1,154.00	56.6	\$500.84
<b>Price Description: Delivered/Open Market</b>					<b>Major Product Group: ARIST</b>		
<b>Price Level: Level1</b>					<b>Family Code: AROVD</b>		
		Laminate (Horizontal)		White		/LWT	
		Laminate Base (Vertical)		Cocobala		/LBCC	
55.5	KWMTK72	Aristotle Tackboard Under Wl-MntOverhd,70x3/4Dx17"H	1	\$281.00	\$281.00	56.6	\$121.95
<b>Price Description: Delivered/Open Market</b>					<b>Major Product Group: ARIST</b>		
<b>Price Level: Level1</b>					<b>Family Code: ARTAC</b>		
		Fabric Selection		Pallas Vertical Fabric Grade PV2		GRP2	
		PV2 Fabric		NEW TWIST		NEW TWIST	
		NEW TWIST		SASSY		/28.056.071.P	
55.6	SIFTUAA	Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$771.00	\$771.00	56.6	\$334.61
<b>Price Description: Delivered/Open Market</b>					<b>Major Product Group: SIFT</b>		
<b>Price Level: Level1</b>					<b>Family Code: SIFTU</b>		
		Base Finish		Plastic base		/P	
		Casters		Carpet casters		/C	
		Sift Seat Upholstery		Compliance to TB 117-2013		/NFR	
		Sift Upholstery NFR		Pallas Fabric Group P1		GRPP1	
		P1 Pallas Fabric		BOUNCE		BOUNCE	
		BOUNCE		SMOKEY TAUPE		/27.160.171.P	
55.7	SIGUFA	Silhouette Polished Cast Frame Four-Leg Armchair,Uph	1	\$922.00	\$922.00	56.6	\$400.15
<b>Price Description: Delivered/Open Market</b>					<b>Major Product Group: SILHT</b>		
<b>Price Level: Level1</b>					<b>Family Code: SIGU</b>		
		Seat & Back Color		Black		/PBL	
		Upholstery Grade/Color		No Fire Retardant		/NFR	
		Silhouette Upholstery		Pallas Fabric Group P0		GRPP0	
		P0 Fabric		OFF TRACK		OFF TRACK	
		OFF TRACK		MIDNIGHT		/27.209.114.P	
		Polished Aluminum Frame		Polished aluminum		/PA	
55.8	TLT5.48	Universal Shelf/Cabinet Task Light,48"W,For 54" and Larger Overheads	1	\$85.00	\$85.00	56.6	\$36.89
<b>Price Description: Delivered/Open Market</b>					<b>Major Product Group: S3000</b>		
<b>Price Level: Level1</b>					<b>Family Code: HRDPT_TLT5.48</b>		

Tag 1  
RT2027

WorkGroup Product Subtotal





Tag 1  
 RU2088-Nurses Station  
 56.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 2 \$815.00 \$1,630.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 RU2088  
 Tag 1  
 RU2089-Dictation  
 57.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 1 \$815.00 \$815.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 RU2089  
 Tag 1  
 RU2090-Nurses Station  
 58.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 2 \$815.00 \$1,630.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 RU2090

Tag 1  
 RU2092-Activity/Dining 2nd floor  
 59.1 2208/L-74P

Soltice Metal Square Table,Laminate Top,74P Edge,20x20x22"H	2	\$629.00	\$1,258.00	56.6	\$272.99
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMFT</b>

Base Finish	Starlight Silver Metallic	/SX
Laminate Color	KI Laminates	Standard
KI Laminates	COCOBALA 7942-38	/LCC
Edge Color	Cocobala edge	/ECC
Glide Color	Flannel (Dark Grey)	/NGFN

59.2 GLCAU	Grazie Four-Leg Chair,Cantilever Arm,Uph Seat	6	\$569.00	\$3,414.00	56.6	\$246.95
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

59.3 GLNAU	Grazie Four-Leg Chair,Armless,Uph Seat	6	\$469.00	\$2,814.00	56.6	\$203.55
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

59.4 SLOM23/FC	Soltice Metal Lounge Chair,Open Arm,Contrast	2	\$2,012.00	\$4,024.00	56.6	\$873.21
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMLS</b>

Highest Grade Contrasting Fabric	Fabric Grade I	I
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back- NFR	Fabric Grade I	I
Fabric	H2O	H2O
H2O	NATURAL	/27.183.011.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat- NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	TIGER EYE	/27.222.161.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

59.5 SLOM43/FC Soltice Metal Sofa,Open Arm,Contrast 1 \$3,441.00 \$3,441.00 56.6 \$1,493.39

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SOLTM Family Code: SMLS
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Highest Grade Contrasting Fabric	Fabric Grade I	I
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back-NFR	Fabric Grade I	I
Fabric	H2O	H2O
H2O	NATURAL	/27.183.011.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat-NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	TIGER EYE	/27.222.161.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

59.6 SR3FX-KN Synthesis Fixed Leg,Round,x Base,Knife Edge,36"Dia 2 \$798.00 \$1,596.00 56.6 \$346.33

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SYNTH Family Code: SFX
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Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

59.7 SS25FX-KN Synthesis Fixed Leg,Square,x Base,Knife Edge,30x30" 2 \$759.00 \$1,518.00 56.6 \$329.41

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SYNTH Family Code: SFX
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Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

Tag 1 WorkGroup Product Subtotal  
RU2092

Tag 1  
 RU2107-Office/flex  
 60.1 GLNAU

Grazie Four-Leg Chair,Armless,Uph Seat 2 \$469.00 \$938.00 56.6 \$203.55

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

60.2 SR3FX-KN

Synthesis Fixed Leg,Round,x Base,Knife Edge,36"Dia 1 \$798.00 \$798.00 56.6 \$346.33

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

**WorkGroup Product Subtotal**

Tag 1  
 RU2107  
 Tag 1  
 TB2028-Staff Lounge  
 61.1 GLCAU

Grazie Four-Leg Chair,Cantilever Arm,Uph Seat 2 \$569.00 \$1,138.00 56.6 \$246.95

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

61.2 GLNAU

Grazie Four-Leg Chair,Armless,Uph Seat 2 \$469.00 \$938.00 56.6 \$203.55

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: GRZ4L</b>
<b>Price Level: Level1</b>	<b>Family Code: GLU</b>

Grazie Seat Uph	Compliance to TB 117-2013	/NFR
Grazie Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	UNRAVELED	UNRAVELED
UNRAVELED	ESPRESSO	/27.168.111.P
Frame Color	Chrome	/CH
Glide Option	Plastic glides	/P
Poly Seat & Back Color	Compliance to TB 117-2013	-NFR
Poly Seat & Back Color NFR	Bronze, Translucent (Armcaps-if applicable-	/PBT

61.3 SR35FX-KN

Synthesis Fixed Leg,Round,x Base,Knife Edge,42"Dia 1 \$924.00 \$924.00 56.6 \$401.02

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SYNTH</b>
<b>Price Level: Level1</b>	<b>Family Code: SFX</b>

Edge Color	Warm Grey edge	/EWG
Surface Finish	KI Laminates	Standard
KI Laminates	PEARL BISQUE LS D485-07	/LPB
Base Finish	Starlight Silver Metallic	/SX
Wire Management Options	No wire management	/NM

**Tag 1**  
**TB2028**  
**Tag 1**  
**TB2033-Nurses Station**  
 62.1 **SIFTUAA**

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$815.00	\$815.00	56.6	\$353.71
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**WorkGroup Product Subtotal**

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: LevelI</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**Tag 1**  
**TB2033**  
**Tag 1**  
**TB2034-Dictation**  
 63.1 **SIFTUAA**

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	2	\$815.00	\$1,630.00	56.6	\$353.71
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**WorkGroup Product Subtotal**

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: LevelI</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**Tag 1**  
**TB2034**  
**Tag 1**  
**TB2035-Nurses Station**  
 64.1 **SIFTUAA**

Sift Task 4D Adjustable T-Arm Chair, Upholstered Seat	1	\$815.00	\$815.00	56.6	\$353.71
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**WorkGroup Product Subtotal**

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: LevelI</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**Tag 1**  
**TB2035**

**WorkGroup Product Subtotal**

Tag 1  
 TB2036-TB Charting  
 65.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 2 \$815.00 \$1,630.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 TB2036  
 Tag 1  
 TB2045-TB charting  
 66.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 1 \$815.00 \$815.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 TB2045  
 Tag 1  
 TB2046-TB charting  
 67.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 1 \$815.00 \$815.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 TB2046  
 Tag 1  
 TB2047-TB charting  
 68.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair, 1 \$815.00 \$815.00 56.6 \$353.71  
 Upholstered Seat

Price Description: Delivered/Open Market Price Level: Level1	Major Product Group: SIFT Family Code: SIFTU
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Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

WorkGroup Product Subtotal

Tag 1  
 TB2047

Tag 1  
 TB2049-TB Charting  
 69.1 SIFTUAA

Sift Task 4D Adjustable T-Arm Chair,  
 Upholstered Seat 1 \$815.00 \$815.00 56.6 \$353.71

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SIFT</b>
<b>Price Level: Level1</b>	<b>Family Code: SIFTU</b>

Base Finish	Plastic base	/P
Casters	Hard floor casters	/S
Sift Seat Upholstery	Compliance to TB 117-2013	/NFR
Sift Upholstery NFR	Pallas Fabric Group P1	GRPP1
P1 Pallas Fabric	BOUNCE	BOUNCE
BOUNCE	SMOKEY TAUPE	/27.160.171.P

**WorkGroup Product Subtotal**

Tag 1  
 TB2049  
 Tag 1  
 VIP FAMILY ROOMS

70.1 2207/L-74P

Soltice Metal Square Lamp  
 Table,Laminate Top,74P  
 Edge,24x24x16"H 6 \$673.00 \$4,038.00 56.6 \$292.08

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMFT</b>

Base Finish	Starlight Silver Metallic	/SX
Laminate Color	KI Laminates	Standard
KI Laminates	COCOBALA 7942-38	/LCC
Edge Color	Cocobala edge	/ECC
Glide Color	Flannel (Dark Grey)	/NGFN

70.2 SLOM43/FC

Soltice Metal Sofa,Open Arm,Contrast 6 \$3,241.00 \$19,446.00 56.6 \$1,406.59

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMLS</b>

Highest Grade Contrasting Fabric	Fabric Grade G	G
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back- NFR	Fabric Grade G	G
Fabric	URBANIZED	URBANIZED
URBANIZED	LINEN	/29.093.012.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat- NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	SAPPHIRE	/27.222.154.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

70.3 SLSP/NC

Soltice Lounge Sleeper,Closed Arm,Non-  
 Contrast 6 \$4,450.00 \$26,700.00 56.6 \$1,931.30

<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTC</b>
<b>Price Level: Level1</b>	<b>Family Code: SOLLS</b>

Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Fabric NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	TIGER EYE	/27.222.161.P
Pull Handle Color	Gloss Black (standard)	/PLBK
Moisture Barrier	No Moisture Barrier	/NMB
Arm Option	Black poly (pair)	/PAC

**WorkGroup Product Subtotal**

Tag 1  
 VIP FAMILY ROOMS

Tag 1

VIP PATIENT ROOMS

71.1	DBCOC-SS	Dante Bedside Cabinet,1 Drawer/Open,Caster Base,Solid Resin Top 1" Thick (SS)	6	\$1,386.00	\$8,316.00	56.6	\$601.52
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: DANT2</b>
<b>Price Level: Level1</b>	<b>Family Code: DBC</b>

Solid Surface Finish	Key west	/SKT
Vertical Surface Laminate	Cocobala	/CLCC
Lock Option	No lock (standard)	/NL
Pull Option	Square pull	/DSQ
Pull Finish	Brass Nickel (standard)	/BN

71.2	SOMB/FC	Soltice Metal Multiple Seating-Bariatric Chair,No Table No Chair Connect,Open Arm,Contrast	2	\$1,973.00	\$3,946.00	56.6	\$856.28
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMMB</b>

Highest Grade Contrasting Fabric	Fabric Grade J	J
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back- NFR	Fabric Grade J	J
Fabric	HALFTONE	HALFTONE
HALFTONE	GREY TREE	/27.198.101.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat- NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	BALIN	/27.222.031.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

71.3	SOMC/FC	Soltice Metal Multiple Seating-1 Seat Unit,No Table No Chair Connect,Open Arm,Contrast	4	\$1,283.00	\$5,132.00	56.6	\$556.82
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMMC</b>

Highest Grade Contrasting Fabric	Fabric Grade J	J
Fabric Contrast #1/Back	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #1/Back- NFR	Fabric Grade J	J
Fabric	HALFTONE	HALFTONE
HALFTONE	GREY TREE	/27.198.101.P
Fabric Contrast #2/Seat	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric Contrast #2/Seat- NFR	Fabric Grade E	E
Fabric	SANDSTONE	SANDSTONE
SANDSTONE	BALIN	/27.222.031.P2
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB

71.4	SPMPX/NC	Soltice Metal Motion Patient Chair,Closed Arm,Non-Contrast	2	\$2,545.00	\$5,090.00	56.6	\$1,104.53
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTM</b>
<b>Price Level: Level1</b>	<b>Family Code: SMPX</b>

Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Metal Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Base Finish	Starlight Silver Metallic	/SX
Armcap Option	Black poly	/PACBL
Glide Color	Flannel (Dark Grey)	/NGFN
Moisture Barrier	No Moisture Barrier	/NMB



71.5	SR/NC	Soltice Recliner,Closed Arm,Non-Contrast,No Articulating Tablet	2	\$3,190.00	\$6,380.00	56.6	\$1,384.46
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTC</b>
<b>Price Level: Level1</b>	<b>Family Code: SORL</b>

Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Arm Option	Black poly (pair)	/PAC
Moisture Barrier	No Moisture Barrier	/NMB
I.V. Pole (Facing)	No pole	-NS
Catheter Attachment	No catheter attachment	-NCA
Mechanism Type	Standard mechanism	/SM
Monitor Arm	No monitor arm	-NMA
Magazine Rack	No rack	-NMR

71.6	SRII/NC	Soltice II Recliner,Closed Arm,Non-Contrast,No Tablet Arm	2	\$4,929.00	\$9,858.00	56.6	\$2,139.19
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<b>Price Description: Delivered/Open Market</b>	<b>Major Product Group: SOLTC</b>
<b>Price Level: Level1</b>	<b>Family Code: SORL2</b>

Non-Contrast Fabric	Compliance to TB 117-2013	/NFR
Soltice Fabric NFR	Fabric Grade E	E
Fabric	TERRA	TERRA
TERRA	ONYX	/27.223.201.P
Magazine Pouch	No magazine pouch	-NMR
I.V. Pole (Facing)	No pole	-NS
Catheter Attachment	No catheter attachment	-NCA
Arm Option	Black poly (pair)	/PAC
Moisture Barrier	No Moisture Barrier	/NMB
Monitor Arm	No monitor arm	-NMA

Tag 1  
VIP PATIENT ROOMS

WorkGroup Product Subtotal

Product SubTotal:  
Delivery and Install  
Estimated Sales Tax 5.6000%:  
Quote Total:

Sales Tax (For Shipment within the United States Only): Estimated sales/use tax will be calculated when order is entered. It is the customers's responsibility to pay any applicable sales/use tax due upon invoicing. A customer will not be charged sales tax if (1) a Resale Certificate, (2) an Exempt Organization

**EXHIBIT I**  
**ESCROW AGREEMENT**

See attached.

Schedule 12-6

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## ESCROW AGREEMENT

This Escrow Agreement (the "Agreement") dated December 30, 2015 (the "**Closing Date**") is among **CHP SURPRISE AZ REHAB OWNER, LLC**, a Delaware limited liability company ("**Purchaser**"), **SURPRISE REHAB, LP**, a Texas limited partnership ("**Seller**"), and **FIDELITY NATIONAL TITLE INSURANCE COMPANY**, as escrow agent ("**Escrow Agent**").

### RECITALS:

- A. Purchaser and Seller are parties to that certain Asset Purchase Agreement dated June 17, 2015, as amended (the "**Purchase Agreement**"). Capitalized terms used in this Agreement without definition shall have the respective meanings given to them in the Purchase Agreement.
- B. In connection with the closing of the transaction contemplated by the Purchase Agreement, Purchaser and Cobalt Rehabilitation Hospital IV, LLC, a Texas limited liability company and an affiliate of Seller ("**Tenant**") entered into that certain Lease Agreement dated of even date herewith (the "**Lease**"), pursuant to which Tenant leases certain property located in Surprise, Arizona.
- C. Pursuant to the Lease, Tenant is required to deliver to Purchaser a Letter of Credit (as defined in the Lease) in the amount of Two Million Dollars (\$2,000,000.00) (the "**LOC Amount**").
- D. As of the date hereof, Tenant has not obtained the Letter of Credit required by the Lease.
- E. In lieu of the Letter of Credit, Seller desires to place an amount equal to the LOC Amount in escrow, which shall be disbursed in accordance with the terms set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### AGREEMENTS:

- 1. ESTABLISHMENT OF ESCROW.
  - a. On the Closing Date, Seller shall deposit with Escrow Agent an amount equal to the LOC Amount in immediately available funds (as increased by any earnings thereon and as reduced by any disbursements, amounts withdrawn under Section 5(j), or losses on investments, the "**Escrow Fund**"). Escrow Agent hereby acknowledges receipt thereof.
  - b. Escrow Agent hereby agrees to act as escrow agent and to hold, safeguard and disburse the Escrow Fund pursuant to the terms and conditions hereof.

2. INVESTMENT OF FUNDS. Except as Purchaser and Seller may from time to time jointly instruct Escrow Agent in writing, the Escrow Fund shall be invested from time to time, to the extent reasonably possible, in United States Treasury bills having a remaining maturity of ninety (90) days or less and repurchase obligations secured by such United States Treasury bills, with any remainder being deposited and maintained in a money market deposit account with any bank or trust company organized under the laws of the United States of America or the laws of any state thereof which has a long term debt rating from Moody's Investor's Service, Inc. or from Standard & Poor's Corporation of at least an "AAA" rating or as to which Seller and Purchaser shall have otherwise given their consent, until disbursement of the entire Escrow Fund. Escrow Agent is authorized to liquidate in accordance with its customary procedures any portion of the Escrow Fund consisting of investments to provide for payments required to be made under this Agreement.

3. CLAIMS. From time to time on or before the Release Date (as defined below), in the event, pursuant to the Lease, Purchaser has a claim against Tenant pursuant to the Lease, Purchaser may make a Claim (a "Claim") against the Escrow Fund by giving notice to Seller and Escrow Agent specifying in reasonable detail the nature and dollar amount of the Claim. Any notice under the preceding sentence is referred to herein as a "Notice". Within two (2) business days of receipt of the Notice, Escrow Agent shall pay to Purchaser the dollar amount claimed in the Notice from (and only to the extent of) the Escrow Fund.

4. DISBURSEMENTS OF ESCROW. The Escrow Fund shall be released to Seller as soon as reasonably practicable following the date on which Purchaser receives an original Letter of Credit reasonably acceptable to Purchaser, as required under the Lease (the "Release Date"), provided, however, in the event the Release Date does not occur within thirty (30) days following the Closing Date, the remaining Escrow Fund shall be released to Purchaser for purposes of serving as Tenant's Letter of Credit (as such term is defined by the Lease).

5. DUTIES OF ESCROW AGENT.

- a. Escrow Agent shall not be under any duty to give the Escrow Fund held by it hereunder any greater degree of care than it gives its own similar property and shall not be required to invest any funds held hereunder except as directed in this Agreement. Uninvested funds held hereunder shall not earn or accrue interest.
- b. Escrow Agent shall not be liable for actions or omissions hereunder, except for its own gross negligence or willful misconduct and, except with respect to claims based upon such gross negligence or willful misconduct, the other parties hereto shall jointly and severally indemnify and hold harmless Escrow Agent (and any successor Escrow Agent) from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of and in connection with this Agreement. Without limiting the foregoing, Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any cash held by it hereunder in good faith, in accordance with the terms hereof, including, without limitation, any liability for any delays (not resulting from its gross negligence or willful misconduct) in the investment or reinvestment of the Escrow Fund or any loss of interest incident to any such delays.

- c. Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that the person purporting to give receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so. Escrow Agent may conclusively presume that the undersigned representative of any party hereto which is an entity other than a natural person has full power and authority to instruct Escrow Agent on behalf of that party unless written notice to the contrary is delivered to Escrow Agent.
- d. Escrow Agent may act pursuant to the advice of counsel with respect to any matter relating to this Agreement and shall not be liable for any action taken or omitted by it in good faith in accordance with such advice.
- e. Escrow Agent does not have any interest in the Escrow Fund deposited hereunder but is serving as escrow holder only and has only possession thereof. Any payments of income from the Escrow Fund shall be subject to withholding regulations then in force with respect to United States taxes. The parties hereto will provide Escrow Agent with appropriate Internal Revenue Service Forms W-9 for tax identification number certification, or nonresident alien certifications. This Section 5(e) and Section 5(b) shall survive notwithstanding any termination of this Agreement or the resignation of Escrow Agent.
- f. Escrow Agent makes no representation as to the validity, value, genuineness or collectability of any security or other document or instrument held by or delivered to it.
- g. Escrow Agent shall not be called upon to advise any party as to the wisdom in selling or retaining or taking or refraining from any action with respect to the Escrow Fund.
- h. Escrow Agent (and any successor Escrow Agent) may at any time resign as such by delivering the Escrow Fund to any successor Escrow Agent jointly designated by the other parties hereto in writing, or to any court of competent jurisdiction, whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent will take effect on the earlier of (i) the appointment of a successor (including a court of competent jurisdiction) or (ii) the day which is thirty (30) days after the date of delivery of its written notice of resignation to the other parties hereto. If, at that time, Escrow Agent has not received a designation of a successor Escrow Agent, Escrow Agent's sole responsibility after that time shall be to retain and safeguard the Escrow Fund until receipt of a designation of successor Escrow Agent or a joint written disposition instruction by the other parties hereto or a final, non-appealable order of a court of competent jurisdiction.

- i. In the event of any disagreement between the other parties hereto resulting in adverse claims or demands being made in connection with the Escrow Fund or in the event that Escrow Agent is in doubt as to what action it should take hereunder, Escrow Agent shall be entitled to retain the Escrow Fund until Escrow Agent shall have received (i) a final, non-appealable order of a court of competent jurisdiction directing delivery of the Escrow Fund or (ii) a written agreement executed by the other parties hereto directing delivery of the Escrow Fund, in which event Escrow Agent shall disburse the Escrow Fund in accordance with such order or agreement. Any court order shall be accompanied by a legal opinion by counsel for the presenting party satisfactory to Escrow Agent to the effect that the order is final and non-appealable. Escrow Agent shall act on such court order and legal opinion without further question.
- j. Purchaser and Seller agree to reimburse Escrow Agent for all reasonable expenses, disbursements and advances incurred or made by Escrow Agent in performance of its duties hereunder (including reasonable fees, expenses and disbursements of its counsel). Any such compensation and reimbursement to which Escrow Agent is entitled shall be borne fifty percent (50%) by Seller and fifty percent (50%) by Purchaser. Any fees or expenses of Escrow Agent or its counsel that are not paid as provided for herein may be taken from any property held by Escrow Agent hereunder.
- k. No printed or other matter in any language (including, without limitation, prospectuses, notices, reports and promotional material) that mentions Escrow Agent's name or the rights, powers or duties of Escrow Agent shall be issued by the other parties hereto or on such parties' behalf unless Escrow Agent shall first have given its specific written consent thereto.

6 . LIMITED RESPONSIBILITY. This Agreement expressly sets forth all the duties of Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent shall not be bound by the provisions of any agreement among the other parties hereto except this Agreement and any other agreement executed by Escrow Agent.

7 . OWNERSHIP FOR TAX PURPOSES. Seller agrees that, for purposes of federal and other taxes based on income, Seller will be treated as the owner of the Escrow Fund and that Seller will report all income, if any, that is earned on, or derived from, the Escrow Fund as its income in the taxable year or years in which such income is properly includible and pay any taxes attributable thereto.

8 . NOTICES. All notices, consents, waivers and other communications required or permitted under this Agreement shall be in writing and shall be delivered as required under Section 13.1 of the Purchase Agreement to the addresses specified therein, with the address of the Escrow Agent being as follows:

Fidelity National Title Insurance Company  
1 East Washington Street, Suite 450  
Phoenix, Arizona 85004  
Attention: Mary Garcia, Director of Major Accounts

9 . JURISDICTION; SERVICE OF PROCESS. Any proceeding arising out of or relating to this Agreement may be brought in the courts of the State of Arizona, Maricopa County, or, if it has or can acquire jurisdiction, the United States District Court in and for Maricopa County, Surprise, Arizona, and each of the parties irrevocably submits to the exclusive jurisdiction of each such court in any such proceeding and waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the proceeding shall be heard and determined only in any such court and agrees not to bring any proceeding arising out of or relating to this Agreement in any other court. Process in any proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

10 . EXECUTION OF AGREEMENT. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or e-mail transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or e-mail shall be deemed to be their original signatures for any purposes whatsoever.

11 . SECTION HEADINGS, CONSTRUCTION. The headings of sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

12. WAIVER. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

13. ENTIRE AGREEMENT AND MODIFICATION. This Agreement supersedes all prior agreements among the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by Purchaser, Seller and Escrow Agent.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Arizona without regard to conflicts of law principles that would require the application of any other Law.

*[Signatures appear on following pages]*



IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

**SELLER:**

**SURPRISE REHAB, LP,**  
a Texas limited partnership

By: SURPRISE REHAB GP, LLC,  
a Texas limited liability company, its general partner

By: \_\_\_\_\_  
Name: Erik de Vries  
Title: President

*[Signature Page to Escrow Agreement]*

**PURCHASER:**

**CHP SURPRISE AZ REHAB OWNER,  
LLC, a Delaware limited liability company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*[Signature Page to Escrow Agreement]*

**ESCROW AGENT:**

**FIDELITY NATIONAL TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SCHEDULE 12.6

**TENANT PERSONAL PROPERTY EXCLUSIONS**

NONE.

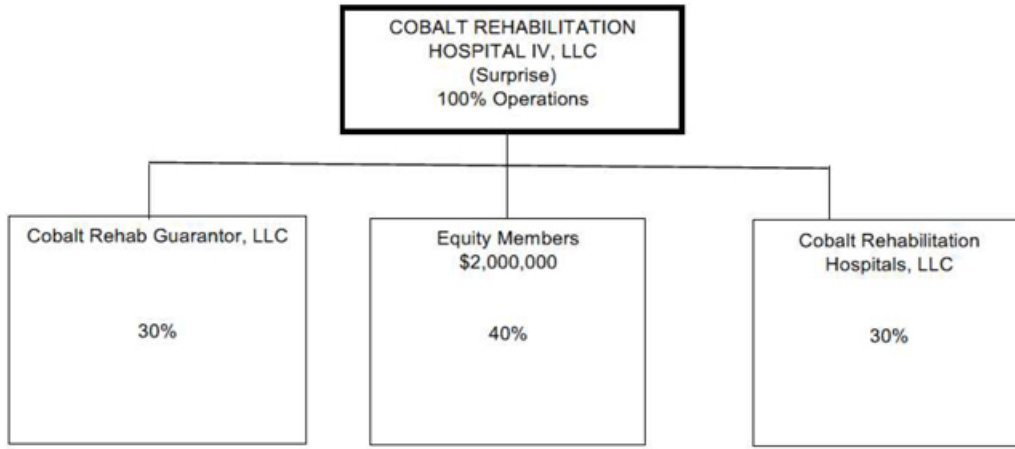
Schedule 12-6

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**SCHEDULE 16.2**

**TENANT ORGANIZATIONAL CHART**

**COBALT REHABILITATION HOSPITAL  
OPERATIONS ORGANIZATIONAL CHART  
SURPRISE**



## LEASE AGREEMENT

This Lease Agreement (the "Lease") made and entered into as of the 17<sup>th</sup> day of October, 2011 between TST Oklahoma City, LLC (the "Landlord"), and Mercy Rehabilitation Hospital, LLC, an Oklahoma limited liability company (the "Tenant").

In consideration of the rents, mutual covenants and agreements set forth herein, the Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord that certain real property and improvements consisting of that certain Inpatient Rehabilitation Hospital located at 5401 West Memorial Road, Oklahoma City, Oklahoma consisting of a one (1) story, approximately 53,449 square foot building (the "Building") with related parking area and surrounding land, as more particularly described herein and on **Exhibit "A"** to be attached hereto (the "Premises").

The following, together with the General Provisions of Lease attached hereto and incorporated herein by reference, constitute the provisions of this Lease.

- (a) Landlord's Address:  
TST Oklahoma City, LLC  
c/o The Sanders Trust, LLC  
1000 Urban Center Drive, Suite 675  
Birmingham, Alabama 35242
- With a copy to:  
Wallace Jordan Ratliff & Brandt, LLC  
800 Shades Creek Parkway, Suite 400  
Birmingham, Alabama 35209  
Attn: Michael J. Brandt
- and:
- Harrison Street Real Estate Capital  
71 South Wacker Drive, Suite 3575 203  
Chicago, Illinois  
Attn: Stephen Gordon  
Michael Gershowitz
- DLA Piper LLP (US)  
North LaSalle Street, Suite 1900  
Chicago, Illinois 60601  
Attn: Shari Helft Lennon
- (b) Tenant's Address:  
Mercy Rehabilitation Hospital, LLC  
c/o Centerre Healthcare Corporation  
5250 Virginia Way, Suite 240  
Brentwood, Tennessee 37027  
Attn: Darrell Simpson
- With a copy to:  
Mercy Health f/k/a Sisters of Mercy Health System  
14528 South Outer Forty Road, Suite 100  
Chesterfield, Missouri 63017  
Attn: VP Real Estate Management
- and:
- Bradley Arant Boult Cummings, LLP  
1600 Division Street, Suite 700  
Nashville, Tennessee 37203  
Attn: David Rutter
- Mercy Health f/k/a Sisters of Mercy Health System  
14528 South Outer Forty Road, Suite 100  
Chesterfield, Missouri 63017  
Attn: Nancy Bukovic
- (c) Lease Term: The term of this Lease (the "Term") shall commence upon the date (the "Commencement Date") that Landlord delivers exclusive possession of the Premises to Tenant following the "Completion Date," as such term is defined in that certain Development Agreement between Landlord, as Owner, The Sanders Trust, as Developer, and Tenant, as Company, dated October 17, 2011 (the "Development Agreement"). The Term shall expire at midnight on the last day of the 180<sup>th</sup> full calendar month after the Commencement Date, unless renewed or extended in accordance herewith. The Commencement Date, when identified, will be confirmed by all parties by execution of **Exhibit "B"** attached hereto and made a part hereof. In the event Tenant fails to execute and return **Exhibit "B"** to Landlord within thirty (30) days of receipt from Landlord, then the date on **Exhibit "B"** shall be deemed accepted and confirmed by Tenant.

- (d) Option To Renew: Tenant shall have three (3) succeeding options to renew the Term, each such option, if exercised, shall extend the Term for a period of ten (10) years, as further described in **Exhibit "C"** attached hereto and made a part hereof.
- (e) Base Rent: Base Rent during the first year of the Lease term shall determined by multiplying the actual Project Costs (as defined in Section 6(g) of the Development Agreement) by eight and one-half percent (8.5%) (hereinafter "Base Rent"). By way of illustration only, the budget for Project Costs is \$19,391,187, which (if fully used) results in the initial Base Rent being \$1,648,250.89 per annum, payable in monthly installments of \$137,354.24. At least thirty (30) days prior to the Commencement Date, Landlord shall notify Tenant, in writing, of Landlord's best estimate of the actual Project Costs and the Base Rent shall be initially calculated based on such estimate. Within forty-five (45) days after the Commencement Date, Landlord shall furnish Tenant with a final, written statement of Project Costs and the Base Rent shall be recalculated based thereon; provided Tenant shall have the right to dispute any Project Costs in accordance with the Development Agreement and the Base Rent shall be recalculated again once such dispute is resolved pursuant thereto. Within fifteen (15) business days after any recalculation of Project Costs, Landlord or Tenant, as applicable, shall make any payments necessary to cause Tenant to have paid the correct Base Rent with respect to prior periods, but not more. As soon as Project Costs are finally known, Landlord and Tenant shall execute a written certificate setting forth the exact Base Rent for the first (1<sup>st</sup>) year of the Lease term. Notwithstanding anything to the contrary, for purposes of calculating the Base Rent, in no event will the actual Project Costs exceed the Maximum Project Costs (as defined in the Development Agreement).
- Base Rent shall be increased annually by two and one half percent (2.5%) each year, such increases to be effective on the first day of the month following the anniversary of the Commencement Date (unless the Commencement Date is on the first day of a month, in which case Base Rent will be increased annually on the anniversary of the Commencement Date) throughout the term and any renewal or extension terms of the Lease. Base Rent shall be due and paid in equal monthly installments payable in advance on or before the 1<sup>st</sup> day of each calendar month throughout the Lease term.
- (f) Operating Expenses: This is an absolute net lease, meaning that, except as otherwise expressly provided in this Lease or the Development Agreement, it is the intention of Landlord and Tenant that all property taxes, insurance expenses, operating costs, utility expenses, and maintenance, repairs or replacement expenses of every kind and nature relating to the Premises which arise or become due and are allocable to periods during the Term of this Lease shall be paid by Tenant. Unless otherwise expressly provided herein or in the Development Agreement, Tenant expressly acknowledges and agrees that Landlord is not obligated to perform any services of any nature with respect to the Premises. In the event Tenant fails to pay any amount that it expressly owes to a third party under this Lease and Tenant does not cure such failure within ten (10) days after Tenant's receipt of written notice from Landlord, then Landlord may pay such amount and Tenant shall promptly reimburse Landlord therefor, which reimbursement shall herein be referred to as Additional Rent; provided, however, (i) if Tenant notifies Landlord, in writing, that Tenant is disputing the amount within such ten (10) day period and Tenant's failure to pay such amount does not create a material risk of loss or damage to the Premises, then Landlord shall not pay such amount unless it gives rise to a lien on the Premises that Tenant fails to release in accordance with Section 12 below, and (ii) if Tenant's failure to pay the amount creates a material risk of loss or damage to the Premises, then Landlord may immediately pay such amount, without giving notice to Tenant. As between Tenant and Landlord, Tenant shall be responsible for the solicitation of, contracting and the payment for all services provided to Tenant at the Premises during the Term.
- (g) Security Deposit: N/A.
- (h) Guaranty: The obligations of Tenant under the Lease shall be guaranteed on a pro rata basis by both Mercy Health System of Oklahoma and Centerre Healthcare Corporation pursuant to Guaranty Agreements in form as set forth in **Exhibit "D"** attached hereto and made a part hereof.
- (i) Purchase Option: As further described in **Exhibit "E"** attached hereto.
- (j) Right of First Offer/Right of First Refusal: In the event Landlord receives a bona fide offer to sell the Property, Tenant shall have a Right of First Refusal with respect to such offer as further defined in **Exhibit "E"** attached hereto.

- (k) Leasing Brokerage: N/A, as further provided in section 39 herein.
- (l) Permitted Use of Premises: Any or all of the following purposes and uses incidental thereto (collectively, the "Permitted Uses"): (i) the operation of a rehabilitation hospital (as further defined in Section 6 below), the provision of medical services and activities related thereto, including, without limitation, (A) diagnostic and treatment services, tests and procedures by physicians and other health care professionals, (B) medical imaging, including, without limitation, the operation of CT scanners, MRIs, X-Rays and other imaging equipment, (C) the operation of a medical clinic, (D) laboratory, (E) the provision of occupational therapy, physical therapy, speech therapy, respiratory therapy and wellness services, (F) food service, (G) retail sales, including, without limitation, the sale of durable medical products and other health care related products, (H) pharmacy; and (ii) general office uses.
- (m) Tenant Work Allowance: Intentionally Deleted.
- (o) Except as otherwise set forth herein or in the Development Agreement, Tenant accepts the Premises "as is, where is" and Landlord shall have no responsibility whatsoever to make any improvements, alterations, or additions to the Premises.
- (p) Normal Business Hours: Intentionally Deleted

[SIGNATURES ON NEXT PAGE]



The parties hereto further agree to be bound by the terms and provisions of the General Provisions of Lease for the Premises, together with all Exhibits and Amendments, a copy of which is attached hereto and made a part hereof.

For purposes hereof, an electronic e-mail or a facsimile copy of this Lease Agreement, including the signature pages thereto, shall be deemed a valid and enforceable original.

TENANT

Mercy Rehabilitation Hospital, LLC

By: /s/ Thomas K. Chadwick  
Title: Authorized Representative

WITNESS: \_\_\_\_\_  
WITNESS: \_\_\_\_\_

LANDLORD:

TST Oklahoma City, LLC

By: /s/ Rance M.Sanders  
Title: Authorized Representative

WITNESS: [illegible]  
WITNESS: [illegible]

GENERAL PROVISIONS OF LEASE

AT

BETWEEN TST OKLAHOMA CITY, LLC, LANDLORD

AND

MERCY REHABILITATION HOSPITAL, LLC, TENANT

RECEIPT

THE UNDERSIGNED HEREBY ACKNOWLEDGES THE RECEIPT, PRIOR TO EXECUTION OF THE LEASE, OF THESE GENERAL PROVISIONS OF LEASE, CONTAINING PAGES 6 THROUGH 20, TOGETHER WITH ATTACHED EXHIBITS, ALL OF WHICH ARE A PART OF THE UNDERSIGNED'S LEASE OF THAT CERTAIN PREMISES.

THE UNDERSIGNED FURTHER ACKNOWLEDGES THAT HE/SHE/IT IS FAMILIAR WITH THE TERMS OF THESE GENERAL PROVISIONS OF LEASE AND AGREES TO BE BOUND BY AND TO BE BOUND BY AND TO COMPLY WITH THEM.

Mercy Rehabilitation Hospital, LLC

BY: /s/ Thomas K. Chadwick

PRINT NAME: Thomas K. Chadwick

ITS: Authorized Representative

DATE: October 17, 2011

TST Oklahoma City, LLC

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: October 17, 2011

GENERAL PROVISIONS OF LEASE

AT

BETWEEN TST OKLAHOMA CITY, LLC, LANDLORD

AND

MERCY REHABILITATION HOSPITAL, LLC, TENANT

RECEIPT

THE UNDERSIGNED HEREBY ACKNOWLEDGES THE RECEIPT, PRIOR TO EXECUTION OF THE LEASE, OF THESE GENERAL PROVISIONS OF LEASE, CONTAINING PAGES \_\_\_ THROUGH \_\_\_, TOGETHER WITH ATTACHED EXHIBITS, ALL OF WHICH ARE A PART OF THE UNDERSIGNED'S LEASE OF THAT CERTAIN PREMISES.

THE UNDERSIGNED FURTHER ACKNOWLEDGES THAT HE/SHE/IT IS FAMILIAR WITH THE TERMS OF THESE GENERAL PROVISIONS OF LEASE AND AGREES TO BE BOUND BY AND TO COMPLY WITH THEM.

Mercy Rehabilitation Hospital, LLC

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: October 17, 2011

TST Oklahoma City, LLC

BY: /s/ Rance M. Sanders

PRINT NAME: Rance M. Sanders

ITS: Authorized Representative

DATE: October 17, 2011

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**SEC. 1. BASE RENT:** The amount of Base Rent shall be as provided above in paragraph (c) on page 2 of this Lease. The term "Rent" as used herein shall Tenant shall, at Tenant's refer to Base Rent and Additional Rent. Anything herein to the contrary notwithstanding, in no event will the Base Rent provided for in this Lease ever be reduced except in accordance with the express provisions of this Lease.

**SEC. 2. ADDITIONAL RENT:** Landlord shall have no responsibility whatsoever to pay any expenses whatsoever related to the operation of the Premises during the Term, except to the extent expressly provided herein or in the Development Agreement, and all charges, costs and expenses for which Tenant is responsible under any provision of this Lease, including those expenses identified in paragraph A. below, shall constitute and hereinafter be referred to as "Additional Rent". In the event Landlord incurs or assumes any expense related to the Premises, then Tenant shall reimburse Landlord, as Additional Rent, for 100% of the expense, within thirty (30) days of the date of Landlord's invoice; provided Landlord shall not incur any such costs without Tenant's written approval or in accordance with the express provisions of this Lease.

**A. Operating Expenses:** It is the intention of all parties that Tenant shall be responsible for all costs and expenses, maintenance, repair, replacement and operation of the entire Premises, (which includes all corridors, restrooms, lobbies and any other accessible areas in the Premises, all landscaped areas, all parking areas and all other exterior areas) during the term of this Lease, except as otherwise expressly provided herein. Tenant shall contract for and pay directly to each vendor or supplier all Operating Expenses (as hereinafter defined).

As used herein, "Operating Expenses" shall mean, subject to the other terms hereof and the Development Agreement, all costs and expenses paid or incurred in connection with the operation and maintenance of the Premises incurred by Tenant or levied by any governmental authority against Premises that are allocable to periods during the Term, including, as example, but not be limited to the following:

- (i) all real estate taxes and all special assessments; all sales taxes on payments of Rent, costs and expenses of contesting the validity or amount of real estate taxes; insurance deductibles and premiums; all maintenance charges including but not limited to water, sewer, electrical and other utility charges; service and other charges incurred in the operation and maintenance and replacement of the heating, ventilation and air conditioning system(s), and electrical, generator, and all related life safety systems; cleaning and other janitorial services; cleaning, repair, maintenance and replacement of all doors and windows; cleaning, repair and replacement of all exterior walls and finishes; elevators and all elevator permits, fees, inspections, service and part replacement; all plumbing related expenses; all tools and supplies; repair costs; cost to repair and replacement of floor covering, wall covering; and other improvement finishes; landscape maintenance costs; security services; license, post-occupancy permit and inspection fees; trash removal; snow removal; garage or parking lot maintenance and replacement; and roof repair, maintenance and replacement.
- (ii) Unless approved by Landlord in writing, Tenant must contract only with contractors that (i) have a current business license in good standing in all applicable jurisdictions and are registered with the Secretary of State of Oklahoma and are authorized to conduct business at the Premises, and (ii) provide Certificates of Insurance (defined below) naming Landlord and Landlord's agent as Additional Insured.
- (iii) At the Request of Landlord, Tenant shall provide to Landlord copies of all contracts for services related to the operation, maintenance and repair of the Premises (as opposed to Tenant's business), invoices for Operating Expenses, and certificates of insurance.

Federal and State taxes imposed upon or measured by the gross receipts or income of Landlord shall not be considered a part of Operating Expenses, unless a future change in the method of taxation causes any franchise, gross receipts, income, profit or other tax to be levied against Landlord in substitution in whole or in part for or in lieu of any tax included as an Operating Expense hereunder. In such event, any such franchise, gross receipts, income, profit or other tax shall (with appropriate adjustments where necessary) be deemed to be Operating Expenses for the purposes hereof. In no event shall Operating Expenses include any of the costs described on **Exhibit "F."**

**B. Tenant Payment of Additional Rent:** Tenant shall pay for all Additional Rent directly to the provider or providers of every service on or before the date due, and, upon request by Landlord, shall provide copies of receipts or other evidence of payment. In the event Tenant fails to make such payments(s) when due and does not cure such failure within the periods provided in Section 16 below, then Landlord may, but shall not be obligated to, make such payments and the same shall be due from Tenant to Landlord as Additional Rent upon written notice from Landlord. Further, Landlord shall not be in default hereunder or be liable for any damages, directly or indirectly, resulting from, nor shall the Rent herein be abated, due to the installation, use or interruption of use of any equipment in connection with utilities or any other service provided to the Premises, unless caused by Landlord's negligent acts or willful misconduct or breach of the Development Agreement.

**C. Revisions of Estimated Additional Rent:** Intentionally Deleted

**D. Annual Adjustment to Additional Rent:** Intentionally Deleted.

**SEC. 3. RENT PAYMENT:** The Base Rent, Additional Rent, and all other sums required to be paid by Tenant hereunder, are sometimes collectively referred to as, and shall constitute, "Rent."

Rent is due on or before the first day of each month throughout the Lease term. Rent shall be paid by Tenant when due, without prior demand therefore and without deduction or set off unless otherwise specifically provided herein, at such place as Landlord may designate from time to time. Tenant's timely payment of monthly Rent due is stipulated herein and Landlord shall have no obligation or requirement to provide Tenant further or additional notice of monthly Rent due. In the event that Landlord should notify Tenant of monthly Rent due, such notice shall be considered a "courtesy" notice of Landlord and shall in no way alter the provisions of Tenant's obligation to make automatic and recurring monthly Rent payments on or before the 1<sup>st</sup> day of each month as provided herein.

In the event any installment of Base Rent, Additional Rent or other amount due from Tenant to Landlord under this Lease shall not be paid within five (5) days after it is due, a late charge of One Hundred dollars (\$100.00) per day may be charged by Landlord, as Additional Rent, for the purpose of defraying Landlord's administrative expenses incident to the handling of such overdue payments, and Tenant agrees to pay such Rent to Landlord upon demand.

**SEC. 4. PAYMENT FOR OTHER SERVICES:** Tenant agrees to pay to Landlord as Rent all charges for any services, goods, or materials furnished by Landlord at Tenant's request immediately upon receipt of Landlord's written request for payment.

**SEC. 5. SECURITY DEPOSIT:** Not applicable.

**SEC. 6. TENANT'S OCCUPANCY AND USE:**

A. The Leased Premises shall be used and occupied by Tenant solely for the Permitted Uses. Tenant will not use, occupy or permit the use or occupancy of the Premises for any purpose which is, directly or indirectly, forbidden by applicable law, ordinance or governmental or municipal regulation or order, held to be immoral to the then standards of the United States Supreme Court; or permit the maintenance of any public or private nuisance.

B. Tenant shall not cause, and Tenant shall not permit its employees, agents, contractors or invitees to cause, the release or disposal of any hazardous substances, wastes or materials, or any medical, special or infectious wastes, on or about the Premises, except to the extent such release or disposal is in compliance with all applicable laws, rules, ordinances and regulations regarding the same. Hazardous substances, wastes or materials shall include those which are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 41 USC Section 9601 et seq; the Resource Conservation and Recovery Act as amended, 41 USC Section 6901 et seq; the Toxic Substances Control Act, as amended, 15 USC Section 2601 et seq; and medical, special or infectious wastes shall include those which are defined pursuant to the medical waste regulations which have been promulgated by the state in which the premises are located, and as further set forth in any state or local laws and ordinances, and their corresponding regulations. Tenant shall comply with all rules and policies set by all federal, state and local laws and regulations and ordinances which govern the use, storage, handling and disposal of hazardous substances, wastes or materials and medical, special or infectious wastes (collectively, "Hazardous Waste"). In the event of any release of such Hazardous Waste by Tenant on the Premises in violation of applicable laws, (i) Tenant shall monitor, clean-up and remediate such Hazardous Waste to the extent required by applicable governmental authorities in accordance with applicable laws, and (ii) Tenant shall indemnify, defend and hold Landlord harmless from and against any third party claims and associated liability arising out of or connected with Tenant's failure to comply with the terms of Section 6, which terms shall survive the expiration or earlier termination of this Lease. Nothing herein shall be deemed to make Tenant liable or responsible for any condition existing as of the Commencement Date or caused by Landlord or any of its agents, employees, contractors or representatives.

C. Subject to the other terms hereof, Landlord may, at its option, terminate this Lease and recapture the Premises, by giving written notice to Tenant, if no business operations are conducted in the Premises for a Qualifying Period and Tenant does not agree to resume using the Premises for the Permitted Uses within thirty (30) days after its receipt of such notice. For purposes hereof, the term "Qualifying Period" means any period of three (3) consecutive months or more, excluding: (i) any period when no business operations are being conducted in the Premises due to damage caused by fire or other casualty or the repair of such damage, (ii) any period when no business operations are being conducted in the Premises due to alterations, additions or improvements to the Premises or changes to the business operations being conducted therein; or (iii) any period when no business operations are being conducted in the Premises due to an Event of Force Majeure (as defined in Section 6.D.). Notwithstanding anything to the contrary, Tenant's discontinuance of its business operations in the Premises shall not constitute a default hereunder.

D. For purposes hereof, "Event of Force Majeure" means any strike, lockout, labor dispute, embargo, flood, earthquake, storm, lightning, fire, casualty, epidemic, act of God, war, national emergency, civil disturbance or disobedience, riot, sabotage, terrorism, taking by condemnation, restraint by court order or other occurrence beyond the reasonable control of Tenant. The period Tenant has to perform any obligation under this Lease shall be extended by the amount of time that performance of the obligation is prevented by an Event of Force Majeure; provided the provisions of this section shall not operate to extend the period Tenant has to pay any Rent.

**SEC. 7. LANDLORD'S RIGHT OF ACCESS:** Landlord or its authorized agents shall at any and all reasonable times have the right to enter the Premises at all reasonable hours to inspect the same, or to perform any obligation of Landlord hereunder, or to show the Premises to prospective purchasers, lenders or tenants, all without being deemed guilty of an eviction of Tenant and without abatement of Rent; provided the business of Tenant shall be interfered with as little as is reasonably practicable. Tenant hereby waives any claim for damages for any injury or inconveniences to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby resulting from Landlord's exercise of its rights hereunder, except to the extent caused by the negligent acts, willful misconduct or breach of this Lease by Landlord or any of its agents, employees, contractors or representatives. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes. Landlord shall have the right to use any and all means which Landlord may deem proper to open any door(s) in an emergency without liability therefor. In exercising its rights hereunder, Landlord shall comply with all applicable laws (including, without limitation, the Health Insurance Portability and Accountability Act of 1996, as amended, and all related regulations), and any standard or requirements of The Joint Commission or similar body with oversight over Tenant's operations in the Premises, and Landlord shall not enter any patient rooms or treatment areas without Tenant's approval. Tenant shall have the right to accompany Landlord and its agents, employees, contractors, lenders, prospective purchasers, lenders and tenants whenever they enter the Premises, and Landlord shall coordinate with Tenant prior to exercising its rights hereunder.

**SEC. 8. QUIET POSSESSION:** Upon Tenant's paying the Rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have the quiet possession of the Premises for the entire Term hereof, subject to all of the provisions of this Lease.

**SEC. 9. SERVICES AND UTILITIES:** Tenant shall in all respects be responsible for all services and utilities installed or caused to be installed in the Premises and the proper operation of same. Landlord shall not be liable in damages or otherwise for failure, stoppage or interruption of any such service, nor shall the same be construed as an eviction of Tenant, work an abatement of rent, or relieve Tenant from the operation of any covenant or agreement, except nothing herein shall be deemed to limit Landlord's obligations and liabilities under the Development Agreement (including, without limitation, its obligation to correct defects) or as a result of any negligent acts, willful misconduct or breach of this Lease by Landlord or any of its agents, employees, contractors or representatives.

**SEC. 10. REPAIRS AND MAINTENANCE:** Tenant, at its sole cost and expense, will keep the Premises including all improvements located thereon, in a reasonably good and clean condition and state of repair, ordinary wear and tear and casualty or condemnation loss excepted, and Tenant will promptly, at its sole cost and expense, make all necessary or appropriate repairs, replacements and renewals required to keep the Premises in such condition, whether interior or exterior, ordinary or extraordinary, foreseen or unforeseen; provided nothing herein shall be deemed to require Tenant to perform any obligations that are Landlord's or Developer's responsibility under this Lease or the Development Agreement (including, without limitation, the correction of defects that are Landlord's or Developer's responsibility under the Development Agreement). Without limiting the generality of the foregoing, Tenant acknowledges that Tenant's obligations under this paragraph include the maintenance, repair and replacement of structural elements of the Building (including, without limitation, the roof and exterior of the Building), plumbing, electrical components, doors, windows, HVAC and other building mechanical systems, landscaping, driveways and parking areas and such additional maintenance as may be necessary because of damages by persons other than Tenant, its agents, employees, invitees or visitors. All repairs, replacements and renewals made by Tenant shall be at least substantially equal in quality and construction standards to the original condition of the Premises. Tenant further covenants and agrees that Tenant will not commit or suffer to be committed any waste of the Premises. At the expiration of the Lease term, Tenant will remove all of its equipment, trade fixtures, furniture and personal property placed by it in the Premises, immediately repair any material damage caused by the removal thereof, and will surrender the Leased Premises in as good order as the same as on the Commencement Date, reasonable wear and tear and casualty or condemnation loss excepted, provided that, Tenant will not remove any property from the Premises, the cost of which was otherwise paid for by Landlord. Landlord shall not be required to make any improvements or repairs of any kind or character in the Premises during the term of this Lease, except (i) Landlord shall pay the cost of any repairs, maintenance or replacements required due to damage to the Premises caused by Landlord or any of its agents, employees, contractors and representatives, and (ii) improvements and repairs that are Landlord's or Developer's express responsibility under this Lease and the Development Agreement (including, but not limited to, its obligation to correct defects).

With respect to those repairs, replacements or renewals reasonably made by Tenant in accordance with this Section 10 during the last two (2) years of the Term and classified as capital expenditures, in accordance with generally accepted accounting principles in the United States, generally applied to the ownership and management of medical office building properties (each a "Capital Item"), if this Lease expires or terminates (for any reason other than a default by Tenant) prior to the agreed-upon expected useful life of any Capital Item, then Landlord shall reimburse Tenant for a percentage of the approved cost expended by Tenant for such Capital Item, such percentage being equal to the percentage of the agreed-upon expected useful life that extends beyond the termination/expiration date of this Lease, measured from the date of Tenant's full completion of and payment for the Capital Item. Landlord shall pay any such reimbursement to Tenant within thirty (30) days after the expiration/termination of this Lease and payment by Tenant of all Rent due, and Landlord's receipt from Tenant of a request for payment that details each applicable Capital Item, as well as the approved cost and then-remaining portion of the agreed expected useful life of each such Capital Item. Prior to incurring the cost of any Capital Item during the last two (2) years of the Term, Tenant shall give written notice to Landlord of such Capital Item (a "Capital Item Notice"). If Landlord reasonably believes that any such Capital Item is not necessary, Landlord shall have a period often (10) days after its receipt of the Capital Item Notice for such Capital Items to notify Tenant, in writing, that Landlord objects to such Capital Item; provided if Landlord fails to give Tenant written notice of its objection to any Capital Item within such ten (10) day period, then Landlord shall be deemed to have approved the same. If Landlord timely objects to any Capital Item that Tenant desires to undertake during the last two (2) years of the Term, (i) Tenant shall retain a qualified engineer or consultant, who is reasonably acceptable to Landlord, to determine whether such Capital Item is reasonably necessary or advisable, and (ii) such engineer's or consultant's determination shall be final and binding on Landlord and Tenant. If Landlord objects to a Capital Item and such engineer or consultant determines the same is reasonably necessary or desirable, then Landlord shall pay the fees charged by such engineer or consultant. Otherwise, Tenant shall be responsible for paying the fees of any engineer or consultant retained to review the need for any Capital Item pursuant hereto.

On or before the Commencement Date, Landlord shall deliver to Tenant clean, readable copies of all guarantees and warranties issued in connection with the development of the Premises and all manufacturer's, contractor's, subcontractor's and supplier's instructions, maintenance manuals, replacements lists, detailed drawings and any technical requirements necessary to operate and maintain the Premises.



**SEC. 11. TENANT'S ALTERATIONS, FIXTURES AND PERSONAL PROPERTY:** Tenant covenants and agrees that it will make no structural change, interior alterations or additions without Landlord's written consent in advance, and without first furnishing the Landlord fifteen (15) days advance notice outlining in detail the proposed changes or alterations; provided that Landlord's consent shall not be required (but notice outlining in detail the proposed changes or alterations shall be required) for interior, non-structural alterations which cost less than the Threshold Amount during any calendar year. The "Threshold Amount" shall initially be \$150,000 and shall be increased by three percent (3%) on each anniversary of the Commencement Date. For those changes or alterations which cost in excess of the Threshold Amount and require the consent of Landlord, Landlord shall not unreasonably withhold its consent and Landlord shall be deemed to have approved such matters as presented by Tenant unless Landlord provides Tenant with written objections within thirty (30) days of its receipt of such notice.

Any such changes, interior alterations or additions (including but not limited to wall-to-wall carpeting, paneling and other wall coverings) approved in writing by Landlord shall be surrendered to Landlord upon termination or expiration of this Lease, Tenant hereby waiving all rights to any payment or compensation therefore, except for Capital Items for which it is entitled to compensation under the terms of Section 10. All costs and expenses of any approved changes, interior alterations or additions shall be borne solely by Tenant. Any contractor or person making such improvements for Tenant must first be approved in writing by Landlord, which approval shall not be unreasonably withheld; provided such approval shall be deemed to have been given unless Landlord notifies Tenant, in writing, of its objections to such contractor or person within ten (10) days after Tenant submits a written summary of such contractor's or person's qualifications.

Tenant may remove its trade fixtures, office supplies, movable office furniture or equipment and other personal property not attached to the Premises provided: (a) such removal is made prior to the termination of this Lease; (b) Tenant is not in material default of any obligation or covenant under this Lease at the time of such removal; and (c) Tenant promptly repairs all material damage caused by such removal.

**SEC. 12. LIENS BY TENANT:** Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Tenant. In the event that Tenant shall not, within ten (10) days following written notice to Tenant of the imposition of any such lien, cause the same to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, the right but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of or defense against the claim giving rise to such lien. All sums paid by Landlord and all expenses incurred by it in connection therewith shall create automatically an obligation of Tenant to pay, on demand, an equivalent amount together with interest at a rate of twelve percent (12%) per annum as Rent. No work which Landlord permits Tenant to perform in the Premises shall be deemed to be for the immediate use and benefit of Landlord so that no mechanics or other lien shall be allowed against the estate of Landlord by reason of its consent to such work.

**SEC. 13. SUBLETTING AND ASSIGNING:** Except as otherwise expressly provided herein, Tenant shall not assign this Lease, or allow it to be assigned, in whole or in part, by operation of law or otherwise, or sublet the Premises, or any part thereof, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, qualified or delayed. Tenant may assign this Lease to Mercy Health System of Oklahoma, an Oklahoma not-for-profit corporation ("Mercy"), Centerre Healthcare Corporation ("Centerre") or any of their respective affiliates, without such prior written consent. In addition: (i) Tenant may sublet any portion of the Premises, without obtaining Landlord's consent, so long as Tenant continues to occupy and utilize at least a majority of the space in the Premises for the Permitted Uses and the Subtenant is using its subleased space for the Permitted Uses or activities in support of Tenant's operations therein; and (ii) Tenant shall have the right to assign this Lease or sublet the Premises for the Permitted Uses, without obtaining Landlord's consent, to (A) any parent company, subsidiary or affiliate of Tenant, (B) any corporation or other entity in conjunction with a consolidation, reorganization or merger involving Tenant or Tenant's parent company; (C) any corporation or other entity purchasing all or substantially all of the assets of any parent company of Tenant; or (D) any joint venture or other entity in which Tenant or any parent company, subsidiary or affiliate of Tenant holds at least fifty percent (50%) of the voting rights. Upon request, Tenant shall furnish Landlord with a written list of any subleases related to the Premises then in effect, together with a written copy of such subleases.

Except as expressly provided in this Section 13, no assignment of this Lease or sublease shall ever result in the release of Tenant from its obligations and liabilities under this Lease or the release of any guarantor of Tenant's obligations under this Lease (a "Guarantor") from its obligations and liabilities under its guaranty thereof (a "Guaranty"), unless Landlord and the holder of any Mortgage consent to such release, in writing; provided, to the extent any assignee expressly assumes Tenant's obligations and liabilities under this Lease, Landlord agrees not to unreasonably withhold, qualify or delay such consent. Notwithstanding the foregoing, if a Guarantor or its affiliate (a "Selling Guarantor") sells its ownership interest in the Tenant to another Guarantor or its affiliate (a "Buying Guarantor") at any time after the third year of the Term, then the Selling Guarantor shall be automatically released from its obligations and liabilities under its Guaranty if, at the time of the sale or anytime thereafter: (i) the Buying Guarantor agrees to increase its maximum liability under its Guaranty to cover one hundred percent (100%) of Tenant's liabilities hereunder; (ii) the Buying Guarantor has a Debt to EBITDA ratio of not more than 3.5:1; and (iii) either (A) the Buying Guarantor has a net worth that equals or exceeds One Hundred Twenty Five Million and No/100 Dollars (\$125,000,000.00), or (B) the Buying Guarantor has a net worth that equals or exceeds the net worth of the Selling Guarantor, and Tenant has a EBITDAR to Rent & Debt Service ratio of at least 2:1. As used herein, (i) the term 'Debt' shall mean the then funded long-term debt of the Buying Guarantor under GAAP, including the short-term portions thereof, (ii) EBITDA and EBITDAR of the Buying Guarantor shall be determined in accordance with GAAP for any Test Period; (iii) the term "Rent & Debt Service" means the annual Base Rent due under this Lease during the Test Period, plus the sum of principal and interest payments due from Tenant on any loans funded to Tenant during such Test Period; and (iv) the term "Test Period" means with respect to any date, the four (4) full calendar quarters immediately preceding the calendar quarter in which such date occurs. In the event that Landlord's lender shall require a new appraisal of the Premises in connection with the release of any Guarantor, Tenant shall pay the reasonable cost of such appraisal. Landlord shall not be required to collect any rents or other payments from any party on behalf of Tenant's, and Landlord's acceptance of rents from any other party on behalf of Tenant's account shall not be construed to constitute a novation or a release of Tenant or any Guarantor from its obligations under this Lease or any guaranty, as applicable.

A transfer of a majority of the stock and control of Tenant if Tenant is a corporation shall be deemed an assignment for purposes of this Section 13; provided, this Section 13 shall not apply to or be deemed to limit or prohibit: (i) transfers of the stock or other ownership interests of Tenant among existing stockholders, owners, or any of their respective affiliates, immediate family members, or a trust or entity created for the benefit of their immediate family members; (ii) transfers of outstanding voting stock or ownership interests of Tenant that are traded on a recognized national securities exchange for so long as such stock or ownership interests continue to be so traded; or (iii) any transfer of the stock or other ownership interests of any owner of Tenant (including, but not limited to, any stockholder, member, partner or limited partner). For purposes hereof, the term "control" means majority ownership or the possession of the power to direct the day-to-day management and policies of an entity.

Notwithstanding anything to the contrary contained herein, Tenant shall have the right, power and authority to place a mortgage, deed of trust or similar lien (a "Leasehold Mortgage") on Tenant's interest in and under this Lease and the leasehold estate created hereby (collectively, the "Leasehold Estate"), without obtaining Landlord's consent; provided any such Leasehold Mortgage shall (i) encumber only Tenant's Leasehold Estate and not Landlord's interest in the Premises or this Lease, and (ii) only be granted to a Qualified Financial Institution. For purposes hereof, a "Qualified Financial Institution" shall mean any person or entity customarily engaged in the business of providing real estate financing, including but not limited to any commercial bank, insurance company, pension fund, equity fund, trust, savings bank, investment bank, a company in the business of "securitizing" loans or a so-called conduit lender. Tenant shall also have the right, power and authority to grant a security interest in Tenant's Personal Property (as defined in Section 18.B.) and Landlord shall not have any lien thereon. In the event Tenant enters into any Leasehold Mortgage, the provisions of **Exhibit "G"** shall apply.

**SEC. 14. FIRE AND CASUALTY:** Tenant shall, at Tenant's expense, and at all times maintain casualty insurance on all the Premises and appurtenant structures in accordance with the provisions of Section 18 hereof. Unless this Lease is terminated pursuant to this Section 14, if the Premises are partially or totally destroyed by fire or other casualty, then (i) Tenant shall repair and restore the Premises as soon as it is reasonably practicable, to substantially the same condition in which the Premises were before such damage and (ii) in no event shall there be any abatement of Rent, except the Rent shall abate in proportion to the area of the Premises that is not reasonably usable as a result of such fire or other casualty to the extent the same was caused by the negligent acts, willful misconduct or breach of this Lease by Landlord or any of its agents, employees, contractor or representatives.

If (i) the Premises are damaged by fire or other casualty at any time after the fifteenth (15<sup>th</sup>) anniversary of the Commencement Date and (ii) it will take more than two hundred seventy (270) days to repair such damage, as determined by Tenant's architect, or cost more forty percent (40%) of the replacement cost of the Building to repair such damage, then Tenant may terminate this Lease by giving written notice to Landlord within sixty (60) days after the occurrence of such damage. Except as otherwise expressly provided herein, Tenant shall not have the right to terminate this Lease as a result of damage to the Premises caused by fire or other casualty. If the Premises are damaged by a fire or other casualty and this Lease is terminated as a result thereof, then Tenant shall pay Landlord an amount equal to the insurance proceeds received by Tenant pursuant to its property insurance on account of such damage (or that would have been received had Tenant obtained property insurance coverage on terms and in the amounts required by this Lease), less the unamortized cost of any changes, alterations or additions paid for by Tenant (calculated by amortizing the cost of the same over their useful life in accordance with Tenant's standard accounting procedures). Tenant shall be entitled to receive and retain all property insurance proceeds paid on account of loss or damage to Tenant's equipment, fixtures, trade fixtures, furnishings and other personal property caused by any such fire or other casualty and all business interruption insurance proceeds paid on account of any such fire or other casualty.

**SEC. 15. WAIVER OF SUBROGATION:** Landlord and Tenant hereby waive any rights each may have against the other, on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, to the Premises or its contents arising from any risk covered by valid and enforceable fire and extended coverage insurance, to the extent of such coverage. Landlord and Tenant each agree to cause an endorsement to be furnished to their respective insurance policies recognizing this waiver of subrogation.

**SEC. 16. DEFAULT BY TENANT:**

A. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant (an "Event of Default"):

- (i) Any failure by Tenant to pay any Rent within five (5) days after the same is due, unless such failure is cured by Tenant within five (5) days after Tenant receives written notice of the same from Landlord in accordance with the notice provisions of this Lease; provided, however, if Tenant fails to pay any Rent within five (5) days after the same is due twice in any calendar year, then an Event of Default shall be deemed to have occurred upon Tenant's failure to pay any subsequent installment of Rent during such calendar year within five (5) days after the same is due hereunder (without the necessity of Landlord giving Tenant notice of such failure and an opportunity to cure the same);
- (ii) Any failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice to Tenant; provided if such failure cannot reasonably be cured within thirty (30) days and Tenant shall have commenced to cure said failure within said thirty (30) days and continues diligently to pursue the curing of the same, then Tenant shall not be in default hereunder. In the event Tenant fails to perform any obligations under this Lease and such failure results in an Event of Default, then Landlord may, but shall not be obligated to, perform such obligations and the reasonable cost thereof shall be deemed Additional Rent under Section 2 hereof.
- (iii) Tenant admits in writing that it cannot meet its obligations as they become due; or is declared insolvent according to any law; or assignment of all or substantially all of Tenant's property is made for the benefit of creditors; or a receiver or trustee is appointed for Tenant or its property; or the interest of Tenant under this Lease is levied on under execution or other legal process; or any petition is filed by or against Tenant to declare Tenant bankrupt (provided that no such levy, execution, legal process or petition filed against Tenant shall constitute a breach of this Lease if Tenant shall vigorously contest the same by appropriate proceedings and shall cause the same to be dismissed, removed or vacated within thirty (30) days from the date of its filing).

B. In the event of, but only in the event of, an Event of Default by Tenant, Landlord, at its option, may have one or more of the following remedies in addition to all other legal rights and remedies:

- (i) Landlord may terminate this Lease and without further notice repossess the Premises by picking or changing locks to the Premises or otherwise, in which case Landlord shall be entitled to recover as damages a sum of money equal to the total of (1) the cost of recovering the Premises, (2) the unpaid Rent earned at the time of termination, plus interest thereon, (3) the balance of the Rent for the remainder of the term less the fair rental value of the Premises, discounted to the present at the prime rate as then published by the Wall Street Journal, (4) reasonable costs of reletting and repairing the Premises, and (5) any other sum of money and actual damages owed by Tenant to Landlord hereunder;
- (ii) Landlord may immediately terminate Tenant's right of possession of the Premises, but not terminate the Lease, in which case Landlord may without notice or demand enter upon the Premises or any part thereof and take absolute possession of the same, pick or change the locks, and, at Landlord's sole option may relet the Premises or any part thereof for such terms and such rents as Landlord may reasonably elect. In the event Landlord shall elect to so relet, then rent received by Landlord from such reletting shall be applied first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord, second, to the payment of any reasonable cost of such reletting, including, without limitation, refurbishing costs and leasing commissions, and third, to the payment of Rent due and unpaid hereunder, and Tenant shall satisfy and pay any deficiency upon demand therefore from time to time. Any entry into and possession of the Premises by Landlord shall be without liability or responsibility to Tenant and shall not be in lieu of or in substitution for any other legal rights of Landlord hereunder. Tenant further agrees that Landlord may file suit to recover any sums due under the terms of this Lease and that no recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not therefore reduced to judgment in favor of Landlord. Reletting of the Premises shall not be construed as an election on the part of Landlord to terminate this Lease and, notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for default.

In no event shall Tenant be liable to Landlord for any consequential, punitive or exemplary damages as a result of its default under or breach of this Lease, except nothing herein shall be deemed to limit Tenant's liability for consequential damages to the extent expressly provided in Section 28 below. Landlord agrees to use reasonable efforts to mitigate the damages arising from any default or breach of this Lease by Tenant. In repossessing or retaking possession of the Premises pursuant to this section, Landlord shall coordinate with Tenant and provide Tenant with a reasonable opportunity to care for and transport its patients from the Premises.

**SEC. 17. DEFAULT BY LANDLORD:** Except as otherwise provided in this Lease, Landlord shall be in default under this Lease if Landlord fails to perform any of its obligations hereunder and said failure continues for a period of thirty (30) days after written notice thereof from Tenant to Landlord (unless such failure cannot reasonably be cured within thirty (30) days and Landlord shall have commenced to cure said failure within said thirty (30) days and continues diligently to pursue the curing of the same). If Landlord shall be in default under this Lease and, as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the right, title and interest of Landlord in the Premises as the same may then be encumbered and Landlord shall not be liable for any deficiency. In no event shall Tenant have the right to levy execution against any property of Landlord other than its interest in the Premises.

**SEC. 18. INDEMNITY OF LANDLORD-INSURANCE:**

A. Except for the negligent acts, willful misconduct or breach of this Lease or the Development Agreement by Landlord or any of its agents, employees, contractors or representatives that is not waived in writing by Tenant, Tenant covenants that Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Tenant or any other person, including consequential loss or damage, from any cause whatsoever by reason of the use, occupancy, or enjoyment of the Premises by Tenant or any person therein or holding under Tenant. Tenant hereby agrees, as part of the material consideration for this Lease, to indemnify and save Landlord harmless from all third party claims and associated actions, demands, costs, expenses and liabilities whatsoever (including reasonable attorneys' fees, on account of any such real or claimed damage or liability, and for all liens) arising from personal injury or property damage occurring in, or at any portion of Premises or arising out of Tenant's use, occupancy or enjoyment of any portion of the Premises, or any repairs or alterations which Tenant may make upon the Premises. Landlord agrees, as part of the material consideration for this Lease, to indemnify and save Tenant harmless from all third party claims and associated actions, lawsuits, demands, costs, expenses and liabilities whatsoever (including reasonable attorneys' fees, on account of any such real or claimed damage or liability, and for all liens) arising from any negligent acts, breach of contract, or willful misconduct of Landlord related to the ownership of the Premises.

B. Tenant shall, at Tenant's expense maintain property insurance on the Premises (including, without limitation, all appurtenant structures, if applicable) in the amount of 100% of the replacement costs of the Premises (including, without limitation, all buildings, structures, fixtures and improvements forming a part thereof), written on an "all risk" basis (the "Premises Property Insurance"). In addition, Tenant shall, at Tenant's expense, obtain and keep in force at all times during the term of the Lease, a policy or policies of property insurance covering loss or damage to any and all of the personal property, trade fixtures, furnishings, and Tenant's business contents (collectively, "Tenant's Personal Property") at the Premises in the amount equal to their actual cash value, which shall cover risk of loss or damage normally covered in an "all risk" policy as such term is used in the insurance industry. The proceeds of the Premises Property Insurance shall be used for repair or replacement of the Premises and shall be payable solely to Landlord or any mortgagee or beneficiary under a deed of trust holding a lien encumbering the Premises to be held and applied to the costs of restoring the Premises and made available to Tenant as it incurs such costs, and Tenant shall have no interest therein, except for its interest in insurance proceeds payable for the destruction of Tenant's Personal Property and any changes, alterations or additions paid for by Tenant. Tenant shall be responsible for the amount of all deductibles. Additionally, Tenant shall maintain coverages as follows:

- (i) **Liability Coverage.** Tenant shall, at Tenant's expense maintain a policy of commercial general liability insurance insuring Tenant, and as additional insureds, Landlord and Landlord's lender, against liability arising out of the ownership, use, occupancy, or maintenance of the Premises or from any other cause covered by a commercial general liability insurance policy applicable to Tenant's operations at the Premises, known or unknown. In case of personal injury to or death of any person, \$3,000,000 for each occurrence and, in case of property damage, not less than \$1,000,000 for any one occurrence. The amount of such insurance shall be subject to periodic increase, upon request by Landlord, based upon inflation, increased liability awards, recommendation of professional insurance advisors, and other relevant factors, as determined by Tenant in its reasonable judgment.
- (ii) **Workers Compensation.** Throughout the performance of any work, alterations or improvements that Tenant shall perform or cause to be performed in the Premises, Tenant, at its expense, shall carry, or cause to be carried, worker's compensation insurance in statutory limits.
- (iii) **Business Loss.** Throughout the term of the Lease, Tenant shall insure against business loss insurance, in such amounts as Tenant determines, in good faith, to be appropriate with respect to its business operations at the Premises, which is in an amount that is sufficient to cover the Rent due under this Lease for a period of at least twelve (12) months and has a commercially reasonable deductible.

Tenant shall furnish Landlord policies or certificates evidencing such coverage and naming Landlord and Landlord's lender as Additional Insured, and if available on commercially reasonable terms, such certificates shall state that such insurance coverage may not be changed or canceled without at least thirty (30) days prior written notice to Landlord and Tenant. In the event Tenant shall fail to procure such insurance immediately following written notice from Landlord, then Landlord may at its option procure the same for the account of Tenant and the cost thereof shall be paid to Landlord as Additional Rent upon receipt by Tenant of bills therefore.

Tenant shall not permit anything to be done which shall invalidate the insurance policies required under the Lease. Limits of insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder.

**SEC. 19. LANDLORD DEFAULT.** If (i) Landlord defaults under or breaches this Lease or Landlord or Developer fails to remedy any defect, deficiency or violation of applicable law related to the Premises to the extent it is required to do so under the Development Agreement (a "Construction Defect") and (ii) Landlord does not cure such default or breach or Construction Defect (or cause the same to be cured) within thirty (30) days after Tenant gives written notice to Landlord thereof, in writing, then the same shall constitute a "Landlord Default" and Tenant shall have the right (but not the obligation) to attempt to cure such Landlord Default; provided if any such default or breach or Construction Defect cannot reasonably be cured within thirty (30) days and Landlord commences to cure the same within the thirty (30) days after receiving written notice from Tenant, then no Landlord Default shall be deemed to have occurred so long as Landlord diligently and continuously cures such default or breach or Construction Defect. Notwithstanding the foregoing, in cases of emergency or where Landlord's failure to perform its obligations under this Lease or where any Construction Defect threatens to result in damage to any portion of the Premises or Tenant's property therein or threatens to cause a material interference with Tenant's business operations in the Premises, then Tenant shall have the right (but not the obligation) to perform such obligations or cure such Construction Defect, without the necessity of giving Landlord or Developer advance notice or affording either of them an opportunity to cure the same. In the event Tenant endeavors to cure any default or breach by Landlord or any Construction Defect pursuant to this section, Landlord shall reimburse Tenant for the reasonable costs Tenant incurs in connection therewith. Landlord shall pay any amounts that it owes Tenant under this Section 19 within thirty (30) days after Tenant's written demand for the same; provided if Landlord fails to pay any amounts that Landlord owes Tenant under this section within such thirty (30) day period, then Tenant may deduct the same from the next installments of Base Rent due under this Lease so long as the total amount of such deductions in any calendar year does not exceed fifteen percent (15%) of the Base Rent payable during such calendar year. Tenant shall also have all other remedies available at law or in equity on account of any Landlord Default, including, without limitation, the right to terminate this Lease.

**SEC. 20. ATTORNEY'S FEES:** In the event of any legal action or proceeding brought by either party against the other arising out of this Lease, the prevailing party shall be entitled to recover reasonable attorney's fees and costs incurred in such action and such amount shall be included in any judgment rendered in such proceeding.

**SEC. 21. TRANSFER OR ASSIGNMENT BY LANDLORD:** Following the Commencement Date, Landlord shall have the right to assign or transfer, in whole or in part, every feature of its right and obligations hereunder and the Property, provided it complies with the terms of **Exhibit "H."** Such assignments or transfers may be made to a corporation, trust, trust company, individual or group of individuals and whosoever made shall be in all things respected and recognized by Tenant. In the event of a sale or conveyance by Landlord of the Property, the same shall operate to release Landlord from any and all liability under this Lease arising after the date of such sale; provided the assignee assumes, in writing, the obligations and liabilities of Landlord under this Lease for the benefit of Tenant. Tenant's right to quiet possession of the Premises shall not be disturbed so long as Tenant shall pay the Rent and observe and perform all of the provisions of this Lease to be observed and performed by Tenant, unless this Lease is terminated pursuant to specific provisions contained herein. If any security deposit has been made by Tenant, Landlord may transfer such security deposit to the Purchaser, and thereupon Landlord shall be discharged from any further liability in reference thereto. Landlord shall not assign this Lease or transfer the Premises prior to the Completion Date. Landlord shall not assign this Lease or sell the Premises to any "Prohibited Transferee" as defined **Exhibit "H"** or otherwise violate the terms of said exhibit.

**SEC. 22. ESTOPPEL CERTIFICATE:** Within fifteen (15) days after its receipt of a written request from the other party, Landlord or Tenant, as applicable, shall execute and deliver to the other party or its designee a written statement certifying to the extent true and ascertainable (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and identifying the modifications), (ii) the date upon which Tenant began paying the Base Rent and the dates to which the Base Rent and other charges have been paid, (iii) that, to its actual knowledge, neither Landlord nor Tenant is in default hereunder and no circumstance exists which with the giving of notice, the passage of time, or both, would constitute such a default (or, if either party is in default or a circumstance exists which with the giving notice, the passage of time, or both, would constitute such a default, then the nature of such default or circumstance shall be set forth in detail), (iv) that there are no actions, whether voluntary or otherwise, pending against it under the bankruptcy laws of the United States or any state thereof, (v) that, to its actual knowledge, it has no defenses or claims against the other party related to this Lease or the Premises (or setting forth any such defenses or claims), and (v) any other reasonable information required therein with respect to the Lease or the Premises to the extent of its actual knowledge thereof.

**SEC. 23. CONDEMNATION:** In the event any portion of the Premises necessary for the continued use of the Premises for the Permitted Uses shall be taken or condemned in whole or in part for public purposes, or sold to a condemning authority to prevent taking, then the term of this Lease shall, at the option of the Tenant, forthwith cease and terminate. Landlord shall receive the entire award for the Premises payable on account of any such taking, Tenant hereby expressly assigning to Landlord any and all right, title and interest of Tenant now or hereafter arising in and to any such award, except Tenant shall have the right to recover from such authority, but not from Landlord, only such compensation as may be awarded for changes, alterations and additions paid for by Tenant, Tenant's relocation expenses and damages to Tenant's business. If this Lease is not terminated following any such taking a taking of any portion of the Premises by condemnation, Landlord shall diligently restore the same as close as possible to the condition and functionality prior to such taking and Landlord shall be entitled to use all condemnation awards paid on account of such taking to pay the cost of the restoration work, with any remaining award being divided between Landlord and Tenant based on their respective interests in the Premises; provided in no event shall Landlord be required to spend more than the amount of such condemnation awards to restore the Premises.

**SEC. 24. TAXES ON TENANT'S PROPERTY:** Tenant shall be liable for and shall pay, prior to their becoming delinquent, any and all taxes and assessments levied against any personal property or trade or other fixtures placed by Tenant in or about the Premises, including any additional real estate taxes or assessments which may be levied against the Property by reason of Tenant's fixtures and/or furnishings in the Premises.

**SEC. 25. SIGNS:** Tenant shall have the right to install signage on the exterior and within the Premises that Tenant deems necessary for the conduct of its business without Landlord's approval, provided such signage complies with all applicable governmental laws, rules, regulations and ordinances. Tenant shall not install exterior decorations upon the Premises or in the windows of Premises without the Landlord's prior written approval which shall not be unreasonably withheld, conditioned or delayed. Landlord shall have the right to place on the Premises a "for sale" sign during the final year of any initial or renewal term of this Lease, provided Tenant has not exercised a renewal option in accordance with **Exhibit "C"** hereto, in a location that does not unreasonably interfere with the conduct of Tenant's business.

**SEC. 26. RULES AND REGULATIONS:** Tenant hereby covenants and agrees that it, its agents, employees, servants, contractors, subtenants and licensees shall abide by the rules, regulations and maintenance obligations set forth in Section 6. and Section 10. above and such additional rules and regulations hereafter adopted and amendments and modifications of any of the foregoing as Landlord may, from time to time, adopt for the safety, care and cleanliness of the Premises, for the preservation of good order thereon; provided, that such rules and regulations shall not restrict Tenant's Permitted Use of the Premises or materially increase its obligations or liabilities or materially decrease its rights hereunder and Tenant shall have the right to reasonably approve the Rules and Regulations. Landlord shall have the right at all times to change any of the rules and regulations or to amend them in any manner deemed reasonable by the Landlord; provided, that such changes or amendments shall not restrict Tenant's Permitted Use of the Premises or materially increase its obligations or liabilities or materially decrease its rights hereunder and Tenant shall have the right to reasonably approve the Rules and Regulations. All changes and amendments will be sent by Landlord to Tenant in writing and shall be thereafter observed by Tenant.

**SEC. 27. FINANCIAL STATEMENTS:** Tenant shall, and shall cause each Guarantor to, within 120 days following the applicable end of Tenant's and each Guarantor's fiscal year, deliver an internally prepared balance sheet for the Guarantor as of the end of such year, and an internally prepared income statement of the Guarantor for such year and within 180 days following the applicable end of Tenant's and each Guarantor's fiscal year, deliver copies of tax returns and such other financial information as Landlord reasonably shall request.

**SEC. 28. HOLDING OVER:** In the event Tenant, or any party claiming under Tenant, retains possession of the Premises after the expiration or earlier termination of this Lease, such possession shall be an unlawful detainer, and no tenancy or interest shall result from such possession; such parties shall be subject to immediate eviction and removal, and Landlord, in addition to all other remedies available to it hereunder, shall have the right to receive as liquidated damages for all the time Tenant shall so retain possession of the Premises or any part thereof, an amount equal to twice the Base Rent specified in the Lease, as applied to such period together with all other payments required hereunder as Additional Rent, provided that Tenant shall nonetheless be a tenant at sufferance.

Tenant shall also pay any and all actual damages sustained by Landlord as a result of such hold-over. In addition, Tenant shall indemnify, defend and hold harmless Landlord from and against all claims, lawsuits, liabilities, losses, damages, costs and expenses (including, without limitation, reasonable attorneys fees, court costs and litigation expenses) arising from delays by Landlord in delivering possession of the Premises to any person or entity that are caused by Tenant's failure to timely surrender possession of the Premises to Landlord at the expiration or termination of this Lease; provided Landlord shall provide Tenant with reasonable details regarding the plans for the Premises following the expiration or termination of this Lease (including, without limitation, information regarding the schedule for any improvements to the Premises and the requirements for delivery of any space in the Premises to any person or entity), from time to time, within five (5) days after Tenant's request for the same. Tenant will vacate the Premises and deliver same to Landlord immediately upon Tenant's receipt of notice to do so from Landlord. The Rent during such hold-over period shall be payable to Landlord on demand. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease.

**SEC. 29. NON-WAIVER:** No waiver by Landlord of any provision of this Lease or any breach by Tenant hereunder shall be deemed to be a waiver of any other provision hereof, or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant. No act or thing done by Landlord or Landlord's agents during the term of this Lease shall be deemed an acceptance of a surrender of the Premises, unless done in writing signed by Landlord. The delivery of the keys to any employee or agent of Landlord shall not operate as a termination of the Lease or a surrender of the Premises. The acceptance of any Rent by Landlord following a breach of this Lease by Tenant shall not constitute a waiver by Landlord of such breach or any other breach unless such waiver is expressly stated in writing signed by Landlord.

**SEC. 30. SUBORDINATION AND ATTORNMENT:**

A. This Lease shall be subject to and subordinate to any and all mortgages or deeds of trust, regardless of whether such lease, mortgages or deeds of trust now exist or may hereafter be created with regard to all or any part of the Premises and to any and all advance to be made thereunder, and to the interest thereon, and all modifications, consolidations, renewals, replacements, and extensions thereof (collectively, a "Mortgage"); provided, as a condition precedent to the subordination of this Lease to any Mortgage, the holder of such Mortgage must enter into a subordination, non-disturbance and attornment agreement (an "SNDA"), in form and substance reasonably acceptable to Tenant, pursuant to which it agrees (i) not to disturb Tenant's leasehold interest and rights under this Lease or Tenant's possession of the Premises, provided the foregoing shall not limit the remedies available hereunder as a result of any Event of Default, (ii) to recognize Tenant's rights under this Lease, (iii) to be bound by this Lease and perform the Landlord's obligations hereunder in the event it acquires title to the Premises by foreclosure or other means, and (iv) the subordination of this Lease to its Mortgage shall not increase Tenant's obligations or liabilities under this Lease or decrease Tenant's rights under this Lease. Tenant also agrees that any mortgagee may elect to have this Lease prior to the lien of its Mortgage, and in the event of such election and upon notification by such mortgagee to Tenant to that effect, this Lease shall be deemed prior to the lien of its mortgage, whether this Lease is dated prior to or subsequent to the date of said Mortgage. In the event there is any Mortgage entered into or recorded prior to the execution of this Lease and the recording of this Lease or a memorandum hereof, then Landlord must cause the holder of such Mortgage to execute and deliver an SNDA, in form and substance reasonably acceptable to Tenant, simultaneously with the execution of this Lease.

B. In the event of the sale or assignment of Landlord's interest in the Premises (except in a sale - leaseback financing transaction), Tenant shall attorn to and recognize such purchaser or assignee or mortgagee as Landlord under this Lease.

C. In the event of any proceedings brought for the foreclosure of any Mortgage covering the Property, or in the event of the exercise of a power of sale pursuant thereto and upon the written request of a purchaser at such foreclosure proceedings, Tenant shall, at the request of such purchaser, attorn to and recognize such purchaser as Landlord under this Lease.



**SEC. 31. SUCCESSORS AND ASSIGNS:** Except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

**SEC. 32. INTEREST ON TENANT'S OBLIGATION:** Any Rent, or other amount due from Tenant to Landlord which is not paid when due shall bear interest at the lesser of twelve percent (12%) per annum or the highest rate allowed by law from the date such payment is due until paid, but the payment of such interest shall not excuse or cure the default.

**SEC. 33. TIME:** Time is of the essence with respect to all obligations of Tenant and Landlord hereunder.

**SEC. 34. APPLICABLE LAW:** This Lease shall be governed by and construed pursuant to the laws of the State of Oklahoma. The parties acknowledge that personal jurisdiction upon proper service will be valid in the State of Oklahoma, and that venue of all actions arising out of or related to this Agreement shall be proper only in the county where the Site is located, and shall be brought in the appropriate state court for such venue.

**SEC. 35. SEVERABILITY:** If any provision of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

**SEC. 36. EXAMINATION OF LEASE:** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for lease, and it is not effective as a lease or otherwise until proper execution by and delivery to both Landlord and Tenant.

**SEC. 37. AUTHORITY OF TENANT:** Tenant hereby covenants and warrants that Tenant has and is qualified to do business in the state in which the Premises are located, that the Tenant has full right and authority to enter into this Lease, and that each person signing on behalf of the Tenant is authorized to do so. Upon request the signatories hereto will furnish satisfactory evidence of their authority to execute this Lease on behalf of Tenant.

**SEC. 38. COMMENCEMENT DATE AND PREPARATION OF PREMISES:**

A. The term of this Lease is as set forth in this Lease, commencing on the date defined in (c) on page 1 above.

B. When the Commencement Date of this Lease has been determined, as provided under (a) above, Tenant shall execute, acknowledge and deliver to Landlord the written statement attached hereto as **Exhibit "B"** specifying the commencement date of the term.

C. Landlord shall notify Tenant at least thirty (30) days prior to its estimated date of substantial completion and Tenant shall during such thirty (30) day period have the right to access the Premises to install fixtures and equipment provided that Tenant does not thereby unreasonably interfere with the completion of construction or occasion any labor dispute as a result of such installations and provided further that Tenant does hereby agree to assume all risk of loss or damage to such machinery, equipment, fixtures and other personal property. Tenant shall adopt a schedule in conformance with the schedule of Landlord and conduct its work in such a manner as to maintain harmonious labor relations so as not to interfere unreasonably with or delay the work of Landlord.

**SEC. 39. BROKERS:** Neither party has had any contact or dealings regarding the Premises, or any communication in connection with the subject matter of these Lease transactions, through any licensed real estate broker or other person who will claim a right to a commission or finder's fee as a procuring cause of the transaction. Each party agrees to indemnify defend and hold harmless the other party from all claims and costs incurred as a result of anyone claiming by or through such party any fee, commission or compensation on account of this Lease. Tenant warrants that it has had no dealings with any Broker in connection with the negotiation of this Lease, and that it knows of no real estate broker or agent who might be entitled to a commission in connection with this Lease. Tenant agrees to indemnify and hold harmless Landlord from and against any liability from all other claims for commission arising from the negotiation of this Lease.

**SEC. 40. NOTICES:** All notices which Landlord or Tenant may be required, or may desire, to serve on the other shall be in writing and may be served, (i) by hand delivery, (ii) by depositing the same with the U.S. Postal Service, by registered or certified mail, return receipt requested, postage prepaid, or (iii) by nationally recognized overnight delivery service. Any such notices shall be sent to the addresses of Landlord and Tenant specified on page 1 of this Lease. Any requirement of notice or service set forth herein shall be deemed satisfied after (i) three (3) business days after deposit with the Postal Service, and (ii) on the date of delivery if delivered by hand or by nationally recognized overnight delivery service. The addresses stated above shall be effective for all notices to the respective parties until written notice of a change of address is given pursuant to the provisions hereof.

**SEC. 41. RADON GAS:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon gas that exceed federal and state guidelines have been found in buildings. Additional information regarding radon and radon testing may be obtained from your county public health unit.

**SEC. 42. ENTIRE AGREEMENT:** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement, understanding or representation pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

**SEC. 43. WAIVER OF TRIAL BY JURY:** LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR THE OBLIGATIONS EVIDENCED HEREBY, OR ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF LANDLORD AND TENANT IN ENTERING INTO THIS LEASE.

**SEC. 44. QUIET ENJOYMENT; NONDISTURBANCE.** Subject to the remedies available to Landlord under this Lease on account of any Event of Default, Landlord and anyone claiming by, through or under Landlord shall not interfere with the peaceful and quiet occupation and enjoyment of the Leased Premises by Tenant, which occupation and enjoyment shall be without hindrance or ejection by Landlord or anyone claiming by, through or under Landlord.

**SEC. 45. TERMINATION OF DEVELOPMENT AGREEMENT:** In the event the Development Agreement is terminated pursuant to Section 3 or Section 6 thereof, this Lease shall automatically terminate and neither Landlord nor Tenant shall have any further obligations or liabilities hereunder.

**EXHIBIT "A"**  
**LEASED PREMISES**

**Tract 1:**

A TRACT OF LAND BEING PART OF THE SOUTH HALF (S/2) OF THE SOUTHEAST QUARTER (SE/4) OF THE SOUTHWEST QUARTER (SW/4) OF SECTION 10, TOWNSHIP THIRTEEN (13) NORTH, RANGE FOUR (4) WEST OF THE INDIAN MERIDIAN, OKLAHOMA CITY, OKLAHOMA COUNTY, OKLAHOMA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND CUT X IN THE PAVEMENT BEING THE SOUTHWEST CORNER OF SAID SECTION TEN (10); THENCE NORTH 00°16'02" WEST ALONG THE WEST LINE OF SAID SECTION TEN (10) A DISTANCE OF 771.00 FEET; THENCE NORTH 89°39'11" EAST A DISTANCE OF 1422.90 FEET TO THE TRUE POINT OF BEGINNING; THENCE N 89°39'11" EAST A DISTANCE OF 854.04 FEET; THENCE SOUTH 12°23'21" WEST A DISTANCE OF 137.34 FEET; THENCE SOUTH 30°28'14" WEST A DISTANCE OF 165.43 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF THE JOHN KILPATRICK TURNPIKE; THENCE ON A CURVE TO THE LEFT IN A SOUTHWESTERLY DIRECTION ALONG THE NORTH RIGHT OF WAY OF THE JOHN KILPATRICK TURNPIKE AN ARC LENGTH OF 98.27 FEET, HAVING A RADIUS OF 21,810.92 FEET AND A CHORD BEARING OF SOUTH 89°25'25" WEST AND A CHORD LENGTH OF 98.27 FEET; THENCE SOUTH 77°41'28" WEST ALONG THE NORTH RIGHT OF WAY OF THE JOHN KILPATRICK TURNPIKE A DISTANCE OF 255.80 FEET; THENCE ON A CURVE TO THE LEFT IN A SOUTHWESTERLY DIRECTION ALONG THE NORTH RIGHT OF WAY OF THE JOHN KILPATRICK TURNPIKE AN ARC LENGTH OF 392.71 FEET, HAVING A RADIUS OF 21,760.92 FEET AND A CHORD BEARING OF SOUTH 88°07'00" WEST AND A CHORD LENGTH OF 392.70 FEET; THENCE NORTH 00°00'00" EAST A DISTANCE OF 339.98 FEET, TO THE TRUE POINT OF BEGINNING, CONTAINING 5.81 ACRES MORE OR LESS. SAID LEGAL WAS WRITTEN BY J. STEVEN FOX ON SEPTEMBER 27, 2011 USING OKLAHOMA STATE PLANE NORTH AS A BASIS OF BEARING.

**Tract 2:**

The nonexclusive easements, if any, appurtenant to Tract 1 that are created by or pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Gaillardia Commercial Development dated effective as of October 15, 2004 and recorded October 15, 2004 at Book 9496, Page 126, in the records of the County Clerk of Oklahoma County, Oklahoma.

**Tract 3:**

The nonexclusive easements appurtenant to Tract 1 that are created by or pursuant to that certain Reciprocal Easement Agreement by and between MacArthur Memorial, LLC, an Oklahoma limited liability company, and Oliver Real Estate Holdings, LLC, an Oklahoma limited liability company, dated November 14, 2006 and recorded December 4, 2006 at Book 10321, Page 1212, in the records of the County Clerk of Oklahoma County, Oklahoma.

**Tract 4:**

The nonexclusive easements appurtenant to Tract 1 that are created by or pursuant to that certain Declaration of Reciprocal Easement Declaration by MacArthur Memorial, LLC, an Oklahoma limited liability company, dated May 12, 2010, recorded May 14, 2010 at Book 11366, Page 286, in the records of the County Clerk of Oklahoma County, Oklahoma, and re-recorded May 21, 2010 at Book 11370, Page 1239, in the records of the County Clerk of Oklahoma County, Oklahoma.

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EXHIBIT "B"

CONFIRMATION OF COMMENCEMENT DATE

October 17, 2011

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Lease Agreement (the "Lease"), dated October 17, 2011, between TST Oklahoma City, LLC (the "Landlord"), and Mercy Rehabilitation Hospital, LLC, an Oklahoma limited liability company (the "Tenant"). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Premises.** Tenant has accepted possession of the Premises pursuant to the Lease; provided nothing herein shall be deemed to limit Tenant's rights or remedies under the Lease or the Development Agreement (the "Development Agreement") between Landlord and Tenant, dated October 17, 2011, as a result of any defects or deficiencies therein. To Tenant's actual knowledge, without additional investigation or inquiry, any improvements required by the terms of the Lease and the Development Agreement to be made by Landlord have been completed, except for the punchlist and other items described on Exhibit A hereto (the "**Punchlist Items**").

2. **Commencement Date.** The Commencement Date of the Lease is \_\_\_\_\_, 20 \_\_\_\_.

3. **Expiration Date.** The Term is scheduled to expire on the last day of the 180th full calendar month of the Term, which date is \_\_\_\_\_, \_\_\_\_.

4. **Initial Base Rent.** The annual amount of initial Base Rent is \$ \_\_\_\_\_, payable monthly in the amount of \$ \_\_\_\_\_.

6. **Contact Person.** Tenant's contact person in the Premises is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Telecopy: \_\_\_\_\_

7. **Ratification.** Tenant and Landlord hereby ratify and confirm its obligations under the Lease. Except as otherwise expressly set forth on Exhibit B, Tenant represents and warrants to Landlord that, to its actual knowledge without additional investigation or inquiry, (a) it has no defenses to its obligations under the Lease, (b) the Lease is and remains in good standing and in full force and effect, and (c) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

8. **Binding Effect; Governing Law.** Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Premises are located.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

\_\_\_\_\_

Sincerely,

TST Oklahoma City, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

WITNESS: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Agreed and accepted:

Mercy Rehabilitation Hospital, LLC,  
an Oklahoma limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

WITNESS: \_\_\_\_\_  
Print Name: \_\_\_\_\_

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**EXHIBIT "C"**

**OPTION TO RENEW**

Provided that there is not a then continuing Event of Default under the Lease, Tenant shall have three (3) consecutive options (each a "Renewal Option") to extend the term of the Lease for ten (10) years each (each a "Renewal Period"); provided however, that all of the terms and provisions under the Lease shall remain in full force and effect and provided that the Base Rent under the Lease shall continue to increase by 2.5% per annum over the previous year throughout each Renewal Period, as provided in paragraph (e) of the Lease (see page 2). In order to exercise the Renewal Option, Tenant shall deliver written notice to Landlord of the exercise of such Renewal Option in accordance with the provisions hereof, not less than one hundred eighty (180) days prior to the date that the Lease term or any applicable Renewal Period would otherwise expire, with failure to deliver such notice rendering all unexercised Renewal Options null and void.

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**EXHIBIT "D"**

**GUARANTY OF LEASE  
(CENTERRE HEALTHCARE)**

THIS GUARANTY OF THIS LEASE (the "Guaranty") is given by CENTERRE HEALTHCARE CORPORATION (the "Guarantor"). This Guaranty is given to guarantee the financial commitments and obligations of Mercy Rehabilitation Hospital, LLC, an Oklahoma limited liability company (the "Tenant"), related to certain premises leased to Tenant by TST Oklahoma City, LLC ("Landlord") pursuant to the Lease Agreement (the "Lease") to which this instrument is attached.

The Guarantor, in consideration of the renting of the premises described in the Lease by Tenant, does hereby covenant with Landlord that if a default shall at any time be made by Tenant in payment of rent, operating expenses or performance of any other covenants contained in the Lease that are to be performed by Tenant ("Tenant Obligations"), that is not remedied within any applicable notice and cure period set forth therein (a "Tenant Default"), then Guarantor shall, upon written demand by Landlord, its successors or assigns, within ten (10) business days, either, at Guarantor's option: (i) perform Tenant Obligations to extent required to remedy such Tenant Default; or (ii) be liable for fifty and one-half percent (50.5%) of the liabilities that Tenant has to Landlord under the Lease as a result of such Tenant Default, provided, however, that if the Lease is terminated, or Landlord retakes possession of the premises demised under the Lease, due to any Tenant Default, then the maximum liability of the Guarantor hereunder shall be limited to fifty and one-half percent (50.5%) of any unpaid amounts that Tenant owes Landlord under Section 16.B.(i) of the Lease, as applicable.

Landlord shall have the right to proceed against Guarantor under this Guaranty immediately upon the occurrence of Tenant Default, without first pursuing any remedies Landlord may have against Tenant or any other guarantor of Tenant Obligations and without first obtaining a judgment against Tenant or any other guarantor of Tenant Obligations. Should Landlord desire to proceed against Guarantor, Tenant and/or any other guarantor of Tenant Obligations under the Lease in any action related to a Tenant Default, Guarantor may be joined in such action and recovery may be had against Guarantor in such action to the full extent of Guarantor's liability hereunder.

This Guaranty shall not be affected or diminished by any assignment of the Lease or any waiver by Landlord of any provisions of this Lease. In addition, this Guaranty shall not be affected or diminished by any amendment or modification of the Lease entered into while Tenant is owned by Guarantor and Mercy Health System of Oklahoma, an Oklahoma not-for-profit corporation ("Mercy"). If there is an amendment or modification of the Lease that (i) is entered into while Tenant is not owned by Guarantor and Mercy, and (ii) increases the liabilities or obligations of Tenant under the Lease, then Guarantor shall not be responsible for any such increased liabilities or obligations; provided, this Guaranty shall not be affected or diminished by any amendments or modifications to the Lease that decrease Tenant's liabilities or obligations, any waivers or forbearance by Landlord of Tenant's obligations under the Lease, or any extensions of time by Landlord for the performance of Tenant's obligations under the Lease.

Notwithstanding anything to the contrary contained herein, if Guarantor or its affiliate sells its ownership interest in the Tenant to Mercy or its affiliate at any time after the third year of the Term, then Guarantor shall be automatically released from its obligations and liabilities under this Guaranty if, at the time of the sale or anytime thereafter: (i) Mercy agrees to increase its maximum liability under Mercy's guaranty of the Lease to cover one hundred percent (100%) of Tenant's liabilities thereunder; (ii) Mercy has a Debt to EBITDA ratio of not more than 3.5:1; and (iii) either (A) Mercy has a net worth that equals or exceeds One Hundred Twenty Five Million and No/100 Dollars (\$125,000,000.00), or (B) Mercy has a net worth that equals or exceeds the net worth of Guarantor, and Tenant has a EBITDAR to Rent & Debt Service ratio of at least 2:1. As used herein, the terms "Debt," "EBITDA," "EBITDAR" and "Rent & Debt Service" shall have the meanings set forth in Section 13 of the Lease. In the event that Landlord's lender shall require a new appraisal of the Premises in connection with the release of Guarantor, Guarantor or Tenant shall pay the reasonable cost of such appraisal.

The Guarantor shall provide to Landlord annually, within 90 days following the end of the Guarantor's fiscal year, with an internally prepared balance sheet for the Guarantor as of the end of such year and an internally prepared income statement of the Guarantor for such year. Within 120 days following the applicable end of Guarantor's fiscal year, Guarantor shall deliver copies of federal tax return for such fiscal year to Landlord.

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This Guaranty shall be a continuing guarantee and the liability hereunder shall in no way be affected or diminished by reason of any extension of time that may be granted to Tenant by Landlord. In the event that the Guarantor shall or otherwise no longer be associated with or affiliated with Tenant, such event shall not affect the validity or enforceability of this Guaranty, except as expressly set forth herein. The Guarantor hereby:

( a ) Waives all defenses based upon suretyship or impairment of collateral, and consents that Landlord may, without in any way affecting the obligation of the Guarantor under this Guaranty:

( i ) Waive or delay the exercise of any of its rights or remedies against Tenant or any other person or entity, including, without limitation, any other guarantor;

(ii) Renew or extend the period for performance of any of the Tenant Obligations; and

(iii) Apply payments by the Tenant, the Guarantor, or any other person or entity, to any of the Tenant Obligations at Landlord's discretion.

(b) Waives all notices whatsoever with respect to this guaranty or with respect to the Tenant Obligations, including, but without limitation notice of:

(i) Landlord's acceptance hereof or its intention to act, or its action, in reliance hereon;

(ii) The present existence or future incurring of any of the Tenant Obligations or any terms or amounts thereof or any change therein;

(iii) Any default by Tenant or any surety, pledgor, grantor of security, or guarantor; and

(iv) The obtaining or release of any guaranty or surety agreement (in addition to this Guaranty), pledge, assignment, or other security for any of the Tenant Obligations.

( c ) Agrees that, if at any time all or any part of any payment by Tenant previously applied by Landlord to any of the Tenant Obligations must be returned by Landlord for any reason, whether upon claim of preference, fraudulent transfer or otherwise, and whether by court order, administrative order, or settlement, the Guarantor remains liable to the extent provided under this Guaranty for the amount returned as if such amount had never been received by Landlord, notwithstanding any termination of this guaranty or the cancellation of any note or other instrument or agreement evidencing the Tenant Obligations after such payment by Tenant; and

(d) Waives notice of presentment, demand, protest and notice of nonpayment in relation to any instrument evidencing any of the Tenant Obligations, and any other demands and notices required by law, except as such waiver may be expressly prohibited by law.

In witness whereof, the Guarantor has executed this Guaranty as of the date of the Lease.

Centerre Healthcare Corporation

By: /s/ Patrick A. Foster

Name: Patrick A. Foster

Title: President and CEO

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**EXHIBIT "D" CONTINUED**

**GUARANTY OF LEASE  
(MERCY HEALTH)**

THIS GUARANTY OF THIS LEASE (the "Guaranty") is given by Mercy Health System of Oklahoma, an Oklahoma not-for-profit corporation (the "Guarantor"). This Guaranty is given to guarantee the financial commitments and obligations of Mercy Rehabilitation Hospital, LLC, an Oklahoma limited liability company (the "Tenant"), related to certain premises leased to Tenant by TST Oklahoma City, LLC ("Landlord") pursuant to the Lease Agreement (the "Lease") to which this instrument is attached.

The Guarantor, in consideration of the renting of the premises described in the Lease by Tenant, does hereby covenant with Landlord that if a default shall at any time be made by Tenant in payment of rent, operating expenses or performance of any other covenants contained in the Lease that are to be performed by Tenant ("Tenant Obligations") that is not remedied within any applicable notice and cure period set forth therein (a "Tenant Default"), then Guarantor shall, upon written demand by Landlord, its successors or assigns, within ten (10) business days, either, at Guarantor's option: (i) perform Tenant Obligations to extent required to remedy such Tenant Default; or (ii) be liable for forty-nine and one-half percent (49.5%) of the liabilities that Tenant has to Landlord under the Lease as a result of such Tenant Default, provided, however, that if the Lease is terminated, or Landlord retakes possession of the premises demised under the Lease, due to any Tenant Default, then the maximum liability of the Guarantor hereunder shall be limited to forty-nine and one-half percent (49.5%) of any unpaid amounts that Tenant owes Landlord under Section 16.B.(i) of the Lease.

Landlord shall have the right to proceed against Guarantor under this Guaranty immediately upon the occurrence of Tenant Default, without first pursuing any remedies Landlord may have against Tenant or any other guarantor of Tenant Obligations and without first obtaining a judgment against Tenant or any other guarantor of Tenant Obligations. Should Landlord desire to proceed against Guarantor, Tenant and/or any other guarantor of Tenant Obligations under the Lease in any action related to a Tenant Default, Guarantor may be joined in such action and recovery may be had against Guarantor in such action to the full extent of Guarantor's liability hereunder.

This Guaranty shall not be affected or diminished by any assignment of the Lease or any waiver by Landlord of any provisions of the Lease. In addition, this Guaranty shall not be affected or diminished by any amendment or modification of the Lease entered into while Tenant is owned by Guarantor and Centerre Healthcare Corporation ("Centerre"). If there is an amendment or modification of the Lease that (i) is entered into while Tenant is not owned by Guarantor and Centerre, and (ii) increases the liabilities or obligations of Tenant under the Lease, then Guarantor shall not be responsible for any such increased liabilities or obligations; provided, this Guaranty shall not be affected or diminished by any amendments or modifications to the Lease that decrease Tenant's liabilities or obligations, any waivers or forbearance by Landlord of Tenant's obligations under the Lease, or any extensions or time by Landlord for the performance of Tenant's obligations under the Lease.

Notwithstanding anything to the contrary contained herein, if Guarantor or its affiliate sells its ownership interest in the Tenant to Centerre or its affiliate at any time after the third year of the Term, then Guarantor shall be automatically released from its obligations and liabilities under this Guaranty if, at the time of the sale or anytime thereafter: (i) Centerre agrees to increase its maximum liability under Centerre's guaranty of the Lease to cover one hundred percent (100%) of Tenant's liabilities thereunder; (ii) Centerre has a Debt to EBITDA ratio of not more than 3.5:1; and (iii) either (A) Centerre has a net worth that equals or exceeds One Hundred Twenty-Five Million and No/100 Dollars (\$125,000,000.00), or (B) Centerre has a net worth that equals or exceeds the net worth of Guarantor, and Tenant has a EBITDAR to Rent & Debt Service ratio of at least 2:1. As used herein, the terms "Debt," "EBITDA," "EBITDAR" and "Rent & Debt Service" shall have the meanings set forth in Section 13 of the Lease. In the event that Landlord's lender shall require a new appraisal of the Premises in connection with the release of Guarantor, Guarantor or Tenant shall pay the reasonable cost of such appraisal.

The Guarantor shall provide to Landlord annually, within 90 days following the end of the Guarantor's fiscal year, with an internally prepared balance sheet for the Guarantor as of the end of such year and an internally prepared income statement of the Guarantor for such year. Within 120 days following the applicable end of Guarantor's fiscal year, Guarantor shall deliver copies of federal tax return for such fiscal year to Landlord.

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This Guaranty shall be a continuing guarantee and the liability hereunder shall in no way be affected or diminished by reason of any extension of time that may be granted to Tenant by Landlord. In the event that the Guarantor shall or otherwise no longer be associated with or affiliated with Tenant, such event shall not affect the validity or enforceability of this Guaranty, except as expressly set forth herein. The Guarantor hereby:

(a) Waives all defenses based upon suretyship or impairment of collateral, and consents that Landlord may, without in any way affecting the obligation of the Guarantor under this Guaranty:

(i) Waive or delay the exercise of any of its rights or remedies against Tenant or any other person or entity, including, without limitation, any other guarantor;

(ii) Renew or extend the period for performance of any of the Tenant Obligations; and

(iii) Apply payments by the Tenant, the Guarantor, or any other person or entity, to any of the Tenant Obligations at Landlord's discretion.

(b) Waives all notices whatsoever with respect to this Guaranty or with respect to the Tenant Obligations, including, but without limitation, notice of;

(i) Landlord's acceptance hereof or its intention to act, or its action, in reliance hereon;

(ii) The present existence or future incurring of any of the Tenant Obligations or any terms or amounts thereof or any change therein;

(iii) Any default by Tenant or any surety, pledgor, grantor of security, or guarantor, and

(iv) The obtaining or release of any guaranty or surety agreement (in addition to this Guaranty), pledge, assignment, or other security for any of the Tenant Obligations.

(c) Agrees that, if at any time all or any part of any payment by Tenant previously applied by Landlord to any of the Tenant Obligations must be returned by Landlord for any reason, whether upon claim of preference, fraudulent transfer or otherwise, and whether by court order, administrative order, or settlement, the Guarantor remains liable to the extent provided under this Guaranty for the amount returned as if such amount had never been received by Landlord, notwithstanding any termination of this guaranty or the cancellation of any note or other instrument or agreement evidencing the Tenant Obligations after such payment by Tenant; and

(d) Waives notice of presentment, demand, protest and notice of nonpayment in relation to any instrument evidencing any of the Tenant Obligations, and any other demands and notices required by law, except as such waiver may be expressly prohibited by law.

In witness whereof, the Guarantor has executed this Guaranty as of the date of the Lease.

Mercy Health System of Oklahoma

By: /s/ Jon Vitiello

Name: Jon Vitiello

Title: CFO

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## EXHIBIT "E"

### PURCHASE OPTION

Tenant shall have the option to purchase the Premises (the "Purchase Option") at the end of the 5th year of the Lease term and at the end of the Term, as extended; provided that: (i) Tenant shall deliver written notice to Landlord of Tenant's intent to exercise the Purchase Option; and (ii) the purchase price shall be one hundred percent (100%) of the greater of (a) Fair Market Value (defined below) of the Premises; and (b) the value derived by applying a 7.75% capitalization rate of the Base Rent that would be payable by Tenant during the 6<sup>th</sup> year of the term of the Lease. For purposes hereof the term "Fair Market Value" shall be determined by an appraisal of the Premises performed by an appraiser selected by Tenant from a list of five (5) experienced appraisers provided by Landlord who are reasonably acceptable to Tenant, using as comparable properties single tenant inpatient rehabilitation hospitals of similar age, size, quality of construction and finishes as the Premises and located in major metropolitan markets in the mid-western United States. Such appraisal shall be performed at the expense of Tenant. If Tenant funds any alteration or expansion of the Premises, the value of such alteration or expansion will not be considered when determining Fair Market Value. Tenant shall have the right to obtain the appraisal determining the Fair Market Value before exercising the Purchase Option so that Tenant knows the purchase price for the Premises. If Tenant exercises the Purchase Option, Landlord shall convey good and marketable fee simple title to the Premises to Tenant, free and clear of all liens, encumbrances and other title exceptions, except for the matters described on **Exhibit E-1** and matters directly arising from Tenant's acts (the "Permitted Exceptions"). The closing (the "Closing") of any sale of the Premises pursuant to this provision shall occur on a business day that is within thirty (30) days of the last day of the 5<sup>th</sup> year of the Lease term. At the Closing, Landlord shall execute and deliver all documents, instruments, certificates, resolutions and affidavits that are necessary from Landlord to consummate the sale of the Premises as contemplated by this provision, including, without limitation, a special warranty deeds, a settlement sheet, and an IRS §1445 certificate, all in form and substance reasonably acceptable to Tenant. Tenant shall specify a location for Closing in the Oklahoma City, Oklahoma at the time it exercises the Purchase Option. At Closing, (i) Landlord shall furnish Tenant with, at Tenant's cost, an ALTA Owner's Extended Coverage Title Insurance Policy, in the amount of the purchase price for the Premises, insuring that Tenant is the owner of fee simple absolute title to the Premises, subject only to the Permitted Exceptions, and (ii) Tenant shall pay any transfer taxes and recording fees due in connection with the delivery and recording of the deed conveying the Premises to Tenant. Property taxes and assessments will not be prorated at Closing since Tenant is responsible for paying the same under this Lease.

### RIGHT OF FIRST OFFER

In the event Landlord shall decide to sell, transfer or convey the Premises, then Landlord shall first inform Tenant of Landlord's intent and Tenant shall have a period of thirty (30) calendar days to negotiate a purchase price and an agreement satisfactory to Landlord and Tenant providing for the purchase and sale of the Premises. In connection therewith, Landlord shall provide Tenant with a written summary of the terms and conditions upon which Landlord desires to sell the Property ("Landlord's Offer"), and Tenant shall have a right of first offer (the "Right of First Offer") to purchase the Premises in accordance with Landlord's Offer or on such other terms as may be negotiated by Landlord and Tenant during the aforementioned thirty (30) day period. In the event Landlord does not agree to sell the Premises to Tenant at the end of such thirty (30) day period, then, for a period of two hundred seventy (270) days thereafter, Landlord shall be free to sell the Premises to a third party for any amount in excess of ninety-seven percent (97%) of the price set forth in Landlord's Offer and upon the other terms of Landlord's Offer, subject to the Purchase Option, the Right of First Refusal, and the Right of First Offer; provided if Landlord desires to sell the Premises on different terms during such two hundred seventy (270) day period, Landlord must comply with the Right of First Refusal" paragraph below. If Landlord does not sell the Premises in accordance with the preceding sentence within the aforementioned two hundred seventy (270) days period, then Landlord must comply with the terms of this paragraph in connection with any other sale, transfer or conveyance of the Premises.

### RIGHT OF FIRST REFUSAL

If there is a bona fide offer (the "Offer") pursuant to which any person or entity would purchase the Premises from Landlord and Landlord is willing to accept such Offer, Landlord shall first offer to sell the Premises to Tenant at the price and upon the terms and conditions hereinafter set forth (the "Right of First Refusal").

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- a) Landlord shall furnish such Offer to Tenant, together with written notice of Landlord's intention to sell the Premises (the "Transfer Notice"). Such Transfer Notice shall contain the name and address of the party to whom the Premises is to be transferred (the "Transferee") and the purchase price, the terms of payment, the date on which the sale of the Premises is to be closed and all other terms and conditions of upon which Landlord will transfer the Premises to such Transferee.
- b) For a period of thirty (30) days following the date such Transfer Notice is deemed to have been given to Tenant (the "ROFR Period"), Tenant shall have the right, option and privilege (but not the duty) to purchase the Premises at the price and upon the terms and conditions stated in the Transfer Notice, such option to be exercised by written notice of acceptance to Landlord during the ROFR Period. Delivery of such notice by Tenant shall create an agreement between Landlord and Tenant pursuant to which the Landlord shall sell to Tenant, and Tenant shall purchase from Landlord, the Premises at the price and upon the terms and conditions stated in the Transfer Notice.
- c) Failure of Tenant to timely deliver written acceptance to Landlord exercising the Right of First Refusal in connection with any Offer, as provided herein, shall deem a waiver of the Right of First Refusal in connection with such Offer and Landlord may sell the Premises in accordance with the terms of such Offer; provided any changes to such Offer shall result in a new Offer and Tenant may exercise the Right of First Refusal in connection with any such new Offer.
- d) No Offer shall (i) provide for any non-cash consideration to be received by Landlord as part of the purchase price for the Premises, (ii) include any property that is not a part of the Premises (e.g. a bulk sale), (iii) contain any provisions that are intended to frustrate or defeat the Right of First Refusal or that only the proposed Transferee is reasonably capable of satisfying; (iv) restrict the use of or otherwise encumber the Premises (or any portion thereof); or (v) require any alterations, additions, changes or improvements.
- e) If Landlord is an entity (such as, by way of example and not limitation, a corporation, general partnership, limited partnership or limited liability company), then: (i) a transfer of more than forty-nine (49%) percent of the ownership interests (e.g. stock, partnership interests or membership interest), financial rights or governance rights in Landlord, directly or indirectly, whether in one or in a series of transactions, shall be deemed to constitute a transfer of the Premises; (ii) Landlord shall must first offer to sell the Premises to Tenant pursuant to the Right of First Offer provision above; and (iii) in the event Tenant does not purchase the Premises pursuant to the Right of First Offer, the ownership interests in Landlord may be sold thereafter on economic terms that value the same at an amount that equals or exceeds the value of the Premises set forth in the Landlord's Offer.

In the event Tenant fails to exercise the Right of First Offer or the Right of First Refusal on any occasion, the same shall remain in force and effect and shall continue to apply.

Notwithstanding anything to the contrary contained herein, the Right of First Refusal shall not apply to: (i) any transfer of the ownership interests, financial rights, or governance rights in Landlord between The Sanders Trust, LLC ("TST") and the Harrison Street Real Estate Capital ("Harrison Street"); or (ii) any transfer of the Premises to TST, Harrison Street, or any entity that is wholly owned, directly or indirectly, by TST or Harrison Street.

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**EXHIBIT "F"**

**OPERATING COST EXCLUSIONS**

For purposes hereof, Operating Expenses shall not include: (i) costs of correcting any defects in Premises or non-compliance with applicable laws that Landlord or Developer are responsible for under the Development Agreement and costs covered by any warranties set forth in the Development Agreement; (ii) costs that constitute Project Costs under the Development Agreement or are otherwise expressly payable by Landlord or Developer thereunder; (iii) depreciation and similar "non-cash" costs; (iv) fines, penalties, default interest and late charges arising or resulting from the acts or omissions of Landlord or Developer; (v) costs associated with the assessment, monitoring, cleaning-up, removal, abatement or remediation of Hazardous Substances on, under or about the Premises that were released by Landlord, Developer or any of their respective affiliates, agents, employees or contractors; (vi) costs arising as a result of Landlord's, Developer's or any of their respective affiliates breach of an agreement, negligence, misconduct, or violation of applicable laws, including, but not limited to, damage awards, attorneys' fees, and litigation expenses; (vii) overhead costs pertaining to Landlord or any of their affiliates (including, without limitation, salaries, equipment, supplies, accounting and legal fees, rent and other occupancy costs) and any other costs associated with the operation and internal organization and function of Landlord as a business entity; (viii) costs pertaining to the off-site operations of Landlord, Developer and any of their affiliates; (ix) costs related to any loan to or other indebtedness of Landlord or any capital provided or contributed to Landlord, including, without limitation, interest, principal, commitment fees, closing costs and other financing charges; (x) costs associated with any sale, transfer or conveyance of the Premises or any ownership interest in Landlord; (xi) accounting fees, attorneys' fees, or any other professional fees incurred by Landlord, Developer or any of their affiliates; (xii) costs related to any fire, casualty or condemnation, all of which are governed by other express provisions of this Lease.

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**EXHIBIT "G"**

**LEASEHOLD MORTGAGE**

- a) Upon Landlord's receipt of a written notice (a "Leasehold Mortgage Notice") containing the name and address of any lender to whom Tenant has granted a Leasehold Mortgage, such lender shall be deemed a "Leasehold Mortgage Lender" for purposes hereof until such time as the lender releases its lien on the Leasehold Estate. Within ten (10) business days after Tenant's written request, Landlord will acknowledge, in writing, the receipt of any Leasehold Mortgage Notice delivered to Landlord.
  - b) Whenever Landlord shall send Tenant any written notice of any default by Tenant under this Lease, Landlord shall also send a duplicate copy of such notice to each Leasehold Mortgage Lender. In addition, Landlord agrees to execute any documents reasonably requested by any Leasehold Mortgage Lender in connection with such Leasehold Mortgage to confirm its rights hereunder, so long as such documents do not increase Landlord's obligations or liabilities under this Lease, decrease Landlord's rights under this Lease or decrease Tenant's obligation or liabilities under this Lease.
  - c) Upon a Leasehold Mortgage Lender's receipt of written notice of an Event of Default (a "Default Notice"), the Leasehold Mortgage Lender shall have the right, but not the obligation, to cure such Event of Default on behalf of Tenant, and Landlord shall not have the right to terminate this Lease in the event that the Leasehold Mortgage Lender completes the cure of such Event of Default with thirty (30) days after its receipt of the Default Notice; provided if such default does not arise from a failure to pay any Base Rent or Additional Rent owed to Landlord under this Lease and cannot reasonably be cured within such thirty (30) day period, then the Leasehold Mortgage Lender shall have such additional time to cure the same as is reasonably necessary under the circumstances so long as Leasehold Mortgage Lender prosecutes such cure continuously and with diligent efforts. Landlord agrees to accept any Leasehold Mortgage Lender's cure of an Event of Default. In the event a Leasehold Mortgage Lender cannot cure any non-monetary default without obtaining possession of the Premises, Landlord agrees that the period of time that the Leasehold Mortgage Lender has to cure such default shall be extended by the period of time reasonably necessary for it to foreclose its Leasehold Mortgage so long as the Leasehold Mortgage Lender completes such foreclosure with reasonable diligence and pays, within ten (10) days after Landlord's written demand, all unpaid Rent then due Landlord under this Lease. No Leasehold Mortgage Lender shall have any liability for damages as a result of any default by Tenant under this Lease occurring prior to the date it acquires title to the Leasehold Estate.
  - d) If this Lease is terminated for any reason, then, upon the Leasehold Mortgage Lender's request made within thirty (30) days after the Leasehold Mortgage Lender's receipt of written notice from Landlord of such termination, Landlord shall enter into a new lease with the Leasehold Mortgage Lender upon terms and conditions identical to those of this Lease for what would have been the full remaining term of this Lease had the same not been so terminated, with all remaining extension or renewal rights, so long as the Leasehold Mortgage Lender cures any outstanding defaults of Tenant and pays all of all unpaid Rent then due Landlord under this Lease. Any such new lease shall have the same priority as this Lease; provided Landlord shall not be responsible for ensuring the priority of this Lease to the extent the same is outside Landlord's control.
  - e) A Leasehold Mortgage Lender may, at any time permitted under its agreements with Tenant, foreclose or otherwise realize upon its lien on the Leasehold Estate, and so long as the Leasehold Mortgage Lender cures any outstanding defaults of Tenant and pays all unpaid Rent to Landlord, Landlord shall recognize the person or entity acquiring the Leasehold Estate as the lessee hereunder with all of the rights and estate of Tenant, provided such person or entity shall be subject to all of the terms and conditions set forth in this Lease. Any sale of the Leasehold Estate in any foreclosure proceedings instituted by a Leasehold Mortgage Lender (or the assignment or transfer of this Lease and the Leasehold Estate by Tenant in lieu of any such foreclosure) shall be deemed to be a permitted assignment of the Leasehold Estate.
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- f) If any agreement between a Leasehold Mortgage Lender and Tenant shall so require and Landlord has been provided written notice of such provision, no voluntary amendment or modification of this Lease shall be effective as to such Leasehold Mortgage Lender unless it has consented thereto, in writing.
  - g) The making of a leasehold mortgage, deed of trust or other security interest affecting the Leasehold Estate or the assignment or pledge of this Lease as security shall not be deemed to constitute an assignment or transfer of the Leasehold Estate. No Leasehold Mortgage Lender, simply by virtue of its lien on the Leasehold Estate, shall be deemed to have assumed any of the obligations or liabilities of Tenant hereunder. A Leasehold Mortgage Lender (or its assignee or affiliate) who takes title to the Leasehold Estate shall be responsible for the performance of the tenant's obligations under this Lease to the extent the same first arise after it acquires title to the Leasehold Estate; provided however, if the such party does not cure outstanding defaults of Tenant and make all payments of unpaid Rent to Landlord, Landlord may terminate the Lease. If the Leasehold Mortgage Lender conveys the Leasehold Estate, such Leasehold Mortgage Lender shall be released from the obligations and liabilities under this Lease first arising from and after the date of such conveyance. Except as expressly provided above, the purchaser at any foreclosure sale of the Leasehold Estate shall be deemed to have agreed to perform all of Tenant's obligations under this Lease. Nothing in this exhibit shall be deemed to release Tenant from its obligations and liabilities under this Lease or limit Landlord's remedies against Tenant as a result of any Event of Default that is not cured within the periods provided herein.
  - h) Any Leasehold Mortgage shall be subject to this Lease, and to the extent of any conflict in the obligations of tenant under this Lease and under the Leasehold Mortgage, the terms of this Lease shall govern between Landlord and Tenant.
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## EXHIBIT "H"

### PROHIBITED TRANSFEREES

Notwithstanding anything to the contrary contained herein, in no event shall: (i) Landlord's interest in the Premises or this Lease be owned by any Prohibited Transferee, directly or indirectly; or (ii) any of the ownership interests (such as, without limitation, stock, membership interests, partnership interests or limited partnership interests), financial rights or voting rights in Landlord be held by any Prohibited Transferee, directly or indirectly. For purposes hereof, a person or entity shall be considered a "Prohibited Transferee" if such person or entity or any of its affiliates:

- (i) (A) operates or manages, any hospital or hospital unit excluded from reimbursement under the prospective payment systems specified in 42 C.F.R. § 412.1(a)(1) pursuant to 42 C.F.R. § 412.23(b) pertaining to rehabilitation hospitals or § 412.29 pertaining to rehabilitation units (B) holds more than a fifteen percent (15%) ownership interest in, or controls (directly or indirectly) any corporation or other entity that operates or manages such a hospital or hospital unit, or C) provides material management consulting services to such a hospital or hospital unit; or
- (ii) (A) operates or manages any hospital, acute care facility or long-term acute care hospital, outpatient clinic or ambulatory center ("Competing Facilities"), (B) holds more than a fifteen percent (15%) ownership interest in, or controls (directly or indirectly) any corporation or other entity that operates or manages such Competing Facilities (a "Competing Facility Operator"), or (C) provides material management consulting services to such Competing Facilities.

For purposes hereof, the term "controls" means the possession of the power to direct the day-to-day management and policies of the entity in question. Notwithstanding the foregoing, a Prohibited Transferee shall not be deemed to include

(a) a person or entity that owns a building containing a Competing Facility and leases such building to an unaffiliated third party who independently operates the same, so long as the rent paid for such building is not percentage rent or based on a share of the revenue or profits from the operation of such Competing Facility,

(b) a person or entity that holds more than a fifteen percent (15%) ownership interest in a Competing Facility Operator, so long as such transferee does not operate Competing Facilities as its primary business and either (1) does not control such Competing Facility Operator or (2) did not initially control such Competing Facility Operator, and only controls such Competing Facility Operator by virtue of exercising rights or remedies against the party(ies) that, but for such exercise of rights or remedies, had previously controlled such Competing Facility Operator; and

(c) a publicly traded real estate investment trust.

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**BUILD TO SUIT  
FACILITY LEASE AGREEMENT**  
(Triple Net Lease)

**THIS BUILD TO SUIT FACILITY LEASE AGREEMENT** (the "Lease") is made and entered into as of the 27<sup>th</sup> day of February, 2009, by and between **ELM ROAD MOB, II, LLC**, an Indiana limited liability company (the "Landlord") and **SAINT JOSEPH REGIONAL MEDICAL CENTER — SOUTH BEND CAMPUS, INC.**, an Indiana not for profit corporation (the "Tenant").

**WITNESSETH:**

For good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, Landlord and Tenant, intending to be legally bound hereby, agree that Landlord shall lease to Tenant and Tenant shall lease from Landlord the Premises hereinafter defined, pursuant to the terms and conditions set forth in this Lease.

**ARTICLE I**

**DEFINITIONS AND FUNDAMENTAL PROVISIONS**

in addition to other terms which are defined in subsequent sections of this Lease, the following terms shall have the meanings set forth below when used in this Lease, except as may otherwise be specifically provided.

**1.1     Addresses:**

Landlord:	Elm Road MOB II, LLC 53880 Carmichael Drive South Bend, Indiana 46635 Attention: President
Tenant:	Saint Joseph Regional Medical Center — South Bend Campus, Inc. 801 E. LaSalle Avenue South Bend, IN 46617 Attention: President and CEO

or such other address or addresses as a party may designate by written notice to the other party.

**1.2 Common Area Costs:** The cost of maintaining, repairing, landscaping, painting, and operating the Common Areas of the Elm Road Medical Campus, to be set forth in the Declaration of Protective Covenants and Restrictions for Elm Road Medical Campus dated December 20, 2007 and recorded on January 18, 2008 as Document Number 0802055 in the office of the Recorder of St. Joseph County, Indiana ("Declaration") pursuant to an amendment to the Declaration, shall specifically include, but not necessarily limited to: repairs to, striping and patching of the parking areas or other Common Areas, lighting, removal of snow, ice, trash, rubbish and other refuse from the Common Areas, costs associated with any of Landlord's obligations set forth in Section 7.2, and the cost of leasing or the depreciation on any equipment used to implement the foregoing maintenance. Tenant shall pay Tenant's Percentage Share of Common Area Costs herein in accordance with the Declaration as provided in Section 7.3. The Declaration amendment shall provided that Common Area Costs shall specifically exclude the following: the cost of any item for which Landlord is reimbursed by insurance or otherwise; the cost of repairs made in accordance with Landlord's obligations pursuant to Section 6.1; the cost of any additions to the Common Areas pursuant to an expansion of the Elm Road Medical Campus's leasable square footage; Tenant's Percentage Share of Real Estate Taxes or Insurance (which are provided for by separate agreement herein); the cost of any alterations, additions, changes, replacements, improvements and repairs and other items which under generally accepted accounting and auditing principles consistently applied (as pertaining to the real estate industry) are properly classified as capital expenditures (except as provided herein) or which are made in order to prepare space for occupancy by a new tenant or other occupant of the Elm Road Medical Campus; the cost of any initial installations for any tenant or other occupant of the Elm Road Medical Campus; reserves for the replacement or repair of portions of, or for equipment and machinery used in connection with, the Elm Road Medical Campus; legal, accounting and other professional fees; interest or amortization payments in connection with the Elm Road Medical Campus; leasing commissions, advertising expenses and other costs incurred in leasing or attempting to lease any portion of the Elm Road Medical Campus; the cost of any services, maintenance, or repairs performed specifically for certain tenants and not for the common use and benefit of all the tenants of the Elm Road Medical Campus; the cost of correcting defects in the construction of the buildings, improvements and equipment of the Elm Road Medical Campus; the cost of Landlord's membership (and costs related thereto) in any organizations representing Elm Road Medical Campus owners; and any political or charitable contributions. Common Area Costs payable by Tenant during the first (1<sup>st</sup>) Lease Year of the Lease Term are estimated at Twelve Thousand AND 00/100 DOLLARS (\$12,000.00), payable by Tenant in twelve (12) equal installments during the first (1<sup>st</sup>) Lease Year of the Lease Term of One Thousand AND 00/100 DOLLARS (\$1,000.00) per month.

**1.3 Common Areas:** All areas, space, signage, installations and equipment provided from time to time by Declarant pursuant to the Declaration for the common use and benefit of the owners, occupants and tenants of the Elm Road Medical Campus, their employees, agents, licensees, customers and other invitees, including, without limitation, parking areas, exits, entrances, access roads, driveways, sidewalks, retaining walls, loading platforms and ramps, and landscaped areas, excluding areas conveyed to an owner for exclusive use by the owner and the owner's tenants, all as provided in the Declaration.

**1.4 Application of Non-Refundable Fee:** The parties agree that a Twenty Five Thousand and 00/100 Dollars (\$25,000.00) non-refundable (except in the event of Landlord's default), good faith earnest money fee shall be paid by Tenant to Landlord on or upon the execution of this Lease, which fee shall be applied first to the first month's rent for the first (1<sup>st</sup>) Lease year.

**1.5 Lease Year:** The Lease Term shall commence upon the Commencement Date. If the Commencement Date is any day other than the first day of a calendar month, the first Lease Year shall be the period of time from the Commencement Date until the end of the month in which said Commencement Date shall occur plus twelve (12) calendar months. Each Lease Year thereafter shall be a successive period of twelve (12) months, subject to the extension of the final Lease Year of the Lease Term pursuant to Section 2.2 hereof. Rent shall be proportionately increased (or decreased) to reflect the number of days by which the first or final lease year exceeds (or is less than) twelve (12) calendar months, as the case may be.

**1.6 Minimum Rent:** (a) Tenant agrees to pay to Landlord, in accordance with the terms and provisions of Article III hereof, as annual Minimum Rent, during the first (1<sup>st</sup>) Lease Year of the initial fifteen (15) Lease Year term of the Lease, One Million Two Hundred Twenty-Five Thousand Dollars (\$1,225,000.00) (\$26.68 per square foot of the Premises), payable in equal monthly installments of One Hundred Two Thousand Eighty Three and 33/100 Dollars (\$102,083.33) each.

(b) The Minimum Rent shall be increased for each year of the first (1<sup>st</sup>) Lease Term by two percent (2 %) over the Minimum Rent for the previous Lease Year, as set forth in Schedule 1.6 attached hereto and incorporated herein by reference.

**1.6.1 Minimum Rent - First Extension Period:** During each Lease Year of the first five (5) Lease Year Extension Period, if applicable, Tenant agrees to pay to Landlord, in accordance with the terms and provisions of Article III hereof, as annual Minimum Rent an amount to be negotiated and agreed upon in good faith by the parties based on a market analysis of comparable commercial leases in existence at the commencement of the lease extension period. Landlord shall notify Tenant of its initial proposal for Minimum Rent in a written notice to Tenant no later than the date which is three hundred (300) days prior to the expiration of the Initial Term of this Lease. The agreement between Landlord and Tenant shall be reached no later than the date which is two hundred seventy (270) days prior to the expiration of the initial Term of this Lease. In the event that Landlord and Tenant are unable to come to an agreement within such period, then the fair rental value shall be determined in accordance with the procedures set forth on Exhibit "A" attached hereto.

**1.6.2 Minimum Rent - Second Extension Period:** During each Lease Year of the second five (5) Lease Year Extension Period, if applicable, Tenant agrees to pay to Landlord, in accordance with the terms and provisions of Article III hereof, as annual Minimum Rent an amount to be negotiated and agreed upon in good faith by the parties based on a market analysis of comparable commercial leases in existence at the commencement of the lease extension period. Landlord shall notify Tenant of its initial proposal for Minimum Rent in a written notice to Tenant no later than the date which is three hundred (300) days prior to the expiration of the First Extension Period of this Lease. The agreement between Landlord and Tenant shall be reached no later than the date which is two hundred seventy (270) days prior to the expiration of the First Extension Period of this Lease. In the event that Landlord and Tenant are unable to come to an agreement within such period, then the fair rental value shall be determined in accordance with the procedures set forth on Exhibit "A" attached hereto.

**1.7 Security Deposit:** Landlord and Tenant agree that there shall be no security deposit,

**1.8 Permitted Use; Restriction:** Tenant may use the Premises for any lawful medical use, including but not limited to the operation of a rehabilitation hospital ("Permitted Use"), Tenant covenants: (i) not to use the Premises for any illegal purpose, nor in such a manner as to violate any applicable and valid law, rule or regulation of any governmental body having jurisdiction over the Premises; (ii) not to permit waste thereon; (iii) not to use the Premises for an outpatient medical office providing orthopaedic rehabilitation or physical therapy services; and (iv) not to use the Premises for any purpose prohibited by the Declaration.

**1.8.1 Landlord's Limited Right to Recapture Premises:** Landlord and Tenant hereby agree that if Tenant ceases business operations within the Premises for any period of one hundred eighty (180) or more consecutive days (for a reason other than the repair and reconstruction from casualty, remodeling, condemnation or other reason permitted in this Lease), then Landlord, at its option, at any time prior to re-commencement of business operations in the Premises by Tenant, or Landlord's receipt of a notice of a proposed assignment of the interest of Tenant in and to this Lease or of a proposed subletting of the Premises, may terminate this Lease upon thirty (30) days prior written notice to Tenant, in which event, this Lease shall be of no further force or effect, except that the obligations of the parties arising prior to the termination, and the applicable indemnifications contained in this Lease, shall remain in effect. Neither an assignment of the interest of Tenant in and to this Lease, nor a subletting of the Premises, shall be deemed a cessation of business operations which would trigger Landlord's right to terminate under this Section.

**1.9 Premises:** The leased premises shall consist of the land located in St. Joseph County, Indiana, commonly referred to as Lot 3 of the Elm Road Medical Campus and legally described on Exhibit "B" attached hereto and incorporated herein by reference ("Land") together with certain improvements to be designed and constructed upon the Land by Landlord for Tenant's occupancy and use ("Improvements") as provided in Article IV of this Lease ("Premises").

**1.10 Real Estate Taxes:** All Real Estate Taxes and assessments which shall be validly levied, assessed or imposed upon the Premises during the Lease Term shall be paid by Tenant. Real Estate Taxes shall specifically exclude; (i) income, profits, intangible, documentary stamp, transfer, franchise, corporate, capital stock, succession, estate, gift or inheritance taxes or taxes substituted for or in lieu of the foregoing exclusions; (ii) any assessment or additional tax associated with either a change in ownership of the Elm Road Medical Campus or the further improvement of the Elm Road Medical Campus (including but not limited to widening of exterior roads, the installation of or hook up to sewer lines, sanitary and storm drainage systems and other utility lines and installations), (iii) taxes on rents, gross receipts or revenues of Landlord from the Premises; and (iv) any penalties, late charges or the like attributable to the late payment by Landlord of Real Estate Taxes or Landlord's delay in delivering the Real Estate Tax bill to Tenant for payment, and (v) assessments and taxes based on the assessed valuation of land not improved with commercial buildings or Common Areas Real Estate Taxes shall reflect any discount available to Landlord by prompt payment of such tax bill regardless of whether such prompt payment is actually made but only so long as Tenant shall have made its contribution within the applicable discount period. Landlord agrees to use best efforts to cause any new construction in the Elm Road Medical Campus to be assessed separately from the Premises and/or the existing Elm Road Medical Campus. Tenant's Real Estate Taxes for the first Lease Year of the Lease Term are estimated to be One Hundred Seventy Five Thousand Eight Hundred Seventy Three and 60/100 Dollars (\$175,873.60) (\$3.83 per square foot of the Premises).

Tenant shall have the exclusive right to contest and appeal all real estate taxes and assessments against the Premises during the term of this Lease and Landlord hereby agrees to cooperate and assist Tenant in any such contest and appeal including but not limited to the execution of any documents necessary to prosecute any contest or appeal of real estate taxes and assessments. Tenant shall be entitled to all refunds and/or rebates applicable to real estate taxes and assessments paid by Tenant pursuant to this Lease and Landlord agrees to pay said refund or rebate to Tenant to the extent said refund or rebate is granted or paid to Landlord in the form of cash or credit.

**1.11 Rent; Triple Net Lease:** Rent shall mean Minimum Rent and all other amounts and charges payable by Tenant under any provision of this Lease. Sums other than Minimum Rent are designated as "Rent" or "additional rent" hereunder solely for the purpose of enabling Landlord to enforce its rights hereunder. Such sums shall not be deemed Rent for purposes of computing taxes or for governmental regulations thereon. This Lease shall be deemed and construed to be a "net, net, net lease" and, except as otherwise expressly provided, Landlord shall receive all Rent and "additional rent" and all other payments hereunder to be made by Tenant free from any charges, assessments, impositions, expenses or deductions of any and every kind or nature.

**1.12 Elm Road Medical Campus:** That certain medical office planned unit development located on all of the certain tracts or parcels of land located in Penn Township, St Joseph County, State of Indiana, as more particularly described on Exhibit "C" attached hereto. The name of the Elm Road Medical Campus may be changed upon one hundred twenty (120) days advance written notice to Tenant; provided however, in no event shall the name of the Elm Road Medical Campus contain the name of any tenant or occupant of the Elm Road Medical Campus.

**1.13 Tenant's Percentage Share:** Tenant's Percentage Share shall be the percentage share applicable to the Premises pursuant to the Declaration for the payment of assessments and will be the percentage obtained by dividing the total floor area of the Premises, which equals Forty Five Thousand Nine Hundred Twenty (45,920) square feet, by the total floor area of the buildings erected in the Elm Road Medical Campus (i.e., the area leased or available for lease or occupied or available for occupancy) as of December 1 of each calendar year of the Lease Term as provided in and subject to the terms and conditions of the Declaration. The Declaration amendment shall provide for calculation of assessments uniformly for all lots within Elm Road Medical Campus.

**ARTICLE II**

**DEMISE OF PREMISES AND TERM**

**2.1 Demise of Premises:** Landlord hereby leases to Tenant, and Tenant hereby takes from Landlord+, the Premises, together with all rights, privileges, benefits, rights- of-way, tenements, hereditaments and easements now or hereafter appurtenant or belonging thereto.

**2.2 Lease Term:** Tenant shall have and hold the Premises for a term of fifteen (15) Lease Years (hereinafter, as extended in accordance with Section 2.3 hereof, being sometimes referred to as the "Lease Term") to commence on the earlier of (i) sixty (60) days after Tenant's acceptance of possession of the Premises in substantial accordance with the terms and provisions of Section 4.8 hereof, or (ii) the date Tenant opens for business to the public (said earlier date being herein sometimes referred to as the "Commencement Date"), Additionally, Landlord and Tenant further agree that the final Lease Year of the Lease Term may be extended, upon prior written notice to Landlord, to conclude on the January 31 next following the natural expiration of the Lease Term (as extended). The parties shall, following the commencement of the Lease Term, execute a supplement hereto confirming the Commencement Date and expiration date of the Lease Term.

**2.3 Options to Extend:** Except as provided hereinbelow, Tenant shall have the right of extending the term of this Lease for a total of two (2) successive periods of five (5) Lease Years each (the "Extension Periods"), upon the same terms and conditions as the Initial Term, except as otherwise provided herein with respect to Rent and the additional rent. Tenant shall notify Landlord in writing of its intent to extend the Lease Term at least one hundred twenty (120) days prior to the date of commencement of the Extension Period and thereupon the term of this Lease shall be extended without the requirement of any further documentation. In the event Tenant fails to timely notify Landlord of its intent to extend the Lease Term as provided herein, then such option to extend shall nevertheless remain in full force and effect for a period of thirty (30) days after Tenant's receipt of notice from Landlord advising Tenant that its extension option shall terminate at the conclusion of said thirty (30) day notice period unless Tenant exercises the extension option by written notice to Landlord and upon such exercise of the Option, the Lease Term shall be deemed extended. Tenant shall pay Minimum Rent during said Extension Periods in the amounts prescribed in Sections 1.6.1 and 1.6.2 of this Lease. All of the terms and conditions of this Lease shall apply during the Extension Periods.

**ARTICLE III**

**RENT AND OTHER CHARGES**

**3.1 Payment of Rent:** During the Lease Term, Tenant covenants and agrees to pay to Landlord at the place designated in Section 1.1 hereof, without demand, deduction or set-off, except as otherwise provided in this Lease, all Rent as defined in Article I hereof. Tenant shall not be liable for relying and acting upon any notice changing the payee and purporting to be signed by or on behalf of Landlord and believed by Tenant in good faith to be genuine.

**3.2 Payment of Minimum Rent:** On or before the first (1st) day of each and every calendar month following the Commencement Date, Tenant covenants to pay Landlord in advance the monthly installment of Minimum Rent for each such month. If the Commencement Date shall not be the first (1st) day of the month, then the first (1st) month's installment of Minimum Rent shall be prorated accordingly and paid along with the Minimum Rent payable by Tenant to Landlord for the first (1<sup>st</sup>) full calendar month of the Lease Term.

**3.3 Utilities:** Tenant shall make application for, obtain, pay for, and be solely responsible for all utilities required, used or consumed in the Premises, including, but not limited to gas, water, telephone, electricity, sewer service, garbage collection services, or any similar service; it being agreed and understood, however, that Tenant's obligation for the payment of utilities shall commence upon the date the Premises are delivered to Tenant Ready for Occupancy (as defined herein). In the event that any charge for any utility supplied to the Premises is not paid by Tenant to the utility supplier when due, then Landlord may, after delivery of fifteen (15) days written notice to Tenant, but shall not be required to, pay such charge for and on behalf of Tenant, with any such amount paid by Landlord being repaid by Tenant to Landlord, as additional rent, within fifteen (15) days after demand by Landlord. Except for the gross negligence or intentional misconduct of Landlord, its agents, and employees, Landlord shall not be liable for any interruptions or curtailment in utility services whatsoever.

**3.4 Personal Property Taxes:** Tenant shall be responsible for and shall pay before delinquency municipal, county or state taxes, levies and fees, including general or special assessments, assessed during the Lease Term against any personal property of any kind owned by Tenant or placed in, upon or about the Premises by Tenant.

**ARTICLE IV**

**CONSTRUCTION**

**4.1 Premises to be Constructed, Plans and Specifications:** The Improvements to be constructed upon the Land shall be designed and constructed by Landlord in accordance with: (i) the Approved Final Plans and Specifications to be prepared in accordance with the terms and provisions of Section 4.2 hereof, (ii) applicable laws, ordinances, codes, rules and regulations of any public authority with jurisdiction over the Premises, and (iii) the legal construction standards associated with the construction of the Improvements as an I-2 Hospital and regulatory requirements of the Indiana Department of Health (hereafter, the "Construction"). In the event the Landlord and the Tenant disagree regarding any individual construction standard, Landlord will be released from the obligation to comply with that individual construction standard if the resolution of the disputed construction issue is directed by the Tenant. Landlord shall pay all costs associated with designing and constructing the Improvements upon the Land in accordance with the Approved Final Plans and Specifications (the "Construction Costs") in the maximum amount of Ten Million Seven Hundred Seventy- Eight Thousand Eight Hundred Dollars (\$10,778,800) (\$234.73 per square foot of the Premises) (the "Construction Cap"). Landlord further agrees that in addition to the Construction Cap, Landlord shall pay for Landlord's Work (as hereinafter defined) and all fees, costs and expenses associated with preparing the Approved Final Plans and Specifications in accordance with Section 4.2 (up to the amount of the Plan Cap as hereinafter defined) and, prior to commencement of Landlord's Work or the Construction, Landlord shall maintain insurance covering Landlord's liability with respect to any construction that Landlord may perform in connection with the Premises or the Elm Road Medical Campus, Construction Costs shall include general conditions, the general contractor's overhead and profits, sales tax and the cost of insurance so long as all such costs are reasonable for the industry.

**4.1.1 Landlord's Work:** The following construction obligations of Landlord shall not be included in the Construction Costs or the Construction Cap, it being understood and agreed that Landlord shall perform or cause to be performed these obligations at Landlord's sole cost and expense (said obligations being referred to herein as "Landlord's Work"): (i) pay all architectural and engineering fees and the costs associated with preparing and reviewing the plans and specifications for the Improvements to the Premises as recited in Section 4.2 hereof and pay all fees and costs associated with the preparation of the site and civil engineering drawings; (ii) provide landscaping throughout the Common Areas of the Elm Road Medical Campus consistent with local governmental code, ordinances or standards; (iii) provide lighting uniformly distributed throughout the Common Areas of the Elm Road Medical Campus (including the exterior of the Premises) with a minimum capacity of at least two footcandles; and (iv) construct, grade, pave and Stripe roadways for ingress and egress to the Premises and the Elm Road Medical Campus in substantial accordance with Exhibit "D" attached hereto.

**4.1.2 Construction Bids and Completion of Landlord's Work:** Landlord shall be responsible for completion of the Construction of the Improvements upon the Land and Landlord's Work. Landlord shall choose, in Landlord's sole discretion, qualified contractors for the Construction. Landlord shall enter into a contract with the general contractor (the "General Contractor") for the Construction of the Improvements in accordance with the Approved Final Plans and Specifications (the "Construction Contract") and promptly deliver a copy of said fully executed Construction Contract to Tenant. The Construction Contract shall be amended to provide that Tenant shall have notice and opportunity to cure any default by Landlord and further, that in the event of an uncured default by Landlord, that Tenant shall have the option of assuming the Construction Contract. In the event that Tenant shall cure any default by Landlord or assume the Construction Contract, any amounts paid by Tenant may be offset against Rent or other amounts due to Landlord. The Construction Contract shall obligate the Contractor to comply with the applicable Turnover Date and pay liquidated damages for failure to comply with the Turnover Date as provided in Section 4.4 of this Lease. The Construction shall be performed in a good and workmanlike manner with new material of good quality in accordance with all applicable governmental rules and regulations or ordinances. All of the work performed by the General Contractor to and upon the Land which are so attached to the Land that the same shall by law be deemed to be part of the Land (except trade fixtures and such other property as may be encompassed within the definition of Tenant's Property pursuant to Section 6.4 of the Lease) shall be the property of Landlord and remain upon and be surrendered with the Premises as a part thereof upon termination of the Lease Term. In the event actual Construction Costs (exclusive of Landlord's Work) exceed the Construction Cap ("Excess Costs"), Tenant shall pay such costs, but only to the extent that: (1) said Excess Costs relate to change orders made by Tenant after the date of the Construction Contract; and (2) the total additional costs related to such change orders exceed any savings resulting therefrom. In the event Tenant must pay Excess Costs in accordance herewith, Tenant may elect to pay such costs by Rent Adjustment (in accordance with Section 4.1.3 below) or by lump sum payment (in accordance with Section 4.1.4 below). Tenant shall be permitted to coordinate with the Landlord and the General Contractor to ensure the conduct of the Construction in conformance with the Approved Final Plans and Specifications. In no event shall Tenant be responsible for Excess Costs without the same being documented on a written change order signed by Tenant.



Within thirty (30) days following the Turnover Date, Landlord shall deliver to Tenant a copy of the final application and certificate for payment and summary of the construction expenditures constituting the Construction Costs.

**4.1.3 Additional Construction Costs: Rent Adjustment:** In the event the Construction Cap is exceeded and Tenant elects to pay the Landlord the Excess Costs by Rent Adjustment, the annualized Minimum Rent for the initial term of the Lease (as recited in Section 1.6 of this Lease) shall be increased by the product derived from multiplying such Excess Costs (subject to any adjustments made pursuant to Section 4.1.2 hereof), by Six and 66/100ths Percent (6.66%). **(By way of illustration only,** in the event that the Additional Construction Costs are \$100,000.00, then the annualized Minimum Rent would be increased by \$6,666.66 [i.e., \$100,000.00 times 6.66%] during Lease Years one (1) through fifteen (15) of the Lease Term). In the event the Construction Costs of the Premises (exclusive of Landlord's Work) are less than the Construction Cap, Landlord shall, at Tenant's option, either (a) within twenty (20) days following receipt of written notice of Tenant's election, deliver to Tenant a sum of money equal to the difference between the Construction Cap and the actual Construction Costs (exclusive of Landlord's Work) (hereinafter referred to as the "Adjusted Construction Costs") or (b) immediately decrease the Annual Minimum Rent for each Lease Year of the Lease Term by the product derived from multiplying the Adjusted Construction Costs by Six and 66/100ths Percent (6.66%). In the event the annual Minimum Rent is adjusted pursuant to this Section 4.1.3, Landlord and Tenant shall execute a modification to the Lease reflecting such increase and adjustment to the Minimum Rent.

**4.1.4 Payment for Additional Construction Costs:** In the event the Construction Cap is exceeded and Tenant elects to pay Landlord the Excess Costs in a lump sum payment, Landlord may seek and obtain reimbursement of the Excess Costs from Tenant by providing Tenant with: (i) an A.I.A. application for payment and summary of construction expenditures, acknowledging compliance with the Approved Final Plans and Specifications showing all expenditures constituting Excess Costs and all written change orders; (ii) certificate of substantial completion signed by an architect licensed to do business in the State in which the Premises is located; and (iii) an affidavit of the General Contractor listing all subcontractors and acknowledging full payment to all such subcontractors with waivers of liens from the General Contractor (collectively referred to as the "Construction Documents"). Within thirty (30) days after receipt of such Construction Documents, Tenant shall pay such Excess Costs (subject to any adjustments made pursuant to Section 4.1.2 hereof) to Landlord, unless Tenant has exercised its option to make the Rent Adjustment recited in Sections 4.1.3 hereinabove.

**4.2 Plans and Specifications:** Landlord shall submit to Tenant a complete set of the proposed construction plans, working drawings, and specifications (the "Plans") prepared at Landlord's sole cost and expense. Tenant shall be allowed fifteen (15) days within which to examine the Plans and to advise Landlord of Tenant's approval or disapproval of the same; provided, however, Tenant's approval shall not be unreasonably withheld, conditioned or delayed. The failure of Tenant to advise Landlord within such fifteen (15) day period shall be deemed to constitute the approval of the Plans by Tenant as of the fifteenth (15th) day following Tenant's receipt of the Plans. If Tenant shall have a reasonable basis for disapproval of any portion of the Plans, Tenant shall give Landlord its reasons therefor in writing within said fifteen (15) day period and, provided said changes are reasonable, Landlord shall cause the Plans to be revised so as to meet Tenant's reasonable objections. Landlord shall submit the revised Plans to Tenant within fifteen (15) days after receipt of Tenant's reasons for disapproval of the Plans. Within fifteen (15) days after Tenant's receipt of the revised Plans, Tenant shall advise Landlord in writing of its approval of the revised Plans or notify Landlord of any additional objections. Landlord and Tenant and General Contractor shall use good faith efforts to resolve any dispute regarding revisions to the Plans in an expeditious manner to the mutual satisfaction of Landlord and Tenant; provided however, in the event a dispute cannot be so resolved, Landlord's architect and an architect selected by Tenant shall agree upon a resolution to said dispute and the resolution shall be binding upon Landlord and Tenant. The Plans which have been approved by Tenant are referred to as the "Approved Final Plans and Specifications." Landlord shall have the right to make changes in the Approved Final Plans and Specifications (subject to Tenant's further review and approval of same as provided above and which approval shall not be unreasonably withheld) in which event, to the extent said changes cause Construction Costs to exceed the Construction Cap, Landlord shall pay the amount by which the total additional cost related to such changes exceeds any savings resulting therefrom. Tenant shall be responsible, at Tenant's sole cost and expense, for any change orders requested solely by Tenant or any governmental permitting authority. Tenant shall have the right to make changes in the Approved Final Plans and Specifications in which event, to the extent said changes cause Construction Costs to exceed the Construction Cap, Tenant shall pay the amount by which the total additional cost related to such changes exceeds any savings resulting therefrom as provided in subsection 4.1.3.

Landlord shall, at Landlord's sole cost and expense outside the Construction Cap, pay any architectural or engineering fees, costs or expenses associated with: (i) preparation of the Approved Final Plans and Specifications, (ii) any independent architectural inspection of the Construction, if any, and (iii) preparation of the site and civil engineering drawings, all as a part of Landlord's Work, Landlord shall pay such amounts directly to the architectural or engineering firm responsible for plan preparation.

**4.3 Construction Schedule:** Landlord and Tenant acknowledge and agree Tenant was, among other things, induced into entering this Lease by certain representations made by Landlord as to the timing of delivery of the Premises to Tenant Ready for Occupancy. Accordingly, Landlord and Tenant deem it imperative that a construction schedule be established which accurately sets forth the timing for completion of construction by Landlord of the Premises Ready for Occupancy. Landlord covenants to use its best efforts to meet the construction schedule attached hereto as Schedule 4.3 and incorporated herein by reference ("Construction Schedule"). If Landlord shall not have obtained all necessary approvals, licensing and building permits and shall not have commenced construction by April 30, 2009, Tenant may, without liability or further obligation, terminate this Lease upon written notice to Landlord, and in such case this Lease shall have no further force or effect. It is understood and agreed that if Landlord fails to deliver the Premises Ready for Occupancy (as hereinafter defined) or commence the Construction in the manner and time period specified in this Section 4.3, then, in such event, Landlord shall be deemed in default under the Lease, and Landlord shall not have any additional time to cure such default, notwithstanding the cure period provided in Section 14.2 hereof.

**4.3.1 Turnover Dates:** Landlord shall use its best efforts to deliver the Premises to Tenant Ready for Occupancy (as defined hereinafter) on February 26, 2010 (the "Initial Turnover Date"). In the event Premises shall not be delivered to Tenant Ready for Occupancy by the Initial Turnover Date, Landlord shall use its best efforts to deliver the Premises to Tenant Ready for Occupancy on March 26, 2010 (the "Second Turnover Date"), Landlord covenants to deliver written notice to Tenant by February 1, 2010, which notice shall state whether the Premises shall be delivered to Tenant Ready for Occupancy on the Initial or Second Turnover Date, or provide that Landlord is unable to meet either Turnover Date (the "Turnover Date Notice"). The Turnover Date Notice shall not give notice of intent to deliver the Premises to Tenant Ready for Occupancy on any date between the Initial Turnover Date and the Second Turnover Date or subsequent to the Second Turnover Date unless Landlord pays liquidated damages in accordance with Section 4.4 hereof. It is agreed and understood that failure to deliver the Turnover Date Notice in accordance with this Section 4.3.1 shall result in a presumption for the purposes of this Article IV that Landlord has notified Tenant that the Premises will be delivered to Tenant Ready for Occupancy by the Initial Turnover Date.

Notwithstanding anything to the contrary herein, if Tenant fails to provide Landlord with all programing and other specific information necessary for Landlord to complete construction in a timely manner, as requested by Landlord by written notice thereof, within seven (7) days of said written request, then the Turnover Date shall be extended for a period of time commensurate with the delay caused by the Tenant.

**4.3.2 Termination Option:** If the Turnover Date Notice indicates that, despite the best good-faith efforts of Landlord, the Premises shall not be delivered to Tenant Ready for Occupancy by the Second Turnover Date, unless such failure to timely deliver the Premises resulted directly from delays caused by Tenant (net of delays caused by Landlord) and subject to force majeure delays as set forth in Section 18.7, then Tenant shall not be required to accept possession of the Premises, and Tenant shall have the right to terminate this Lease (Landlord not having any additional time to cure notwithstanding the cure period provided in Section 14.2 hereof). In the event this Lease shall be terminated by Tenant pursuant to this Section 4.3.2, neither party shall have any further obligations hereunder.

**4.4 Liquidated Damages:** If Landlord fails to deliver the Premises to Tenant Ready for Occupancy by the Initial or Second Turnover Date, as applicable pursuant to the Turnover Date Notice or otherwise presumed pursuant hereto, unless such failure to timely deliver the Premises resulted directly from delays caused by Tenant (net of delays caused by Landlord) or by force majeure delays as provided in Section 18.7 of this Lease, then, in such event, Landlord shall be deemed in default under this Lease (it being understood that Landlord shall not be allowed additional time to cure such default, notwithstanding the curative period described in Section 14.2 hereof), and Landlord shall be obligated for payment to Tenant as liquidated damages the sum of money equivalent to three (3) times the daily Minimum Rent for each day after the Initial or Second Turnover Date, as applicable pursuant to the Turnover Date Notice or otherwise presumed pursuant hereto, until the Premises are delivered to Tenant Ready for Occupancy or this Lease is terminated in accordance with Section 4.3.2. If the Turnover Date Notice states a date for delivery of the Premises to Tenant other than the Initial or Second Turnover Date, Landlord shall be obligated to pay the foregoing liquidated damages for each day after the immediately preceding Turnover Date that delivery is to be delayed. It is hereby agreed that the liquidated damages to which Tenant is entitled hereunder are a reasonable estimate of the damages that would be caused to Tenant by Landlord's delay in completing and delivering the Premises to Tenant Ready for Occupancy by the applicable Turnover Date. Tenant shall not be deemed to have waived liquidated damages accruing between the applicable Turnover Date and the date the Premises are Ready for Occupancy by accepting delivery of the Premises prior to the date the Premises are Ready for Occupancy.

**4.5 Ready For Occupancy:** The Premises shall be deemed "Ready for Occupancy" when:

- (i) The Premises have been substantially completed in accordance with (yy) applicable laws, ordinances, codes, rules and regulations, and (zz) the Approved Final Plans and Specifications, except for the installation of Tenant's fixtures and such minor "punchlist" items as shall not justify Tenant to refuse to accept delivery of the Premises;
- (ii) Landlord has received a final certificate of occupancy for the Premises (or a conditional certificate of occupancy which requires only the installation of Tenant's fixtures prior to being deemed final) if required by any governmental authority and delivered a copy thereof to Tenant;
- (iii) Landlord has substantially completed Landlord's Work except for minor punchlist items as shall not justify Tenant to refuse to accept delivery; and
- (iv) Landlord has provided Tenant with a copy of the General Contractor's final application for payment and an affidavit of the General Contractor listing all subcontracts and acknowledging full payment of the General Contractor and all subcontractors with lien waivers from each.

**4.6 Correction of Defects and Omissions:** Within sixty (60) days after Landlord delivers to Tenant and Tenant accepts possession of the Premises in accordance with Section 4.8 hereof, Tenant shall prepare and deliver to Landlord, with respect to those items not constructed according to the Approved Final Plans and Specifications, a list of defects and omissions in the Construction of the Premises (the "Punchlist"), and Landlord shall correct same within thirty (30) days after receipt of the Punchlist. Landlord agrees that Landlord shall not pay General Contractor the final retainage due under the Construction Contract until the Construction items on the Punchlist prepared by Tenant have been completed by General Contractor, to Tenant's reasonable satisfaction. If at any time within one year following the date of substantial completion of the Construction any of the work performed by Landlord or General Contractor (or within one year following the date said work was purported to be corrected) is found to be not in accordance with the Approved Final Plans and Specifications, upon receipt of written notice from Tenant, the Landlord shall promptly cause the condition to be corrected within thirty (30) days of the date of Tenant's notice. This obligation does not extend to remedy for damage or defect caused by abuse, modifications not executed by Landlord, improper or insufficient maintenance, improper operation or normal wear and tear.

**4.7 Acceptance of Premises:** Landlord shall deliver exclusive possession of the Premises to Tenant as soon as they are Ready for Occupancy, and Tenant shall be required to accept possession thereof when so delivered. Landlord shall have access to the Premises after exclusive possession has been delivered to Tenant for the purpose of correcting defects and omissions in construction so long as Landlord does not unreasonably interfere with Tenant's business or fixturing activities. The taking of possession of the Premises shall not constitute a waiver of any defects or omissions in the construction of the Premises or any failure of Landlord to perform its obligations hereunder.

Landlord shall provide Tenant with access to the Premises at least thirty (30) days prior to the Turnover Date for the purpose of installing Tenant's fixtures, equipment and personal property upon the Premises. Tenant's early access shall not unreasonably interfere with Landlord's Construction.

**4.8 Signs:** Subject to local governmental codes and ordinances, as a part of the construction of the Elm Road Medical Campus and prior to the Turnover Date, Landlord may, at its own expense, erect, or cause to be erected one or more free-standing sign (hereinafter sometimes referred to as the "Elm Road Medical Campus Sign"), in the area designated on Exhibit "E" attached hereto. Prior to commencing construction of the Elm Road Medical Campus Sign, Landlord shall submit to Tenant a proposed drawing of the structure for Tenant's approval, not to be unreasonably withheld. Landlord shall maintain, repair and illuminate said Elm Road Medical Campus Sign during the Lease Term, with the cost of such maintenance, repairs, and illumination being included within the purview of Common Area Costs.

**4.9 Exterior Signage:** Tenant, or Tenant's assignee or sublessee, shall have the right to place and maintain during the Lease Term its usual and customary signs on the exterior of the Premises, provided, however, said signage is at all times professionally produced, high-quality in nature and in keeping with the family-orientation of the Elm Road Medical Campus; it being agreed that Landlord hereby approves Tenant's exterior signage plans set forth in Exhibit "F" attached hereto, and provided further, that such exterior signage meets the requirements of the Elm Road Medical Campus Development Standards, a copy of which are attached hereto as Exhibit "G" and incorporated herein by reference, Tenant shall maintain such signs in good order and repair in compliance with all applicable governmental rules, regulations or ordinances. Tenant shall have the right to determine the location of its sign(s) subject to written approval of the sign(s)' location by the Landlord, which approval shall not be unreasonably withheld.

**4.10 Alterations to Elm Road Medical Campus and Outlots:** Landlord agrees that the layout and design of the Elm Road Medical Campus shall be substantially as is set forth on Exhibit "C" attached hereto. The Amendment to the Declaration referred to in Section 1.2 shall provide that d shall not (a) substantially alter the area of the Elm Road Medical Campus or the location or size of any building or improvement in the Elm Road Medical Campus, (b) change the number, location or layout of parking spaces in the Elm Road Medical Campus, (c) construct any additional buildings or structures in the Common Areas of the Elm Road Medical Campus or on parcels adjacent to the Common Areas of the Elm Road Medical Campus, or (d) change the entrances, exits, access roads, and service roads to and from the Elm Road Medical Campus or the Protected Parking Area (as hereinafter defined) without the prior written consent of Tenant in each instance. Tenant shall not unreasonably withhold its consent to changes in the Common Areas of the Elm Road Medical Campus beyond the area crosshatched on Exhibit "C" attached hereto (the "Protected Parking Area"), so long as the number of parking spaces provided complies with the St Joseph County Code for hospital parking, and so long as said change does not impair or adversely affect (i) ingress to or egress from the Premises or any loading dock serving the Premises; or (ii) visibility of the Premises or Tenant's exterior signage.

**4.11 Build-To-Suit Building:** The hospital shall be a build-to-suit building and there shall be no Tenant improvement allowances.

#### **ARTICLE V**

#### **USE OF PREMISES**

**5.1 Tenant's Use:** Tenant shall use the Premises solely for the Permitted Use specified in Section 1.8 and/or such additional uses which are ancillary or incidental thereto.

**5.2 Operating Covenants:** Landlord covenants and agrees that the Amendment to the Declaration referred to in Section 1.2 shall provide (i) that during the Lease Term Elm Road Medical Campus will continuously operate as a medical office center in a manner consistent with first-class medical office center practice; and (ii) that no portion of the Elm Road Medical Campus shall be used in violation of the REA (as hereinafter defined), Declaration or for the following purposes: a bowling alley, skating rink, bar (as distinguished from a restaurant deriving at least 60% of its gross sales from the sale of nonalcoholic beverages and food), theater, amusement park, carnival, meeting hall, banquet facility, entertainment facility, disco or other dance hall, nightclub establishment, sporting events, for any manufacturing, for wholesale or non-retail operation, for the lease, sale or repair of cars or boats (new or used), trailers, mobile homes, lumber yard, video arcade or other game parlor, pool hall, billiard parlor, amusement center, off-track betting establishment, flea-market, massage parlor, tattoo or body piercing facility, auditorium, or for the sale and display of obscene or pornographic materials or any so called "social encounter" restaurants which serve alcoholic beverages for on-premises consumption and whose primary purpose is the meeting and mingling of its patrons, and (iii) no portion of the Elm Road Medical Campus shall be used for a drive-thru, fast-food restaurant. During the term hereof, Landlord shall maintain a parking ratio on Lot Three (3) of not less than the minimum required by applicable local ordinances.

**5.3 Exclusive Use:** Tenant shall have the exclusive right to the delivery of inpatient rehabilitation hospital" services at the Elm Road Medical Campus throughout the term of this Lease so long as Tenant is operating the Premises as an inpatient rehabilitation hospital.

**5.4 Subletting and Assignment:** Tenant may sublet or assign the Premises at any time provided the business which such subtenant or assignee proposes to conduct and actually conducts does not conflict with the use provisions set forth in Section 1.8 of this Lease. In the event Tenant shall assign this Lease as permitted hereunder or shall sublease any portion of the Premises as permitted hereunder, Tenant shall remain liable for performance of each and every term of this Lease to be performed by Tenant hereunder. Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby expressly agree that Tenant shall be permitted, without the prior written consent of Landlord being required, to sublet or license portions of the Premises to concessionaires or licensees, provided such use does not conflict with the use provisions set forth in Section 1.8 of this Lease. Tenant shall likewise have the absolute right, without the prior written consent of, or notice to, Landlord being required, to assign or sublet the Premises to any parent, subsidiary or affiliate company of Tenant, or in connection with any merger, consolidation, sale of all or substantially all of Tenant's assets or stock, or a public or private offering.

## ARTICLE VI

### REPAIRS AND MAINTENANCE

**6.1 Tenant's Repairs:** Except as otherwise provided herein, Tenant shall maintain in clean condition and good repair, and pay the costs and expense thereof, the nonstructural walls (including all patching and painting thereof), gutters, downspouts, exterior and all interior nonstructural portions of the Premises, all heating, ventilating and air conditioning systems and all plumbing, electrical, gas, sprinkler and sewage systems, located within the building constructed by Landlord upon the Premises. Landlord shall be responsible for maintenance, repair and replacement of all structural walls, the foundation, the roof and all mechanical and utility installations located outside of the building constructed by Landlord upon the Premises. Landlord and Tenant shall cause to be established a reserve fund for the expense of said Landlord's repairs, as determined by an independent, objective third party experienced in the determination of appropriate and necessary reserves for the Premises ("Reserve"), which Reserve amounts shall be payable by Tenant as additional Rent on a monthly basis and which amounts shall be escrowed and set aside as a separate Reserve for payment of said expenses. Notwithstanding the Reserve, Landlord shall be responsible for the full cost of Landlord's repairs in excess of the Reserve at the time of the repair. Tenant further covenants to inspect, maintain and repair, and pay the costs and expense thereof, the fire sprinkler system serving the Premises, (if any) including without limitation the performance of flow tests on such systems on a periodic basis, but in no event less frequently than as may be required or recommended by industry standards for a like-kind system. Landlord agrees to correct any defects in Landlord's Work or the Construction arising prior to the first anniversary of the Commencement Date provided Tenant gives written notice of such defects to Landlord within thirty (30) days after the first anniversary of the Commencement Date. This time limitation shall not apply to latent defects in Landlord's Work or the Construction which Tenant could not reasonably have discovered prior to the expiration of such time period. Landlord further agrees to make all repairs to the Premises, unless occasioned by the negligence of Tenant or Tenant's employees, servants, agents or contractors, for a period of one (1) year after the Commencement Date, Landlord shall maintain on file warranties and guaranties pertaining to the General Contractor's work and the mechanical systems of the Premises. Thereafter, to the extent assignable, Landlord shall assign to Tenant all applicable warranties and guaranties benefiting Landlord or Tenant in connection with the construction of and systems serving the Premises for which Tenant has a repair obligation hereunder. Notwithstanding the foregoing to the contrary, Tenant shall be obligated to make those repairs which (i) are occasioned by its negligence, or the negligence of its employees, agents, servants and contractors; (ii) relate to damage encompassed in the insurance coverage required to be maintained by Tenant pursuant to Section 9.3 hereof (except to the extent that Tenant's insurance coverage overlaps or is secondary to Landlord's primary coverage); or (iii) arises as a direct and proximate result of Tenant's failure to perform Tenant's repair obligations in Section 6.2 below.

**6.2 Non-Structural Repairs.** Tenant shall further be responsible for, and pay the costs and expense thereof, (i) all interior, non-structural repairs to the Premises (including the replacement of plate glass in the building), and (ii) except as provided hereinbelow, all maintenance and repairs to the heating, ventilating and air conditioning ("HVAC") Equipment (e.g., replacement of filters, belts, freon, and routine cleaning, including inspections and filter changes and repair or replacement of major component parts) servicing the Premises. Notwithstanding the foregoing to the contrary, Landlord shall be obligated to make those repairs (nonstructural or HVAC) which (i) are occasioned by Landlord's negligence, or the negligence of Landlord's employees, agents, servants and contractors; (ii) relate to damage encompassed in the insurance coverage required to be maintained by Landlord pursuant to Section 9.1 hereof (except to the extent that Landlord's insurance coverage overlaps or is secondary to Tenant's primary coverage); or (iii) arise as a direct and proximate result of Landlord's failure to perform Landlord's repair obligations in Section 6.1 above.



Notwithstanding the above, in the event of the necessity of a substantial repair to (exceeding a cost of \$75,000.00) or the replacement of the heating, ventilating or air conditioning systems serving the Premises at any time during the last three (3) years of the Lease Term, Landlord shall be responsible for the cost of said repair or replacement and Tenant shall reimburse Landlord for a portion of said cost equal to the amortized monthly amount of said cost for the remaining Term of the Lease amortized over the useful life of said repair or replacement as determined by Tenant subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

**6.3 Alterations:** Subject to local governmental code, Tenant shall have the right to make from time to time, at its sole cost and expense, interior, non-structural alterations to the Premises without the necessity of first obtaining Landlord's consent; provided, however, such alterations do not affect the structural integrity or diminish the value of the Premises. Tenant shall not make any structural changes to the Premises without Landlord's prior written consent, said consent not being unreasonably withheld, conditioned or delayed.

**6.4 Tenant's Property:** Any and all trade fixtures, equipment, signs, appliances, furniture and other personal property of whatever nature or kind installed in the Premises at any time (all of the foregoing being collectively referred to in this Lease as "Tenant's Property"), including, without limitation, all counters, shelving, lighting and track lighting, panel wall systems and valance accents (to the extent that the same can be removed without irreparable damage to the structure of the Premises) shall not become a part of the realty and may be removed from the Premises by Tenant at any time during the Lease Term or within sixty (60) days after termination thereof (subject to Tenant's repair obligations as stated in Section 15.1 hereof).

**6.5 Tenant Financing:** Tenant shall have the right to finance the acquisition and installation of Tenant's Property (by granting a security interest therein or entering into an equipment lease therefor); and in connection therewith, Landlord agrees to execute and to use reasonable efforts to cause the holder of any mortgage covering all or any portion of the Elm Road Medical Campus to execute and deliver a Landlord's and mortgagee's waiver and all other documentation reasonably required by any lessor or holder of any security interest in and to Tenant's Property.

**6.6 Liens:** Each party hereto shall promptly pay when due the entire cost of all work done by it to the Premises and shall keep the Premises free of liens for labor or materials. Should mechanics', materialmen's or other liens be filed against the Premises by reason of the acts of either party hereto, such party shall cause the lien to be canceled and discharged of record by bond or otherwise within sixty (60) days of receiving actual notice of such lien.

## ARTICLE VII

### COMMON AREAS

**7.1 Use of Common Areas:** Landlord hereby grants to Tenant, its licensees, sublessees, successors and assigns, and its and their employees, agents, licensees and invitees, the non-exclusive right to use the Common Areas during the Lease Term continuously and without interruption. In the event that Landlord should designate an employee parking area for all employees of tenants and occupants of the Elm Road Medical Campus, Landlord shall use reasonable efforts to require all such employees to utilize such designated areas, and from and after receipt of notice of such designated parking area, Tenant shall use its reasonable efforts to cause its employees to utilize such designated employee parking areas.

**7.2 Maintenance:** Landlord shall maintain or cause to be maintained in compliance with the Declaration and in keeping with the high standards of a Class A medical office center in St. Joseph County, Indiana, the Common Areas in clean condition and good repair, including, but not limited to: (i) maintaining all signs, landscaped areas, and parking areas and access roads in good condition and repair (including re-striping, repairing and re-paving same when required, and removing any ice, snow or rubbish therefrom); (ii) adequately illuminating the parking areas and other Common Areas while Tenant remains open for business and for one (1) hour thereafter but no later than 9:00 p.m. unless Tenant pays the additional utility charges on a pro rata basis with any other tenant open later than 8:00 p.m.; and (iii) keeping the parking area of the Elm Road Medical Campus free from obstructions including, but not limited to, tractor trailer/delivery trucks (which remain parked in the parking area in excess of twelve (12) consecutive hours).

**7.3 Tenant's Contribution:** Tenant shall pay to Landlord on a monthly basis along with the monthly installment of Rent payable by Tenant to Landlord, as additional rent during each full or partial Lease Year of the Lease Term, one-twelfth (1/12th) of Tenant's Percentage Share of Common Area Costs for Elm Road Medical Campus as established in the Declaration (as defined in Section 1.2). Tenant's Percentage Share of Common Area Costs for the first (1st) Lease Year of the Lease Term shall be reasonably estimated by Landlord in Section 1.2 of this Lease; it being agreed that for each Lease Year of the Lease Term after the first (1st) Lease Year, the estimated percentage share of Common Area Costs payable by Tenant to Landlord on a monthly basis shall be based upon Tenant's Percentage Share of Common Area Costs payable by Tenant pursuant hereto for the preceding Lease Year of the Lease Term (e.g., the estimated Common Area Costs for the second [2nd] Lease Year of the Lease Term shall be based upon the actual Common Area Costs payable by Tenant hereunder which Landlord incurs for the first [1st] Lease Year of the Lease Term). In the event that during any Lease Year of the Lease Term Tenant's Percentage Share of the actual Common Area Costs for said Lease Year shall exceed the estimated amount paid by Tenant to Landlord in accordance with the foregoing, then Tenant shall pay such deficiency to Landlord with the next due installment of Rent after receipt by Tenant of the detailed statement from Landlord hereinafter described; it being agreed that in the event Tenant's Percentage Share of the actual Common Area Costs for any respective Lease Year of the Lease Term is less than the amount paid therefor by Tenant, then such excess amount shall be taken as a credit by Tenant against the next installments of Rent due to Landlord hereunder until such amount has been fully refunded, Landlord shall furnish to Tenant, within sixty (60) days after the close of each calendar year during the Lease Term, a reasonably detailed statement (prepared in accordance with generally accepted accounting principles and certified as true and accurate by an authorized member of Landlord) of the Common Area Costs incurred during the previous calendar year (after the Commencement Date) and the methodology employed (including all appropriate figures and supporting documentation and invoices) in determining Tenant's Percentage Share thereof. Landlord shall keep good and accurate books and records in accordance with generally accepted accounting principles concerning the operation, maintenance and repair of the Common Areas, and Tenant and its agents shall have the right, upon at least thirty (30) days' notice, to audit, inspect and copy such books and records for the prior two (2) Lease Years. Landlord shall promptly pay Tenant all Common Area Costs shown by such audit to be overpaid by Tenant.

**7.4 Reciprocal Easement Agreement (“REA”):** If Elm Road Medical Campus, LLC, Landlord and Tenant enter into an REA, then with respect to the REA, Landlord covenants and agrees as follows;

- (i) Without the prior written consent of Tenant, the REA shall not be terminated, nor amended nor modified in any manner which shall increase the liabilities and obligations of Tenant, or diminish the rights and privileges of Tenant under this Lease;
- (ii) Landlord hereby grants, assigns and conveys to Tenant on a non- exclusive basis all of the easement rights and other rights of Landlord contained in the REA, with the same force and effect as if said rights had been granted directly to Tenant; and
- (iii) Landlord agrees to use all reasonable efforts to enforce the easement rights and other rights contained in the REA on Tenant’s behalf, and if Landlord fails to enforce said rights on Tenant’s behalf, within thirty (30) days after written notice thereof from Tenant, Landlord agrees that Tenant shall have the right to enforce said rights under the REA directly in the name of, and on behalf of, Landlord (if so required), Landlord hereby confirming such enforcement rights to Tenant.

**ARTICLE VIII**

**REAL ESTATE TAXES**

**8.1 Real Estate Taxes:** From and after the Commencement Date, Tenant shall pay any and all Real Estate Taxes (as defined in Section 1.10) relating to the Premises. Landlord shall furnish Tenant, immediately upon receipt, with a copy of any bill for Real Estate Taxes relating to the Premises. At least twenty (20) days prior to the date the Real Estate Taxes become delinquent or begin to accrue penalties and interest, Tenant shall pay to Landlord the Real Estate Taxes (provided Tenant receives the bill from Landlord at least thirty (30) days prior to the date the Real Estate Taxes become delinquent or begin to accrue penalties and/or interest). If Tenant receives the bill less than thirty (30) days prior to the date it becomes delinquent, Tenant shall use commercially reasonable efforts to pay such bill prior to delinquency. Tenant’s liability for Real Estate Taxes shall be prorated during the first and last years of the Lease Term, as extended, based on the number of days Tenant occupied the Premises in accordance with this Lease Agreement. Tenant shall not be obligated to pay any additional assessment or penalty associated with Landlord’s delinquency in delivering the tax bill to Tenant for payment or paying the Real Estate Tax promptly when due. Tenant shall not be obligated to pay Real Estate Taxes accruing after the Lease is lawfully terminated in accordance with the provisions hereof prior to expiration of the Initial Term of the Lease. The Real Estate Taxes for the first (1st) Lease Year of the Lease Term are estimated at One Hundred Seventy Five Thousand Eight Hundred and Seventy Three and 60/100 Dollars (\$175,873.60) (\$3.83 per square foot of the Premises). If Tenant desires to contest any real estate tax, charge or assessment. Tenant shall promptly notify Landlord and Tenant shall have the right to do so at its expense, and Landlord shall fully cooperate with Tenant in any such proceeding at Tenant’s sole cost and expense.

**8.2 Refunds and Rebates:** Tenant shall receive any Real Estate Tax or assessment refunds or rebates paid to Landlord and attributable to the Premises net of any reasonable expenses incurred by Landlord in any proceeding to obtain such refunds or rebates.

## ARTICLE IX

### INSURANCE AND INDEMNIFICATION

**9.1 Landlord's Insurance:** Landlord shall at all times maintain or cause to be maintained commercial general liability insurance and property damage insurance covering the Elm Road Medical Campus, including, but not limited to, the Common Areas, against claims for bodily injury, personal injury and damage to property naming Tenant as an additional insured under any liability policy, with minimum combined single limits of \$1,000,000.00 for bodily injury, death or property damage, and no less than \$1,000,000.00 for personal injury, and excess umbrella coverage of at least \$3,000,000.00. Landlord shall also maintain Workers' Compensation or similar insurance to the extent required by law, covering all of its employees performing work in the Elm Road Medical Campus and throughout Landlord's Construction, and contractual liability insurance in Landlord's name, naming Tenant as additional insured.

**9.2 Tenant's Contribution:** From and after the Commencement Date, Tenant covenants to pay to Landlord on a monthly basis along with the monthly installment of Minimum Rent payable by Tenant to Landlord, as additional rent during each Lease Year of the Lease Term, one-twelfth (1/12th) of Tenant's Percentage Share of all insurance required to be maintained by Landlord (specifically excluding any rent loss insurance or administrative or management fee of Landlord) in connection with the Elm Road Medical Campus as set forth in Section 9.1 of this Lease (herein sometimes referred to as the "Insurance Premiums") for such respective Lease Year of the Lease Term. Tenant's Percentage Share of Insurance Premiums for the first (1st) Lease Year of the Lease Term is reasonably estimated by Landlord to be Four Thousand Three Hundred Twenty Dollars (\$4,320.00) payable by Tenant in twelve (12) equal installments of Three Hundred Sixty Dollars (\$360.00) per month; it being agreed that for each Lease Year of the Lease Term after the first (1st) Lease Year, the estimated percentage share of Insurance Premiums payable by Tenant to Landlord on a monthly basis shall be based upon Tenant's Percentage Share of the actual Insurance Premiums paid for the preceding Lease Year of the Lease Term (e.g., the estimated Insurance Premiums for the second [2nd] Lease Year of the Lease Term shall be based upon the actual Insurance Premiums payable by Landlord in connection with the Elm Road Medical Campus for the first [1st] Lease Year of the Lease Term). In the event that during any Lease Year of the Lease Term Tenant's Percentage Share of the actual Insurance Premiums for said Lease Year shall exceed the estimated amount paid by Tenant to Landlord in accordance with the foregoing, then Tenant shall pay such deficiency to Landlord with Tenant's next due installment of Minimum Rent after request therefor by Landlord; it being agreed that in the event Tenant's Percentage Share of the actual Insurance Premiums are less than the amount paid therefor by Tenant, then such excess amount shall be taken as a credit by Tenant against the next installments of Rent due to Landlord hereunder until such amount has been fully refunded. Landlord shall furnish Tenant, within sixty (60) days after the close of each calendar year during the Lease Term, copies of the insurance company's invoice pursuant to which Landlord's insurance payments were made and a statement showing calculation of Tenant's Percentage Share thereof.

**9.3 Tenant Insurance:** Tenant shall maintain and pay any and all premiums for commercial general liability and property damage insurance covering the Premises, including fire and all peril coverage, naming Landlord as an additional insured with minimum combined single limits of \$10,000,000.00 for bodily injury, death or property damage, and not less than \$2,000,000.00 for personal injury, with excess umbrella coverage of \$5,000,000.00, and worker's compensation in accordance with state statutory limits. Tenant shall also maintain property insurance covering Tenant's Property including trade fixtures, inventory and other personal property as defined in Section 6.4 hereof. Landlord and Tenant hereby agree that all of the coverages and the limits of coverage required to be maintained pursuant to Section 9.1 and Section 9.3 hereof may be maintained under blanket or umbrella insurance policies; provided, however, the Elm Road Medical Campus, and the Premises, as the case may be, are specifically covered under such coverages, and the coverages required under the terms and provisions of Section 9.1 and Section 9.3 are not thereby diminished.

From and after the Turnover Date and throughout the term of the Lease, Tenant shall procure and pay for windstorm, fire and extended coverage insurance, insuring the completed building upon the Premises of not less than the full replacement value thereof in a responsible insurance company authorized to do business in the State of Indiana. Such insurance policies shall insure against loss or damage from fire, windstorm, tornado, hail, disaster, earthquake, vandalism, riot, malicious mischief (and including boiler insurance and war risk insurance if then available), insurance against flood if required by the Federal Flood Disaster Protection Act of 1973 and Regulations issued thereunder, and such other insurance as commonly, or in the judgment of Tenant prudently, maintained by those whose business, improvement to and use of the Premises is similar to that of Tenant. Such insurance shall contain the so-called Replacement Cost or Restoration Endorsement, a provision to the effect that the waiver of subrogation rights by the insured does not void the coverage, and such special endorsements as determined by Tenant. Such insurance policies shall be issued in the joint names of Landlord and Tenant as the insured, and any mortgagee of Landlord or Tenant, if so requested. Tenant may self-insure all or any portion of said risk with the prior written consent of Landlord, which consent Landlord shall not unreasonably withhold, condition or delay.

**9.4 Insurance Certificates:** All of the insurance policies required pursuant to Sections 9.1 and Section 9.3 shall be written with companies licensed to do business in the State in which the Premises is located and shall provide that the other party hereto shall be given a minimum of ten (10) days' written notice by any such insurance company prior to the cancellation, termination or alteration of the terms or limits of such coverage. The foregoing insurance policies or certificates thereof shall be delivered to the respective parties prior to the date the Premises are Ready for Occupancy with evidence of all renewals or replacements of same being delivered to the respective parties not less than ten (10) days prior to the expiration date of such policies.

**9.5 Mutual Release; Waiver of Subrogation; and Mutual Indemnifications:** Landlord and Tenant hereby release each other and anyone claiming through or under the other by way of subrogation or otherwise from any and all liability for any loss of or damage to property, which are insurable under the policies of property insurance required to be maintained pursuant to this Article IX, whether or not caused by the negligence or fault of the other party, caused by a casualty to the Premises or to the Elm Road Medical Campus. In addition, Landlord and Tenant shall cause each such insurance policy carried by them insuring the Premises or the Elm Road Medical Campus or the contents thereof, to be written to provide that the insurer waives all rights of recovery by way of subrogation against the other party hereto in connection with any loss or damage covered by the policy. Furthermore, Landlord and Tenant agree to indemnify, release and hold each other harmless from and against any and all claims, damages or causes of action for damages which are insurable under the policies of general liability insurance required to be maintained pursuant to this Article IX, and brought on account of injury to any person or persons or property, or loss of life, arising out of the use, operation or maintenance of the Elm Road Medical Campus and Common Areas by Landlord and the Premises by Tenant, respectively.

## **ARTICLE X**

### **DAMAGE AND DESTRUCTION**

**10.1 Damage and Destruction to the Premises:** If the Premises shall be damaged or destroyed by fire or other casualty (any of such causes being referred to herein as a "Casualty"), but the Premises shall not be thereby rendered wholly or partially untenantable (i.e., "untenantable" meaning Tenant is not able to conduct its regular business in the whole of the Premises without interruption or interference), Tenant shall with due diligence remove any resulting debris and repair/rebuild same in accordance with the Plans set forth in Section 4.2 hereof. If, as a result of a Casualty, the Premises shall be rendered wholly or partially untenantable (i.e., Tenant shall not be able to conduct its regular business in the whole of the Premises without interruption or interference), then, Tenant shall, at Tenant's sole cost and expense, with due diligence, remove any resulting debris and repair/rebuild same in accordance with the Plans set forth in Section 4.2 hereof and all Rent, including Minimum Rent, additional rent and other charges hereby reserved, shall be abated proportionately as to the portion of the Premises rendered untenantable during the period of such untenantability. All prepaid Rent and other charges, if any, paid by Tenant for periods after the date of such damage or destruction shall be refunded and/or prorated based on the portion of the Premises rendered untenantable during the period of untenantability. If Tenant does not commence the repair and restoration work required pursuant to this Section 10.1 within the earlier to occur of: (i) sixty (60) days after the settlement of the insurance claims between Tenant and its insurance company, or (ii) one hundred twenty (120) days after the date of such destruction, or thereafter does not diligently pursue such work to completion, then Landlord shall have the right, at Landlord's option, to either: (i) upon ten (10) days prior notice to Tenant, perform such repair/restoration work at the sole cost of Tenant, which cost Tenant shall pay to Landlord during the course of such repairs within ten (10) days of invoice by Landlord; (ii) seek to obtain specific performance of Tenant's repair and restoration obligations pursuant to the laws of the State in which the Premises is located; or (iii) terminate this Lease by thirty (30) days written notice to Tenant, without waiving Landlord's rights to damages for Tenant's failure to perform its covenants and obligations hereunder. The rights granted Landlord in this Section 10.1 shall be in furtherance and not in limitation of any rights Landlord may have pursuant to Section 13.1 hereof.

**10.2 Damage and Destruction to the Common Areas or Other Portions of the Elm Road Medical Campus** If the Common Areas in the Elm Road Medical Campus (exclusive of the Premises) shall, either previous to the beginning of the Lease Term or during the Lease Term, be damaged or destroyed, Landlord shall with due diligence remove any resulting debris and repair and/or rebuild the damaged or destroyed Common Areas to substantially the same condition which existed on the date immediately preceding the date of the casualty. If greater than thirty (30%) percent of the gross leasable area of the Elm Road Medical Campus is damaged, or, if Landlord does not commence the repair and restoration work required pursuant to this Section 10.2 within the earlier to occur of (a) sixty (60) days after the settlement of the insurance claims between Landlord and its insurance company, or (b) one hundred twenty (120) days after the date of such destruction, or thereafter does not diligently pursue such work to completion, then, in either such event, Tenant shall have the right, at Tenant's option, to either: (i) upon ten (10) days prior notice to Landlord, perform such repair/restoration work at the sole cost of Landlord, which cost Landlord shall pay to Tenant during the course of such repairs within ten (10) days of invoice by Tenant; (ii) seek to obtain specific performance of Landlord's repair and restoration obligations pursuant to the laws of the State in which the Premises is located; or (iii) terminate this Lease by thirty (30) days written notice to Landlord, without waiving Tenant's right to damages for Landlord's failure to perform its covenants and obligations hereunder. The rights granted Tenant in this Section 10.2 shall be in furtherance and not in limitation of any rights Tenant may have pursuant to Section 13.1 hereof.

**10.2.1 Damage During Last Three Years:** Notwithstanding the provisions of Sections 10.1 and Section 10.2 hereof, if during the last three (3) years of the initial term of the Lease, or any renewal thereof, the Premises or the Elm Road Medical Campus are damaged to the extent of thirty-five (35%) percent or more of the replacement cost (exclusive of the land and foundations), then this Lease may be terminated at the election of either Landlord or Tenant, provided that notice of such election shall be delivered by the electing party to the other within sixty (60) days after the occurrence of such damage or destruction. Upon the exercise of such option to terminate by either party hereto, this Lease shall be deemed null and void, the parties shall be released from all further liabilities thereafter arising under this Lease, and all Rent and other charges paid by Tenant for periods after the date of termination shall be promptly refunded.

**ARTICLE XI**

**EMINENT DOMAIN**

**11.1     Condemnation:** If, after the execution of this Lease and prior to the expiration of the Lease Term, the whole of the Premises shall be taken under power of eminent domain by any public or private authority, or conveyed by Landlord to said authority in lieu of such taking, then this Lease and the term hereof shall cease and terminate as of the date of such taking, subject, however, to the right of Tenant, at its election, to continue to occupy the Premises, subject to the terms and provisions of this Lease, for all or such part, as Tenant may determine, of the period between the date of such taking and the date when possession of the Premises shall have been taken by the taking authority, and any unearned Rent and other charges, if any, paid in advance, shall be promptly refunded to Tenant.

**11.2     Termination Right:** If, after the execution of this Lease and prior to the expiration of the term hereof, any taking under the power of eminent domain by a public or private authority or any conveyance by Landlord in lieu thereof shall result in:

- (i)     A reduction of any portion of the Premises or fifteen (15%) percent or more of the gross leasable area of the balance of the Elm Road Medical Campus exclusive of the Premises;
- (ii)    The reduction of the parking area for the Elm Road Medical Campus below a parking ratio of 3.5 spaces per 1,000 square feet of improvements;
- (iii)   A taking that results in the closing of any entrance or exit to the Elm Road Medical Campus where no suitable alternative entrances or exits are substituted therefor in the reasonable judgment of Tenant; or
- (iv)    A taking of either a portion of the Common Areas or the access roads to the Premises or the Elm Road Medical Campus, which taking materially impedes or materially interferes with access to the Premises;

then Tenant may, at its election, terminate this Lease by giving Landlord notice of the exercise of Tenant's election within thirty (30) days after Tenant shall receive notice of such taking. In the event of termination by Tenant under the provisions of this Section, this Lease and the term hereof shall cease and terminate as of the date of such taking, and unearned Rent and other charges, if any, paid in advance by Tenant shall be promptly refunded to Tenant provided however, Tenant, at its election, may continue to occupy the Premises, subject to the terms and provisions of this Lease, for all or such part, as Tenant may determine, of the period between the date of such taking and the date when possession of the Premises shall be taken by the appropriating authority.



**11.3 Restoration:** In the event of a taking in respect of which Landlord or Tenant shall not have the right to elect to terminate this Lease or, having such right, shall not elect to terminate this Lease, this Lease and the term thereof shall continue in full force and effect and Tenant, at Tenant's sole cost and expense, forthwith shall restore the remaining portions of the Premises, including any and all improvements made theretofore, together with the remaining portions of the parking areas, to an architectural whole in substantially the same condition that the same were in prior to such taking. A just proportion of the Minimum Rent reserved hereunder and any other charges payable by Tenant hereunder, according to the nature and extent of the injury to the Premises and to Tenant's business operations in the Premises, shall be suspended or abated until the completion of such restoration and thereafter the Rent and any other charges shall be reduced to equitably reflect the effect of such taking on Tenant's business operations in the Premises. Should Tenant fail to promptly commence and diligently proceed to so restore the remaining portions of the Premises, Landlord may at its option exercise any of the rights granted Landlord for failure by Tenant to repair or restore pursuant to Section 10.2 hereof.

**11.4 Award:** All compensation awarded for any taking, whether for the whole or a portion of the Premises, shall belong to Landlord; provided that Tenant shall be entitled to any award made to Landlord or to Tenant to the extent such award includes the unamortized cost of Tenant's betterments and improvements, moving expenses and the value of Tenant's fixtures, and further provided that Tenant may apply for and receive an award for the loss of Tenant's leasehold estate so long as such award in no way diminishes any award to Landlord or to any mortgagee of Landlord with respect to Landlord's remainder. If Landlord's award does not include such expenses, Tenant may pursue its own claim so long as it does not reduce the award to Landlord for the land and buildings.

**11.5 Termination:** In the event of any termination of this Lease pursuant to the provisions of this Article XI, the parties, effective as of such termination, shall be released, each to the other, from all liability and obligations thereafter arising under this Lease.

## ARTICLE XII

### SUBORDINATION AND ATTORNMENT

**12.1 Subordination:** Landlord hereby acknowledges that Tenant's interest in and to this Lease is superior to any mortgage, lien or other security interest affecting the Elm Road Medical Campus or any portion thereof. Notwithstanding the foregoing, Tenant shall, upon the written request of Landlord, subordinate this Lease to the lien of any present or future mortgage upon the Premises or the Elm Road Medical Campus, provided that the holder of any such mortgage (the "Mortgagee") shall enter into a written agreement including an agreement that Tenant shall not be disturbed in its possession of the Premises as provided in this Lease so long as Tenant complies with the terms and conditions of this Lease, in a form and substance approved by Tenant which approval shall not be unreasonably withheld, conditioned or delayed. As used herein, "mortgage" shall include mortgages, deeds of trust, deeds to secure debt or other similar instruments, and any modifications, extensions, renewals and/or replacements thereof.

**12.2 Attornment:** Should Landlord sell, convey or transfer its interest in the Elm Road Medical Campus or should any mortgagee of Landlord succeed to Landlord's interest through foreclosure or deed in lieu thereof, then Tenant shall attorn to such succeeding party as its landlord under this Lease promptly upon any such succession, provided that such succeeding party assumes, in a writing acceptable to Tenant in its reasonable judgment, all of Landlord's duties and obligations under this Lease.

### **ARTICLE XIII**

#### **SELF HELP**

**13.1 Self Help:** If either party defaults in the performance of any obligation imposed on such party by this Lease and does not cure such default within thirty (30) days after written notice (unless otherwise specified elsewhere in this Lease) from the other party specifying the default (or does not within said period commence and diligently proceed to cure such default), the other party, without waiver of or prejudice to any other right or remedy it may have, shall have the right at any time thereafter to cure such default for the account of the defaulting party, and the defaulting party shall reimburse the other party for any reasonable amount paid and any expense or contractual liability so incurred upon invoice; it being agreed that any amounts expended by Tenant on behalf of Landlord and not reimbursed by Landlord as provided above maybe setoff by Tenant with interest at the rate provided in Section 14.3 against future Rent owing under this Lease. The foregoing to the contrary notwithstanding, Tenant shall have no right to cure any default hereunder unless and until Tenant has given not less than thirty (30) days prior written notice of such default to the holder of any mortgage on the Premises or the Elm Road Medical Campus of which Tenant has received notice from Landlord and such holder fails to cure or cause Landlord to cure said default.

**13.2 Emergencies:** Notwithstanding the terms and provisions of Section 13.1 hereof, in the event of emergencies, or where necessary to prevent injury to persons or damage to property, either party may cure a default by the other before the expiration of the waiting period but after giving written or oral notice to the other party.

### **ARTICLE XIV**

#### **DEFAULT AND REMEDIES**

**14.1 Remedies Upon Tenant's Default:** In the event Tenant shall at any time be in default in the payment of Rent, or other charges herein required to be paid by Tenant or in the observance or performance of any of the other covenants and agreements required to be performed and observed by Tenant hereunder and any such default shall continue for a period of fifteen (15) days after written notice to Tenant for monetary obligations and thirty (30) days after written notice to Tenant for all other obligations (or if such default is incapable of being cured in a reasonable manner within thirty (30) days, then if Tenant has not commenced to cure such default within said thirty (30) day period or thereafter does not diligently prosecute said cure to completion) and Tenant shall not thereafter cure such default, or should Tenant at any time use the Premises or any portion thereof for any illegal or unlawful purpose, or commit, or permit or tolerate the commission therein of any act made punishable by fine or imprisonment under the laws of the United States or the State in which the Premises is located or utilize the Premises or place on the Premises any objects which would give any fire or casualty insurer the right to cancel such coverage or otherwise endanger the safety of the property and persons thereon, and should such actions continue for a period of ten (10) days after written notice has been given to Tenant, then Landlord shall be entitled at its election, to exercise concurrently or successively, any one or more of the following rights in addition to all remedies otherwise provided in this Lease and otherwise available at law or in equity under the laws of the United States or the State in which the Premises is located:

(i) to bring suit for the collection of the Rent or other amounts for which Tenant may be in default or for the performance of any other covenant or agreement devolving upon Tenant, all without entering into possession or terminating this Lease;

(ii) to re-enter the Premises with process of law and take possession thereof, without thereby terminating this Lease, and thereupon Landlord may expel all persons and remove all property therefrom, without becoming liable to prosecution therefor, and re-let the Premises and receive the rent therefrom applying such rent first to the payment of the reasonable expenses of such re-entry and the reasonable cost of such re-letting, and then to the payment of the monthly Rent accruing hereunder, the balance, if any, to be paid to Tenant. Tenant shall remain liable for any deficiency after each such monthly application. Landlord shall use its best efforts to re-let the Premises (Landlord having the duty and obligation to mitigate damages of Tenant). The commencement and prosecution of any action by Landlord in forcible entry and detainer, ejectment or otherwise, or the appointment of a receiver, or any execution of any decree obtained in any action to recover possession of the Premises, or any re-entry, shall not be construed as an election to terminate this Lease unless Landlord shall, in writing, expressly exercise its election to declare the Lease Term ended and to terminate this Lease, and, unless this Lease be expressly terminated, such re-entry or entry by Landlord, whether taken under summary proceedings or otherwise, shall not be deemed to have absolved or discharged Tenant from any of its obligations and liabilities for the remainder of the initial term of this Lease or any applicable extension period;

(iii) to terminate this Lease upon ten (10) days written notice to Tenant, re-enter the Premises and take possession thereof. In the event Landlord shall elect to terminate this Lease, as aforesaid, all rights and obligations of Landlord, and of any permitted successors or assigns, shall cease and terminate, except that Landlord shall have and retain full right to sue for and collect all Rent, including without limitation, acceleration of Rent ("Accelerated Rent"), or other amounts for which Tenant may be in default, or for the performance of any other covenant or agreement devolving upon Tenant; provided, however, that Accelerated Rent shall be discounted to present value at an annual interest rate equal to the then current yield of actively traded U.S. Treasury bonds with 10-year maturities, as published by the Federal Reserve Statistical Release for the week prior to the mailing of the notice of acceleration, and all other amounts for the payment of which Tenant shall then be in arrears and Tenant shall surrender and deliver up the Premises to Landlord and upon any default by Tenant in so doing, Landlord shall have the right to recover possession by summary proceedings or otherwise and to apply for the appointment of a receiver and for other ancillary relief in such action, provided Tenant shall have ten (10) days written notice after such application may have been filed and before any hearing thereon, and Landlord shall again have and enjoy the Premises, fully and completely, as if this Lease had never been made. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Landlord's obtaining possession of the Premises by reason of the breach or violation by Tenant of any of the covenants and conditions in this Lease contained.

**14.2 Remedies Upon Landlord's Default:** In the event that Landlord shall at any time be in default in the observance or performance of any of the covenants and agreements required to be performed and observed by Landlord hereunder and any such default shall continue for a period of thirty (30) days after written notice to Landlord (or if such default is incapable of being cured in a reasonable manner within thirty [30] days, then if Landlord has not commenced to cure such default within said thirty [30] day period or, having commenced thereafter does not diligently prosecute such cure to completion), then Tenant shall be entitled, at its election, to exercise concurrently or successively, any one or more of the following rights, in addition to all remedies otherwise provided in this Lease and otherwise available at law or in equity under the laws of the United States or the State in which the Premises is located:

- (i) to bring suit for the collection of any amounts for which Landlord may be in default, or for the performance of any other covenant or agreement devolving upon Landlord, together with all damages to Tenant by reason of any such breach, without terminating this Lease;
- (ii) to set off any damages awarded to Tenant as a result of said suit against the Rent provided in this Lease and during any period of Landlord's default, to pay Rent pursuant to this Lease to the court in which said suit is pending until a judgment awarding damages to Tenant is made; and/or
- (iii) to terminate this Lease upon thirty (30) days written notice to Landlord without waiving Tenant's rights to damages for Landlord's failure to perform its obligations hereunder. In the event Tenant shall elect to terminate this Lease, as aforesaid, all rights and obligations of Tenant, and of any permitted successors or assigns, shall cease and terminate, except that Tenant shall have and retain full right to sue for and collect all amounts for the payment of which Landlord shall then be in default and all damages to Tenant by reason of any such breach.

**14.3 Cumulative Remedies:** All remedies of Landlord and Tenant herein created or remedies otherwise existing at law or equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other. All such rights and remedies may be exercised and enforced concurrently and whenever and as often as Landlord and Tenant shall deem necessary.

#### **ARTICLE XV**

##### **SURRENDER OF PREMISES**

**15.1 Surrender of Premises:** Tenant shall, on or before the last day of the Lease Term hereof, or upon the sooner termination hereof, peaceably and quietly leave, surrender, and yield to Landlord the Premises, together with all alterations, additions, and improvements (other than trade fixtures, equipment, and other items of Tenant's Property) in good order, condition and repair, ordinary wear and tear, damage by casualty and taking by condemnation excepted; it being specifically agreed and understood that in no event shall Tenant ever be required to remove any of the alterations, additions or improvements made to the Premises as permitted under the terms and provisions of this Lease, Such trade fixtures and other items of Tenant's Property shall be removed by Tenant in accordance with Section 6.4 hereof. Tenant shall repair any damage to the Premises resulting from the removal of such trade fixtures and other items of Tenant's Property. All such trade fixtures and other items of Tenant's Property not so removed may, upon notice to Tenant, be removed and stored by Landlord at Tenant's cost.

**15.2 Holding Over:** In the event of Tenant's continued occupancy of the Premises after the expiration of the Lease Term, or any earlier termination provided or permitted by this Lease, such tenancy shall be from month-to-month and such continued occupancy shall not defeat Landlord's right to possession of the Premises. All other covenants, provisions, obligations and conditions of this Lease shall remain in full force and effect during such month- to-month tenancy.

#### **ARTICLE XVI**

##### **ACCESS TO PREMISES**

**16.1 Access and Entry: To the extent permitted by law,** Landlord or Landlord's agents or designees shall have the right, after reasonable notice to Tenant, to enter upon the Premises at any reasonable time during normal business hours to examine the Premises or to make any repairs or maintenance required of Landlord hereunder, provided Landlord shall use its best efforts not to unreasonably interfere with the conduct of Tenant's normal business operations in the Premises. The foregoing notwithstanding, in the event of an emergency situation which Landlord reasonably believes may threaten life or property, Landlord shall only be required to give notice which is reasonable under those exigent circumstances. Landlord shall be allowed to take all materials into and upon the Premises that may be required to make such repairs or maintenance required of Landlord hereunder so long as it does not constitute an eviction of Tenant in whole or in part, provided if Tenant cannot reasonably conduct its business in the Premises as a result of Landlord's actions for greater than forty-eight (48) hours, then the Rent shall abate after said forty-eight (48) hour period until Tenant is once again reasonably able to conduct its business in the Premises.

**16.2 Tenant Rights:** Landlord grants Tenant, its employees and agents, the right to enter the Premises at any time after this Lease has been executed to inspect the progress of Landlord's Work and/or the Construction and to determine if the same are being performed in accordance with the requirements of this Lease without being deemed to have taken possession or having obligated itself to pay Minimum Rent and other charges due hereunder after the Commencement Date or any other additional charges and to prepare for Tenant's operation in the Premises; provided, however that Tenant agrees that it shall not unreasonably interfere with Landlord's Work or the Construction.

## ARTICLE XVII

### QUIET ENJOYMENT

**17.1 Zoning; Building and Use Restrictions:** Landlord covenants: (i) that it has a right to acquire and within sixty (60) days shall acquire fee simple title in and to the Premises and that Elm Road Medical Campus, LLC has fee simple title in and to Elm Road Medical Campus; (ii) it has the right to make this Lease for the entire Lease Term, without obtaining consent from any other person or entity; (iii) there are no zoning ordinances or building and use restrictions (including but not limited to exclusive use rights held by other tenants or occupants of the Elm Road Medical Campus) affecting the Premises or Common Areas that would interfere with the use of the Premises by Tenant for the purposes permitted in this Lease; and (iv) there are no underlying or superior leases with respect to the Premises.

**17.2 Evidence of Title:** Landlord shall provide Tenant with evidence satisfactory to Tenant and Tenant's counsel that Landlord's title to the Premises is in the condition required by Section 17.1 hereof. Such evidence of title shall be deemed satisfactory if it is in the form of a policy of title insurance issued by a recognized title insurance company authorized to do business in the State in which the Premises is located.

**17.3 Quiet Enjoyment:** So long as Tenant shall pay the Rent herein reserved and perform all of the covenants and provisions of this Lease to be performed by Tenant, Tenant shall during the Lease Term freely, peaceably, and quietly enjoy and occupy the full possession of the Premises and the rights herein granted with respect to the Common Areas and the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, without molestation or hindrance by any person or entity whomsoever. In the event Tenant's quiet possession of the Premises or the Common Areas shall be disturbed by any person or entity claiming title to the Premises or the Common Areas superior to Landlord's title, (i) the Minimum Rent and other charges due hereunder shall be equitably abated during any such period, and (ii) the running of the Lease Term shall be tolled during such period, and the expiration date of the Lease Term (or Extension Period, as applicable) shall be extended for the same number of days as the Lease Term was tolled. If such period shall continue for more than thirty (30) days after notice from Tenant, Tenant shall have the right, in addition to its other remedies at law or in equity, to terminate this Lease, and all of its rights to damages shall survive such termination.

**ARTICLE XVIII**

**MISCELLANEOUS**

**18.1 Notices:** Any notice or consent required to be given by, or delivered to, Landlord or Tenant hereunder shall be in writing and mailed by registered or certified mail, return receipt requested or delivered by a nationally recognized overnight courier, addressed to the respective parties at the addresses designated in Section 1.1 hereof or at such other address as may be designated in writing by the parties. All such notices shall be deemed effective upon receipt.

**18.2 Successors and Assigns:** All covenants, promises, conditions, representations, and agreements herein contained shall be binding upon, apply, and inure to the parties hereto and their respective heirs, executors, administrators, successors, and assigns.

**18.3 Entire Agreement:** This Lease and the exhibits attached hereto constitute the sole and exclusive agreement between the parties with respect to the Premises. No amendments, modifications of or supplements of this Lease shall be effective unless in writing and executed by both Landlord and Tenant. All exhibits and schedules, if any, attached hereto are by this reference made a part hereof,

**18.4 Time is of the Essence:** The time of the performance of all of the covenants, conditions, and agreements of this Lease is of the essence of this Agreement; it being agreed that this provision shall in no event be construed as vitiating any of the cure periods for compliance set forth by virtue of the terms and provisions of this Lease.

**18.5 Recording of Lease:** This Lease shall not be recorded. A short form or memorandum of this Lease in a form substantially similar to the form attached hereto as Exhibit "F" shall be prepared by Tenant, at Tenant's expense, and recorded by Landlord, at Landlord's expense. Landlord shall cause the short form or memorandum of lease to be recorded promptly upon the final execution of this Lease by both parties. Landlord shall provide Tenant evidence of the recordation of such short form or memorandum of lease within ten (10) days after the execution of this Lease by both parties.

**18.6 Relationship of Parties:** Nothing herein shall be construed so as to constitute a joint venture or partnership between Landlord and Tenant.

**18.7 Force Majeure:** In the event that either party shall be delayed or hindered in, or prevented from, the performance of any work, service, or other act required under this Lease to be performed by such party and such delay or hindrance is due to strikes, lockouts, Acts of God, governmental restrictions, enemy act, civil commotion, fire or other casualty, or other causes of a like nature beyond the control of the party so delayed or hindered, then performance of such work, service, or other act shall be excused for the period of such delay and the period for the performance of such work, service, or other act shall be extended for a period equivalent to the period of such delay. In no event shall a lack of financing be deemed an unavoidable delay hereunder.

**18.8 Governing Law:** This Lease shall be construed under the laws of the State in which the Premises is located.

**18.9 Partial Invalidity:** If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be held invalid, then the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

**18.10 Submission of Lease:** The submission of this Lease for examination, does not constitute an offer to lease, or a reservation of or option for the Premises, and this Lease shall be effective only upon execution and delivery thereof by Landlord and Tenant.

**18.11 Interpretation:** In interpreting this Lease in its entirety, the printed provisions of this Lease and any additions written or typed thereon shall be given equal weight, and there shall be no inference, by operation of law or otherwise, that any provision of this Lease shall be construed against either party hereto.

**18.12 Brokers:** Landlord and Tenant hereby warrant and represent that in connection with this Lease that neither has dealt with any broker or other person or entity entitled to any brokerage commission, fee, or other compensation. Each party shall indemnify, defend, protect and hold harmless the other, their agents and legal representatives, against any fee, commission, or other compensation due to any person, firm, or corporation claiming to have acted in said party's behalf.

**18.13 Survival of Obligations:** The provisions of this Lease with respect to any obligation of Tenant to pay any sum in order to perform any act required by this Lease after the expiration or other termination of this Lease shall survive the expiration or other termination of this Lease.

**18.14 Headings, Captions and References:** The Section captions contained in this Lease are for convenience only and do not in any way limit or amplify any term or provision hereof. The use of the terms "hereof," "hereunder" and "herein" shall refer to this Lease as a whole, inclusive of the exhibits, except when noted otherwise. The use of the masculine or neuter genders herein shall include the masculine, feminine and neuter genders and the singular form shall include the plural, or plural shall include the singular, when the context so requires.

**18.15 Attorney's Fees:** The unsuccessful party in any action or proceeding shall pay for all costs, expenses and reasonable attorney's fees incurred by the prevailing party or its agents or both in enforcing the covenants and agreements of this Lease. The term "prevailing party" as used herein shall include without limitation a party who obtains legal counsel and brings an action against the other party by reason of the other party's breach or default and obtains substantially the relief sought, whether by compromise, settlement or judgment.



**18.16 Hazardous Substances:**

(i) As used in this Section, "Hazardous Substances" shall mean and include any of the substances, materials, elements or compounds that are contained in the list of hazardous substances adopted by the United States Congress or the Environmental Protection Agency ("EPA") or any substances, materials, elements or compounds affected by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree (collectively, "Environmental Law") now or at any time hereafter in effect, regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, dangerous, restricted or otherwise regulated waste, substance or material. As used in this Section, "Environmental Cleanup Work" shall mean any cleanup, re-mediation, removal, construction, alteration, demolition or installation that is required in connection with Hazardous Substances installed, used, stored, handled or located on the Premises or Elm Road Medical Campus in order to comply with any Environmental Law.

(ii) Upon reasonable inquiry and investigation, Landlord has received no notice of, nor is the Landlord aware of, the existence of any areas in the Elm Road Medical Campus where any Hazardous Substances have been generated, disposed of, released or found, and the Landlord has no knowledge of the existence of any such areas for the storage or disposal of any Hazardous Substances in the Elm Road Medical Campus.

(iii) Upon reasonable inquiry and investigation, Landlord is not aware of any storage tanks located in the Elm Road Medical Campus, either above or below ground, and the Landlord has no knowledge that the Elm Road Medical Campus was previously used as a landfill or as a dump for garbage or refuse.

(iv) Unless occasioned by the actions of Tenant, its agents, employees or independent contractors, Landlord shall indemnify, defend, protect and hold harmless Tenant (and anyone claiming by, through, or under Tenant) from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees and court costs) actually incurred by Tenant or anybody claiming by, through, or under Tenant as a result of the existence of any Hazardous Substances on the Elm Road Medical Campus or any environmental problems relating to the Elm Road Medical Campus; it being agreed and understood that this indemnity shall specifically survive the expiration or earlier termination of this Lease.

(v) Tenant agrees that it will not use any Hazardous Substances in the Premises in violation of any governmental laws, ordinances or restrictions. Tenant shall indemnify, defend, protect and hold harmless Landlord (and anyone claiming by, through, or under Landlord) from and against any and all claims, liabilities, damages, losses, costs, and expenses (including attorneys' fees and court costs) actually incurred by Landlord or anybody claiming by, through, or under Landlord as a result of Tenant's use of any Hazardous Substances in the Premises in violation of any governmental laws, ordinances or restrictions unless said Hazardous Substances or environmental problems existed in the Premises prior to the date of this Lease or were caused by acts of Landlord, its agents, employees or contractors in which event this indemnity shall not apply; it being agreed and understood that this indemnity shall specifically survive the expiration or earlier termination of this Lease.

**18.17 Communication Dish:** Tenant shall have the right to place a single communication /satellite dish on the roof of the Premises but preferably a ground mount dish, if possible, for the purpose of transmitting business information within the Premises (the "Communication Dish") which shall be for Tenant's sole use only. No Communication Dish may exceed three (3) feet in diameter nor shall it be permitted to exceed five (5) feet in height from the lowest point of the roof, including any mounting mast or tower. In any event, any Communication Dish shall be located so as to be effectively unnoticeable from the public right-of-way or from adjoining property. Prior to installation, Tenant shall give Landlord notice of the installation, maintenance and use of the Communication Dish. Tenant shall be responsible for the cost of installation, maintenance and removal of the Communication Dish.

Tenant's Communication Dish shall be considered Tenant's Property under this Lease. Any damage by fire or any other casualty to the Communication Dish shall be at Tenant's sole risk and expense, and any such damage, whether partial or complete, shall in no way operate to terminate this Lease or affect Tenant's obligations hereunder. No taking or condemnation of the roof or other parts of the Elm Road Medical Campus used in connection with the Communication Dish shall give rise to any right of Tenant to terminate this Lease, nor shall Tenant share with Landlord in any award or damages with respect thereto, unless the Communication Dish is included in the condemnation or taking. If permitted by the condemning authority, Tenant shall be permitted to remove its Communication Dish prior to the effective date of any such condemnation.

Tenant agrees to pursue receipt of all approvals from all governmental authorities in connection with the installation, operation and maintenance of the Communication Dish, and to assume the costs of securing such approvals. Tenant shall use reasonable efforts not to install or operate or permit anyone claiming by, through or under Tenant to install or operate antennae, communications dishes or other equipment on the roof which will interfere with the use or operation (including the reception and transmission of signals to and from the same) of other antennae or communications dishes in the Elm Road Medical Campus which were installed prior to the date of Tenant's installation of Tenant's Communication Dish.

**18.18 Generator/Alternative Power Source:** Landlord shall install a generator as an alternative power source for the building as required by Indiana Code for Hospitals (410 IAC 15-1.5-8).

**18.19 Triple Net Lease:** This Commercial Lease is a triple net lease, and the net rents, additional rents in the form of taxes, assessments, insurance premiums and maintenance expenses, and all other sums payable under this Lease to Landlord shall be paid by Tenant without notice or demand and without setoff, counterclaim, abatement, reduction or defense.

**ARTICLE XIX**

**LANDLORD'S ADDITIONAL COVENANTS**

19.1 Landlord covenants and agrees that its construction loan and permanent loan agreements and the documents evidencing those agreements shall provide that Tenant shall be given at least ten (10) days notice and opportunity to cure any default by Landlord in the event Landlord shall fail to cure a default. In the event Tenant shall elect to cure a default by Landlord, Landlord agrees that Tenant may offset the cost of said cure against the Rent payable to Landlord pursuant to this Lease.

19.2 Prior to Tenant's obligation to take possession of the Premises on the Turnover Date and commence the payment of Rent pursuant to this Lease, Landlord shall deliver to Tenant a valid, signed and recorded amendment to the Declaration, in a form acceptable to Tenant (which acceptance shall not be unreasonably withheld, conditioned or delayed), providing that (a) Common Areas and Common Area Costs shall be as provided in this Lease; (b) the Tenant's share of Common Area Costs shall be calculated as provided in this Lease; and (c) the Declaration may not be altered, amended or terminated without the prior written consent of Tenant so long as this Lease remains in full force and effect.

19.3 Prior to Tenants obligation to take possession of the Premises on the Turnover Date and commence the payment of Rent pursuant to this Lease, Landlord shall deliver to Tenant a valid, signed and recorded restriction, in a form acceptable to Tenant (which acceptance shall not be unreasonably withheld, conditioned or delayed), applicable to all lots within Elm Road Medical Campus prohibiting the use of any lot therein for Tenant's exclusive use as an inpatient rehabilitation hospital (so long as Tenant is operating the Premises as an inpatient rehabilitation hospital), said restriction being enforceable by Landlord and Tenant.

IN WITNESS WHEREOF this Lease has been executed as of the day and year first above written.

**LANDLORD:**

**ELM ROAD MOB II, LLC**  
**An Indiana limited liability corporation**

**By:** /s/ J. Michael Kelbel  
J. Michael Kelbel, M.D.  
**Its:** President

**TENANT:**

**SAINT JOSEPH REGIONAL MEDICAL CENTER—SOUTH BEND CAMPUS,  
INC.,  
an Indiana not for profit corporation**

By: /s/ Nancy R. Hellyer  
Nancy R. Hellyer  
Its: President and Chief Executive Officer

**GUARANTY OF LEASE**

The undersigned, Saint Joseph Regional Medical Center, Inc., the parent company of Tenant, Saint Joseph Regional Medical Center—South Bend Campus, Inc., hereby absolutely and unconditionally guarantees the prompt performance and payment in full of all obligations of Tenant under this Lease as and when they become due and payable. If the obligations are not performed and/or paid when due and payable, Landlord shall have the right to proceed directly against Saint Joseph Regional Medical Center, Inc. to enforce and/or collect the payment of the obligations. This is a guaranty of payment and not merely a guaranty of collection and Saint Joseph Regional Medical Center, Inc. waives any suretyship defense, generally.

This guaranty shall bind Saint Joseph Regional Medical Center, Inc. and its successors and assigns and shall inure to the benefit of Landlord and its successors and assigns, including each successor without any further consent or agreement by Saint Joseph Regional Medical Center, Inc,

Executed as of the 28 day of February, 2009.

**SAINT JOSEPH REGIONAL MEDICAL CENTER, INC.,  
an Indiana not for profit corporation**

By: /s/ Nancy R. Hellyer  
Nancy R. Hellyer  
Its: President and Chief Executive Officer

## LEASE AMENDMENT

**THIS FIRST AMENDMENT TO LEASE** ("Amendment"), is made and entered into as of the 28th day of March 2013, between ELM Road MOB II, LLC ("Landlord"), and Saint Joseph Regional Medical Center- South Bend Campus, Inc. ("Tenant").

**WHEREAS**, Landlord and Tenant are parties to that certain Build to Suit Facility Lease Agreement (the "Lease") dated February 27, 2009, with respect to property described as Lot Numbered Three (3) as shown on the Recorded Plat of Elm Road Medical Campus, Recorded November 16, 2007 as Document Number 0745026 in the Office of the Recorder of St. Joseph County, Indiana (the "Property"); and

**WHEREAS**, the Property is subject to that certain Declaration of Protective Covenants & Restrictions for Elm Road Medical Campus dated as of December 20, 2007 and recorded as Document Number 0749133 in the Office of the Recorder of St. Joseph County, Indiana, as amended by Document Number 0802055 recorded January 18, 2008 in the Office of the Recorder of St. Joseph County, Indiana, First Amendment to the Declaration of Protective Covenants & Restrictions for Elm Road Medical Campus dated December 3, 2009 and recorded as Document Number 0939788 in the Office of the Recorder of St. Joseph County, Indiana, and by Second Amendment to the Declaration of Protective Covenants & Restrictions for Elm Road Medical Campus dated of even date herewith and to be recorded in the Office of the Recorder of St. Joseph County, Indiana (the "Declaration") created by Elm Road Medical Campus, LLC (the "Developer"); and

**WHEREAS**, Landlord is an affiliate of the Developer; and

**WHEREAS**, the Lease contains certain provisions concerning the common areas of the Elm Road Medical Campus (as such term is defined in the Declaration) which are not subject to the control of Landlord, but rather Landlord and Tenant agree that such provisions are more appropriately governed by the Declaration; and

**WHEREAS**, Landlord has agreed to sell the Property to TST Mishawaka IRF, LLC ("New Landlord"), and in order to facilitate such transaction Landlord and Tenant have agreed to execute this Amendment;

**NOW, THEREFORE**, in consideration of the premises, Landlord and Tenant hereby agree as follows:

1 . Common Area Costs: The definition of Common Area Costs in Section 1.2 of the Lease is hereby amended by inserting the following after the phrase 'implement the foregoing maintenance' in the tenth (10<sup>th</sup>) line thereof: 'and Tenant's Percentage Share of Real Estate Taxes and Insurance.' Such definition is further amended by deleting the phrase 'Tenant's Percentage Share of Real Estate Taxes or Insurance (which are provided for by separate agreement herein)' from lines 16 – 17 thereof.

2. Tenant's Percentage Share: The definition of Tenant's Percentage Share in Section 1.13 of the Lease is hereby amended in its entirety to read as follows:

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“Tenant’s Percentage Share shall be the percentage share applicable to the Premises pursuant to the Declaration for the payment of assessments and will be the percentage obtained by dividing the total acres of the Premises, which equals 6.40 acres, by the total acres of Developed Lots in the Elm Road Medical Campus. The term ‘Developed Lots’ shall mean those lots which contain building(s) erected on the Elm Road Medical Campus which are leased or available for lease or occupied or available for occupancy.”

3. Construction: Tenant acknowledges that it has accepted the Premises, and that the provisions of Sections 4.1 — 4.7 and 4.10 - 4.11 are hereby deleted in their entirety.

4. Exclusive Use: Section 5.3 is hereby deleted in its entirety. Tenant agrees that Landlord does not control use of the Elm Road Medical Campus, and that it shall look to the provisions of the Declaration with respect to this issue,

5. Subletting and Assignment: Section 5.4 is hereby amended to insert the following at the end of Section 5.4.

“Upon assignment by Tenant, the Lease Guaranty shall remain in full force and effect and shall not be released, discharged or in any way affected by such assignment and, at the request of Landlord, Guarantor shall execute a ratification of the Guaranty.”

6. Use, Maintenance and Repair of Common Areas: Tenant acknowledges that Landlord does not own or control the operation and maintenance of the common areas of the Elm Road Campus, and that the obligations with respect to use, maintenance and repair of such common areas described in Sections 7.1 and 7.2 of the Lease are obligations of the Owners Association, as defined in the Declaration. Sections 7.1 and 7.2 are hereby deleted in their entirety from the Lease. To the extent of its rights under the Declaration, Landlord shall use commercially reasonable efforts to enforce compliance with the Declaration by the Owners Association.

7. Insurance Obligation for Elm Road Medical Campus: Sections 9.1 and 9.2 of the Lease are hereby deleted in their entirety, and Landlord shall have no obligation with respect to providing general liability or property damage insurance with respect to any portion of the Elm Road Medical Campus. Landlord may be assessed with the cost of such insurance as a member of the Owners Association, and Tenant shall reimburse Landlord for such costs pursuant to Section 7.3 of the Lease. In addition, the phrase ‘Section 9.1 and’ is hereby deleted from lines 9 and 13 of Section 9.3 of the Lease, and the phrase ‘Sections 9.1 and’ is hereby deleted from line 2 of Section 9.4 of the Lease.

8. Damage and Destruction to the Common Areas: Section 10.2 of the Lease is hereby deleted in its entirety and “or the Elm Road Medical Campus” is hereby deleted from the second line of Section 10.2.1.

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9. Subordination and Attornment: Sections 12.1 and 12.2 are hereby replaced with the following:

“12.1 Subordination: Tenant shall, upon the written request of Landlord, subordinate this Lease to the lien of any present or future mortgage upon the Premises, provided that the holder of any such mortgage (the “Mortgagee”) shall enter into a written agreement including an agreement that Tenant shall not be disturbed in its possession of the Premises as provided in this Lease so long as Tenant complies with the terms and conditions of this Lease, in a form and substance approved by Tenant which approval shall not be unreasonably withheld, conditioned or delayed. As used herein, “mortgage” shall include mortgages, deeds of trust, deeds to secure debt or other similar instrument, and any modifications, extensions, renewals and/or replacements thereof. Tenant approves the form of subordination, nondisturbance and attornment agreement attached hereto as Exhibit ‘A’”

“12.2 Attornment: Should Landlord sell, convey or transfer its interest in the Premises or should any Mortgage succeed to Landlord’s interest through foreclosure or deed in lieu thereof, then Tenant shall attorn to such succeeding party as its landlord under this Lease promptly upon any such succession, provided that such succeeding party assumes, in a writing acceptable to tenant in its reasonable judgment, all of Landlord’s duties and obligations under this Lease.”

10. Estoppel: Article XII is hereby amended by adding new Section 12.3 thereto reading as follows:

“12.3 Estoppel: Upon request of Landlord, Tenant shall execute and deliver to Landlord or any proposed Purchaser or Mortgagee of the Property an Estoppel Certificate in substantially the form set forth as Exhibit ‘B’ hereto.”

11. Hazardous Substances on Elm Road Medical Campus: Section 18.16(iv) of the Lease is hereby amended by deleting the phrase ‘Elm Road Medical Campus’ from lines 7 and 8 thereof, and inserting in lieu thereof the term ‘Premises.’

12. Landlord’s Additional Covenants: Sections 19.2 and 19.3 of the Lease are hereby deleted in their entirety.

13. Financial Statements: If required by Landlord’s mortgagee, as soon as available, and in any event within one hundred twenty (120) days after each calendar year end, Tenant shall deliver to Landlord company prepared financial statements of Tenant and Saint Joseph Regional Medical Center, Inc. (“Guarantor”) setting forth the balance sheet of each such entity as of the end of such year, and the statement of income, statement of cash flows, and statement of retained earnings for such year, all certified as being true and accurate by an authorized individual representing Tenant and Guarantor.

14. No Further Modifications. Except as set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect. Effective as of the date hereof, all references to the “Lease” shall refer to the Lease as amended by this Amendment. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall control.

15. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns.

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16. Counterparts: Facsimile. This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. The parties agree that (a) this Amendment may be transmitted between them by facsimile or pdf, (b) faxed or pdf signatures constitute original signatures, (c) a faxed or pdfed Amendment containing the signatures of all the parties is binding on the parties, and (d) facsimile or pdf transmission constitutes delivery.

**IN WITNESS HEREOF**, this Amendment has been executed as of the day and year first above written.

**LANDLORD:**

ELM ROAD MOB II, LLC

By: /s/ J. Michael Kelbel  
Name: J. Michael Kelbel, MD.  
Its: President

**TENANT:**

Saint Joseph Regional Medical Center-South Bend Campus, Inc.

By: /s/ Janice L. Dunn  
Name: Janice L. Dunn  
Its: CFO

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**GUARANTOR ACKNOWLEDGMENT**

The undersigned, being the guarantor of the obligations of Tenant under the Lease pursuant to that certain Guaranty of Lease dated February 27, 2009 executed by Guarantor in favor of Landlord, acknowledges the terms and conditions of this Amendment and that its Guaranty of Lease remains in full force and effect in favor of Landlord and is hereby ratified and confirmed.

Saint Joseph Regional Medical Center, Inc.

By: /s/ Janice L. Dunn  
Janice L. Dunn  
Its: CFO

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**CONSENT, SUBORDINATION,  
NON-DISTURBANCE, AND ATTORNMENT AGREEMENT**

THIS CONSENT, SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT (this "**Agreement**") is made and entered into as of March 28, 2013, by and among SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS, INC, a Indiana not for profit corporation ("**Tenant**"), TST MISHAWAKA IRF, LLC, a Delaware limited liability company (the "**Landlord**"), and FIRST TENNESSEE BANK, NATIONAL ASSOCIATION, a national banking association ("**Lender**").

**WITNESSETH:**

A. The Tenant is the tenant under a Lease dated February 27, 2009 executed by Elm Road MOB, 11, LLC, as landlord, as assigned to Landlord pursuant to an assignment of even date herewith, and Tenant, covering the property commonly known as Lot 3 of the Elm Road Medical Campus, which includes a 45,920 sq.ft. medical office building and is more particularly described in the Lease (as such may be amended and/or restated from time to time, the "**Lease**").

B. Lender has committed to extend credit to Landlord (the "**Loan**"), secured by the Property as evidenced by a first mortgage lien and security interest against the Property, which mortgage lien and security interest will be evidenced by certain documentation approved by Lender and executed between the Landlord and Lender (the "**Security Instrument**").

C. As a condition to the extension of credit under the Loan, the Lender requires that the Landlord and the Tenant enter into this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto mutually covenant and agree as follows:

1. Consent. The Tenant consents to the execution of the Security Instrument by Landlord, and the Tenant consents to the assignment of the Lease to Lender as collateral pursuant to that certain Collateral Assignment of Rents and Leases executed of even date herewith by Landlord and Lender.

2. Subordination. Tenant hereby subordinates all of its right, title and interest in, to, and under the Lease to the lien and security interest to be evidenced by the Security Instrument, and acknowledges and agrees that the Lease shall at all times hereafter be subject and subordinate in all respects to the Security Instrument and to all renewals, modifications and extensions thereof, subject to the terms and conditions of this Agreement.

3. Non-Disturbance of Tenant's Possession. So long as Tenant is not in default in the payment of rent, additional rent, or other charges, or in the performance of any of the other terms, covenants or conditions of the Lease, Tenant shall not be disturbed by Lender in Tenant's occupancy of the Demised Premises during the original or any renewal term of the Lease or any extension thereof; foreclosure of the Security Instrument, exercise of the power of sale thereunder, acceptance of a deed in lieu of foreclosure, or exercise of any remedy provided in the Security Instrument or in any assignment of leases and rents in favor of Lender or pursuant to the laws of the state in which the Property is situated notwithstanding.

EXHIBIT A

4 . Notice to Lender: Lender's Cure. Notwithstanding any provision in the Lease to the contrary, no default in the performance of any of Landlord's obligations under the Lease that is of such a nature as to give Tenant a right to terminate the Lease or to reduce the rent payable under the Lease or to any credit, reduction or offset against future rents shall entitle Tenant to exercise any such right, power or remedy unless and until written notice of such default is given to Lender (in accordance with the timeframes set forth in Section 14.2 of the Lease and with such notice being provided concurrent with notice to the Landlord as provided therein) and unless and until ten (10) days shall have elapsed following receipt of such notice by Lender, during which period Lender shall have the right, but not the obligation, to remedy or cure such default; provided, however, that if such default cannot be cured within ten (10) days, then Lender shall have such longer period of time as may be reasonably necessary to cure such default so long as Lender pursues the cure of same with due diligence.

5 . Lender's Obligations. No person or entity who exercises a right arising under the Security Instrument or any assignment of the Lease or receives the rents payable by Tenant under the Lease shall thereby become obligated to Tenant for the performance of any of the terms, covenants, conditions and agreements of Landlord under the Lease. Landlord and Tenant agree that Tenant shall make all payments to be made by Tenant under the Lease to such person or entity upon receipt of written notice of the exercise of such right. Receipt of rent by such other person shall not relieve Landlord of its obligations under the Lease, and Tenant shall continue to look only to Landlord for performance thereof.

6. Special Rights of Lender. In addition to and not in lieu of any other provisions of this Agreement, Lender shall not in any way or to any extent be:

- (a) liable for any act or omission of any landlord (including Landlord) in contravention of any provision of the Lease; or
- (b) subject to any offsets or defenses that Tenant might have against any prior landlord (including Landlord) which accrues prior to acquisition of title to the Demised Premises by Lender; or
- (c) bound by any rent or additional rent that Tenant might have paid for more than thirty (30) days in advance to any prior landlord (including Landlord); or
- (d) bound by any agreement or modification of the Lease made without Lender's written consent; or
- (e) in any way responsible for any deposit or security that was delivered to Landlord but which was not subsequently delivered to Lender.

7 . Attornment. Tenant agrees that if Lender acquires title to the Property as a result of foreclosure of the Security Instrument, exercise of the power of sale thereunder or the acceptance of a deed in lieu of foreclosure, or if Lender obtains control of the Property pursuant to any other rights, powers or remedies contained in the Security Instrument, any assignment of leases and rents in favor of Lender, or the laws of the state in which the Property is situated, Tenant will, upon request of Lender or any other person or entity succeeding to the interest of Lender as a result of the exercise of any such right, power or remedy, automatically become the lessee or tenant of Lender or such successor in interest, without any change in the terms and provisions of the Lease, and Tenant will, upon request of Lender or said successor in interest, deliver an instrument or instruments in recordable form, confirming such attornment.

8. Representations, Warranties, and Covenants of Tenant. Tenant, in order to induce Lender to enter into this Agreement, hereby affirms that:

- (a) the Lease is in full force and effect and has not been modified or amended;

- (b) to the best of Tenant's knowledge, Landlord is not in default in performance of any of Landlord's obligations under the Lease;
- (c) to the best of Tenant's knowledge, Tenant has no present right of offset against any rent due or to become due under the Lease;
- (d) Tenant will not materially amend or modify the Lease without the prior written consent of Lender which consent shall not be unreasonably withheld or delayed; and
- (e) upon the occurrence of an Event of Default under the Security Instrument, Lender may, at its option but without obligation, notify Tenant in writing of the occurrence of such Event of Default and direct Tenant to make all future payments of the rents, issues and profits and any other sums due under the Lease ("Rent Payments") directly to Lender or its assignee (the "**Default Notice**"). Landlord hereby directs Tenant, and Tenant hereby agrees, to make all Rent Payments directly to Lender or assignee following Tenant's receipt of a Default Notice. The parties hereto hereby agree that Tenant shall have no obligation to determine the accuracy of the statements set forth in a Default Notice and Tenant shall be permitted to rely on correctness of the statements contained in a Default Notice without further inquiry.

9. Notices. All communications under or in connection with this Agreement shall be in writing and shall be mailed by first class certified mail, postage prepaid, return receipt requested or shipped with a reputable overnight courier that provides written confirmation of receipt, or otherwise sent by facsimile, telecopy or other similar form of rapid transmission confirmed by mailing (in either manner stated above) a written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer or partner of the receiving party. All such communications shall be mailed, sent, or delivered as follows:

If to Tenant:	Saint Joseph Regional Medical Center — South Bend Campus, Inc. 801 E. LaSalle Avenue South Bend, IN 46617
if to Lender to:	First Tennessee Bank, National Association 511 Union Street Nashville, TN 37219 Attn: Cathy Wind
with copy to:	Bradley Arant Boult Cummings LLP 1600 Division Street, Suite 700 Nashville, TN 37203 Attn: Bob Hannon

or to such other address or to such individual's or department's attention as Lender may have furnished Tenant and Landlord in writing.

If to Landlord, to:	TST Mishawaka IRF, LLC 1000 Urban Center Dr., Suite 675 Birmingham, AL 35242 Attn: Steve Hewett
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With copy to:

Michael J. Brandt  
Wallace, Jordan, Ratliff & Brandt, LLC  
800 Shades Creek Parkway, Suite 400  
Birmingham, AL 35209

Any communication so addressed and mailed shall be deemed to be given when so mailed. Rejection or other refusal to accept or inability to deliver because of a changed address of which no notice has been given shall have no effect on a communication properly sent.

10. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns. Numbered and titled paragraph headings are for convenience of reference only, and neither amplify nor limit the provisions hereof. When used herein, the singular shall include the plural, and vice versa, and the use of any gender shall include all other genders. If any provision of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such other provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

[signatures commence on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, or caused this Agreement to be executed by a duly authorized officer, as of the day and year first above written.

**TENANT:**

SAINT JOSEPH REGIONAL MEDICAL CENTER — SOUTH BEND CAMPUS, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

**LANDLORD:**

TST MISHAWAKA IRF, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

**LENDER:**

FIRST TENNESSEE BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_

Cathy Wind, Senior Vice President

STATE OF INDIANA )  
COUNTY OF \_\_\_\_\_ )

Before me, \_\_\_\_\_, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared \_\_\_\_\_, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be \_\_\_\_\_ of Saint Joseph Regional Medical Center — South Bend Campus, Inc., an Indiana not for profit corporation, the within named bargainor, and that as such \_\_\_\_\_ of the corporation, he/she, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as such \_\_\_\_\_ for the corporation.

WITNESS my hand and seal at office in \_\_\_\_\_, Indiana, this the day of March, 2013.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

(Signature Page to Consent, Subordination, Non-Disturbance and Attornment Agreement – page 1 of 2)

STATE OF ALABAMA )  
COUNTY OF \_\_\_\_\_ )

I, the undersigned authority, a Notary Public in and for said county in said State, hereby certify that \_\_\_\_\_, whose name as \_\_\_\_\_ of TST Mishawaka IRF, LLC, a Delaware limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such authorized representative and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal, this \_\_\_\_\_ day of March, 2013.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

STATE OF TENNESSEE )  
COUNTY OF \_\_\_\_\_ )

Before me, \_\_\_\_\_, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared Cathy Wind, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged herself to be Senior Vice President of First Tennessee Bank, National Association, a national banking association, the within named bargainer, and that as such Senior Vice President of the national banking association, she, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the national banking association by herself as such Senior Vice President for the national banking association.

WITNESS my hand and seal at office in \_\_\_\_\_, Indiana, this the \_\_\_\_\_ day of March, 2013.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

(Signature Page to Consent, Subordination, Non-Disturbance and Attornment Agreement – page 2 of 2)

**TENANT ESTOPPEL CERTIFICATE**

**Tenant:** Saint Joseph Regional Medical Center – South Bend Campus, Inc.  
**Lease Effective Date:** February 27, 2009  
**Lease Term:** Fifteen (15) years after Commencement Date ( \_\_\_\_\_ ), plus two Tenant option five (5) year extensions  
**Property:** Lot 3 of the Elm Road Medical Campus, which includes a 45,920 sq.ft. medical office building

As of March 15, 2013, the undersigned Tenant under the above-referenced Lease, certifies to TST Mishawaka IRF, LLC (the “**Owner**”) and First Tennessee Bank, National Association (the “**Lender**”) as follows with respect to the Lease:

1. The Lease is the only lease affecting said premises and has not been amended, modified, changed altered or supplemented, except as shown above. The above information is true and correct.
2. The Lease is in full force and effect and to Tenant’s knowledge there are no defaults by Landlord thereunder or any conditions which with only the passage of time or giving of notice or both would become a default by Landlord under the terms of said Lease.
3. As of the date of this Certificate, monthly Minimum Rent is \$ \_\_\_\_\_ per month. No Rent has been prepaid under the Lease more than one (1) month in advance and all Rent has been paid through the date of \_\_\_\_\_.
4. Tenant currently pays Landlord \$ \_\_\_\_\_ per month for charges other than Minimum Rent, including real estate tax pass throughs, which are due and payable under the Lease, Such payments have not been made for any period more than one (1) month in advance and all such charges have been paid through the date of \_\_\_\_\_.
5. No rents have been prepaid except as provided by said Lease, but in no event have rents been paid more than thirty (30) days in advance and that there are no offsets or credits against future accruing rents.
6. Landlord and Tenant have fulfilled and complied with all conditions precedent to the acceptance and possession of the Premises by Tenant and any and all improvements and space required to be furnished by Landlord to the undersigned by the terms of the Lease have been completed to the full satisfaction of Tenant.
7. Tenant is open and operating and in full and complete possession of the premises demised pursuant to the terms of said Lease. The demised premises satisfy the requirements of said Lease and have been accepted and approved in all respects by Tenant.
8. All duties of an inducement nature and all inducement clauses have been fulfilled by Landlord.
9. As of the date of this Certificate, there are no monetary amounts currently owing to Tenant by Landlord which have not been paid except the following: None
10. Tenant has received no notice of a prior sale, transfer, assignment, hypothecation or pledge of said Lease or of the rents secured therein.
11. Saint Joseph Regional Medical Center, Inc. guarantees the prompt performance and payment in full of all obligations of Tenant under the Lease. Said guaranty is in full force and effect, and has not been amended or modified.

EXHIBIT B



The undersigned understands and acknowledges that Owner is relying on this Certificate in purchasing the Premises and Lender will rely on this Certificate in making a mortgage loan and, that in connection with said loan, Owner's interest in the Lease is being assigned to Lender as additional security for the Loan and the undersigned has the authority to execute and deliver this Estoppel Certificate on behalf of Tenant.

**TENANT:**

SAINT JOSEPH REGIONAL MEDICAL CENTER – SOUTH BEND CAMPUS, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

**TENANT ESTOPPEL CERTIFICATE**

**Tenant:** Saint Joseph Regional Medical Center – South Bend Campus, Inc.  
**Lease Effective Date:** February 27, 2009  
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**TENANT:**

SAINT JOSEPH REGIONAL MEDICAL CENTER – SOUTH BEND CAMPUS, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_



**FOR IMMEDIATE RELEASE**

**GLOBAL MEDICAL REIT INC. ACQUIRES IRF PORTFOLIO FOR \$94 MILLION  
EXERCISES \$75 MILLION OF ACCORDION FEATURE ON CREDIT FACILITY**

**Bethesda, MD — April 18, 2019 — Global Medical REIT Inc. (NYSE: GMRE)** (the “Company” or “GMRE”) announced today that it completed the acquisition of four inpatient rehabilitation facilities from affiliates of CNL Healthcare Properties, Inc. (the “IRF Portfolio”) for an aggregate purchase price of \$94 million, with an initial capitalization rate of approximately 7.3% and an estimated second-year capitalization rate of 7.6%, assuming the scheduled lease increases.

*Jeffrey Busch, Chief Executive Officer, Chairman & President stated, “This acquisition is a testament to our disciplined underwriting and the value creation we are able to achieve through our net-lease medical portfolio. We believe the rent generated by this acquisition, in combination with the underlying cash flows generated through our existing real estate portfolio, are essential to creating a sustainable dividend and long-term stockholder value.” Mr. Busch concluded, “In addition, we are pleased with the accordion closing and appreciate the support our lenders provide to our long-term business and investment strategy.”*

The IRF Portfolio is comprised of four inpatient rehabilitation facilities aggregating 207,204 square feet and leased to leading healthcare providers under long-term triple-net leases. Currently, all four leases have a weighted average remaining lease term of approximately 8.3 years and are expected to provide total annual rent of \$6.9 million. Additional details regarding the leases are as follows:

- **Las Vegas, Nevada (Encompass Health)**  
Comprised of 53,260 square feet with current annual rent of approximately \$1.5 million, or \$28.24 per square foot, and contains four, five-year renewal options, which are subject to rental rate increases equal to CPI (subject to a 15% cap) every five years, with the next increase due to go into effect in June 2020.
  - **Surprise, Arizona (Joint Venture between Cobalt Rehabilitation and Tenet Healthcare)**  
Comprised of 54,575 square feet with current annual rent of approximately \$2.0 million, or \$36.12 per square foot, and contains two five-year renewal options, which are subject to rental rate increases equal to the greater of (i) 2.0% or (ii) CPI (subject to a 3% cap) every year, with the next increase due to go into effect in January 2020.
  - **Oklahoma City, Oklahoma (Joint venture between Mercy Health and Kindred Healthcare)**  
Comprised of 53,449 square feet with current annual rent of approximately \$1.9 million, or \$35.02 per square foot, and contains three ten-year renewal options, which are subject to 2.5% rental rate increases every year, with the next increase due to go into effect in October 2019.
  - **Mishawaka, Indiana (St. Joseph’s Health System)**  
Comprised of 45,920 square feet with current annual rent of approximately \$1.5 million, or \$31.89 per square foot and contains two, five-year renewal options, which are subject to 2% rental rate increases every year, with the next increase due to go into effect in January 2020.
-

On April 15, 2019, the Company exercised \$75 million of the \$150 million accordion feature of its credit facility. The partial exercise of the accordion feature increases the term loan component of the credit facility from \$100 million to \$175 million and the total borrowing capacity under the credit facility to \$425 million.

**About Global Medical REIT Inc.**

Global Medical REIT Inc. is net-lease medical office REIT that acquires purpose-built healthcare facilities and leases those facilities to strong healthcare systems and groups with leading market share. GMRE's real estate portfolio is comprised of 84 buildings, which are primarily leased on a triple-net basis and contains over 2.1 million net leasable square feet. These assets are concentrated in secondary and tertiary markets across the United States. The Company's management team has significant healthcare, real estate and REIT experience and has long-established relationships with a wide range of healthcare providers.

For more information on this transaction, please see the Company's Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission ("SEC") today for a more detailed description of the acquisition and lease terms, including the leases which are filed as exhibits to that Current Report on Form 8-K.

**Forward-Looking Statements**

This press release contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate", "believe", "expect", "estimate", "plan", "outlook", and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events. These forward-looking statements are subject to various risks and uncertainties, not all of which are known to the Company and many of which are beyond the Company's control, which could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks and uncertainties are described in greater detail in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the SEC on March 11, 2019, and elsewhere in the reports the Company has filed with the SEC. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The Company undertakes no obligation to update these statements after the date of this release.

**Investor Contact:**

Mary Jensen  
Investor Relations  
(202) 524-6869  
maryj@globalmedicalreit.com

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