

White House Healthcare Center LLC
560 Berkeley Avenue
Orange, New Jersey 07050

APPLICATION SUMMARY FOR PUBLICATION

Date application filed: May 1, 2022 (Application #[LA-060721-21946](#))

Name of facility: White House Healthcare & Rehabilitation Center

License number: 060721

Address: 560 Berkeley Avenue, Orange, New Jersey 07050

County: Essex County

Project Description: This application involves the Transfer of Ownership of the operations of White House Healthcare & Rehabilitation Center, currently owned by White House Healthcare & Rehabilitation Center, Inc., to White House Healthcare Center LLC. The new owner will operate the facility through an assigned lease agreement (Lease Agreement and Assignment are attached) with the current owners of the building

Licensed capacity: 176 long term care beds

Current Licensed Owner: White House Healthcare & Rehabilitation Center, Inc.

Proposed Licensed Owner: White House Healthcare Center LLC

Proposed Name of Facility: White House Healthcare & Rehabilitation Center

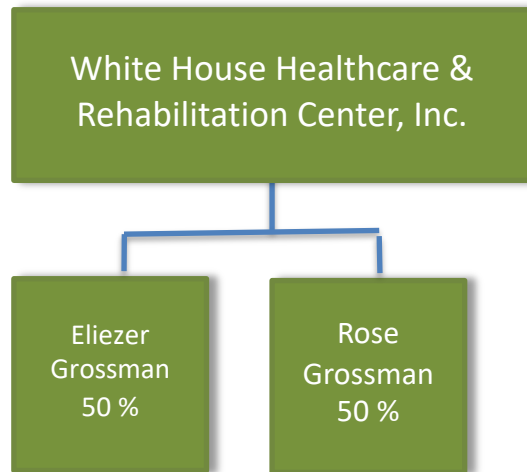
Proposed Management Company: None

Ownership of Management Company: N/A

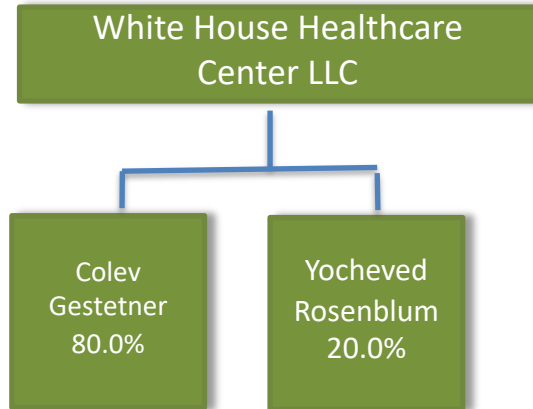
Owner of Real Estate: I & S Realty

All medical records, both active and inactive, will continue to be stored securely at the facility at 560 Berkeley Avenue, Orange, New Jersey 07050. The contact person is Yisroel Grossman at telephone number [973-672-6500](tel:973-672-6500) or by email at ygrossman@whitehousehrc.com

Pre-Closing Ownership of White House Healthcare & Rehabilitation Center, Inc.



Post Closing Ownership
White House Healthcare Center LLC



Pre and Post Closing Ownership of Property I & S Realty

Icek Cywiak
1666 48 Street
Brooklyn, NY 11204
9.757%

Sara Cywiak
1666 48 Street
Brooklyn, NY 11204
9.757%

Bithya Aschkenazi
82-61 Beverly Road
Kew Gardens, NY 11415
9.090%

Susan Jacobowitz
535 West End Ave. Apt. 8B
New York, NY 10024
7.102%

Harry Jacobowitz
240 Central Ave. Apt. 404
Lawrence, NY 11559
7.102%

The Cywiak Family Trust
1666 48 Street
Brooklyn, NY 11204
57.190%

NEW JERSEY RELATED OWNERSHIP

Concord Healthcare & Rehabilitation Center
963 Ocean Ave.
Lakewood, NJ 08701
Medicare # 31-5275

**Detailed Information on
Concord Healthcare & Rehabilitation Center**

Printer Friendly Version

Facility
Information

Inspection
Summaries

Advisory
Standards

Nursing Home
Report Card

Between **01/01/2015** AND **08/22/2022**

Routine Inspection Summary

[More Info](#)

Number of Routine Inspections: **10**

Number of Deficiencies Cited: **6**

Maximum Scope & Severity *: **D**

Complaint Inspection Summary

[More Info](#)

Number of Complaint Inspections: **5**

Number of Deficiencies Cited: **0**

Maximum Scope & Severity *:

Enforcement Action

List of Enforcement Actions by NJDOH and Centers for Medicare & Medicaid Services(CMS) (Medicare Certified Facilities)

List of Enforcement Actions by NJDOH only (All facility types)

*Scope & Severity applies only to federally certified (Medicare) nursing homes.

[Back](#)

Nursing home

Concord Healthcare & Rehabilitation Center

Overall rating:



LOCATION

963 Ocean Ave
Lakewood, NJ 08701

PHONE NUMBER

(732) 367-7444

 Save to Favorites

Ratings

Details

Location

**NO APPLICABLE
MANAGEMENT AGREEMENT**

LEASE AGREEMENT

THIS Lease Agreement (the "Lease") is made and entered into as of March 24, 2022 by and between I & S REALTY USA, LLC., a New Jersey limited liability corporation with offices at 1666 48th Street, Brooklyn, NY, 11204, (hereinafter referred to as "Lessor") and WHITE HOUSE HEALTHCARE CENTER, LLC, a New Jersey limited liability company with offices at 560 Berkeley Avenue, Orange, NJ 07050 (hereinafter referred to as "New Lessee"), collectively "Parties".

WHEREAS, a certain triple net lease ("Previous Lease") exists between Lessor and White House Nursing Home, Inc. ("Previous Lessee") for the lease of premises, business operations, 176 licensed skilled nursing beds located at 560 Berkeley Avenue, Orange, NJ entered into with Previous Lessee on the 23rd day of February, 1973, which Lease is currently in full force and effect, and;

WHEREAS, the Previous Lessee desires to voluntarily terminate Previous Lease with Lessor and the New Lessee wishes to enter into a lease agreement with Lessor.

WHEREAS, the Parties agree to accept the Previous Lease as the agreement between Lessor and New Lessee in which New Lessee will replace Previous Lessee as the operator and New Lessee of the Facility. Parties agree to the following conditions and amendments to the Previous Lease, for purposes of the Lease.

1. With exception of the amendments made herein, all statements contained in the Previous Lease and preamble are hereby incorporated herein with the same force and effect as if herein set forth at length.
2. All references and obligations of Lessee in the Lease shall now be binding upon New Lessee as is relevant to New Lessee, as if the term Lessee in the Previous Lease refers to New Lessee.
3. As soon as practical, New Lessee will apply for a new Tax ID number and submit a complete licensure application with the NJ Department of Health. Additionally, New Lessee shall apply for a new Medicaid Provider number and assumption of Facility Medicare number as soon as practical.
4. New Lessee shall coordinate with Previous Lessee to ensure a transfer of operations without interruption to daily business activities. New Lessee shall sign an Operations Transfer Agreement (OTA) with Previous Lessee to outline all details of this transfer of operations between Previous Lessee and New Lessee.
5. Effective Date: The "Effective Date" of this Lease between New Lessee and Lessor shall be the first day of the calendar month following receipt of approval from NJ Department of Health for New Lessee's licensure. For avoidance of doubt, all matters under the New Lease shall apply only with respect to the period beginning with the Effective Date and thereafter.
6. LEASE AMMENDMENTS. The following amendments shall apply to the terms of the Previous Lease, for purposes of this Lease:

- (i) THIRD section titled "Term of Lease" shall be deleted and replaced as follows:

The term of this Lease shall begin and be effective as of the Effective Date of Lease and shall expire on the day prior to the twenty (20) year anniversary of the Effective Date.

- (ii) FIFTH section, paragraph (A) titled "Basic Rent" shall be deleted and replaced as follows:

New Lessee shall pay to Lessor, or as Lessor shall direct, without demand, deduction or offset for any reason whatsoever, as fixed annual base rent for the Facility, property and FFE (fixtures, furniture and equipment) over and above all other and additional payments to be made by New Lessee as provided in the Lease as Additional Rent. As of Effective Date, Basic Rent shall be \$960,000 per annum, which shall be paid in twelve (12) equal monthly installments of \$80,000. On each of the 5th, 10th and 15th anniversaries of the Effective Date, the Basic Rent shall be increased by five percent (5%) of the total annual Basic Rent with respect to the prior year.

7. In the event applicable legal requirements cause a reduction in the number of available licensed beds at the Facility, or if as a result of a change in regulation, it is prudent to increase number of available beds at the Facility or build a structural addition to the Facility, Lessor and New Lessee shall reasonably negotiate a practical approach to ensure the continued viability of the business, and to ensure that the value of the Facility and property, as well as the financial interests of the Lessor and New Lessee are not compromised.
8. New Lessee shall have a “right of first refusal” in the event Lessor wishes to sell the Facility and property to another party following the Term of this Lease (a “Transaction”), as follows:
 - (a) Prior to Lessor proceeding with a Transaction, Lessor shall provide written notice to New Lessee notifying of intention to pursue a Transaction. Lessor and New Lessee shall meet to review terms of the proposed Transaction (“Notice”).
 - (b) Following New Lessee’s receipt of the Notice and subsequent meeting held by Parties, New Lessee shall have a period of fifteen (15) business days (the “Response Time”) to provide written notice to Lessor that New Lessee wishes to pursue the Transaction upon the terms set forth and agreed upon between Lessor and New Lessee (an “Acceptance”).
 - (c) Following the timely receipt of an Acceptance, Lessor shall proceed with the Transaction with New Lessee upon the terms agreed to by the Parties and shall not pursue the Transaction with any other party.
 - (d) In the event New Lessee declines to pursue the Transaction or fails to respond during the Response Time, Lessor may pursue the Transaction with another party upon the terms agreed to by the Parties, provided that prior to pursuing a Transaction on terms more favorable to the counterparty than those provided in the Notice, Lessor shall be required to provide a new Notice and meet to discuss such terms and the foregoing provisions shall apply to such new Notice.
9. Lease Extension – On or about the 15th anniversary of the Effective Day of this Lease, Parties shall meet to determine Lessor and Lessee’s desire to extend the Lease beyond the expiration date of the Term of Lease and to establish terms and conditions of a proposed extension.
10. New Lessee will provide a security deposit to Lessor in the amount equal to one month Basic Rent, currently at \$80,000. Security deposit shall be refunded to Lessee upon expiration of the Lease, provided all Lessee obligations have been met and no money is owed to Lessor by Lessee. Lessee will increase security deposit following each rent increase to correspond to the then monthly Basic Rent due.

[Signature Page Follows]

IN WITNESS WHEREHOF, the Lessor and New Lessee have executed this Assignment of Lease the day and year first above written.

I. & S. REALTY CORP.

By _____
Partner

WHITE HOUSE HEALTHCARE CENTER, LLC

By _____
Managing Member

THIS AGREEMENT OF LEASE, dated this 20th day of February 1973,

between I. & S. REALTY CORP., a New Jersey Corporation with offices at 1354 46th Street, Brooklyn, New York (hereinafter referred to as "LESSOR") and WHITE HOUSE NURSING HOME, INC., a New Jersey Corporation with offices c/o M. Joshua Aber, Esq., 565 Fifth Avenue, New York, New York (hereinafter referred to as "LESSEE").

W I T N E S S E T H:

DEMISED PREMISES:

FIRST: The Lessor, for and in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, kept and performed, has demised and leased, and by these presents does demise and lease unto the Lessee, and the Lessee does hereby take and hire upon and subject to the covenants and conditions hereinafter expressed which the Lessee agrees to keep and perform the land, with the buildings and improvements to be erected thereupon by the Lessor, the said land referred to above being described in Schedule "A" annexed hereto and made a part hereof, and subject to the conditions and restrictions contained in Schedule "B" annexed hereto.

TO HAVE AND TO HOLD the Demised Premises unto the Lessee, its successors and assigns, for an initial term more particularly set forth in Paragraph "THIRD" hereof.

CONSTRUCTION

SECOND: Lessor represents that a Nursing Home will be constructed in accordance with the laws, rules, regulations and statutes governing the erection of similar structures in the State of New Jersey and in accordance with the rules and regulations of any and all governmental agencies having jurisdiction over the construction and licensing of Nursing Homes.

The lessee shall, upon completion of such construction, obtain licenses and permits necessary to operate the premises as a Nursing Home and shall have proceeded with due diligence, in furtherance thereof, to make installation of all furnishings, furniture, and fixtures and equipment, and articles of personal property which are required by law and/or are necessary for the proper conduct by Lessee of a Nursing Home containing one hundred seventy-six (176) beds in the State of New Jersey.

The Lessor agrees that it will give the Lessee thirty (30) days' notice of the time and when it expects to obtain a Certificate of Occupancy. It is agreed that upon giving such notice to Lessee, Lessee shall thereafter take all required action and shall thereupon expeditiously act so that all the furnishings and fixtures necessary to operate the premises as a Nursing Home shall be properly installed. Before any work is commenced by Lessee hereunder, Workmen's Compensation and Liability policies

satisfactory to Lessor and the mortgagee shall be furnished by Lessee and/or Lessor's contractor or contractors.

Any material or equipment delivered to the premises by Lessee prior to the Commencement Date of the lease shall be left at Lessee's sole risk. Lessee will be deemed to assume any loss due to theft, vandalism, fire, damage or destruction, to any such property from and after its delivery to the premises.

TERM OF LEASE

THIRD: The term of the aforesaid letting shall be for an initial term of twenty-one (21) years commencing on the date the structure has been substantially completed, and that either a temporary or a permanent Certificate of Occupancy has been duly issued therefor by the Department of Buildings having jurisdiction thereof as to any work performed or required to be performed by Lessor hereunder and that certificates and/or approvals (if required or necessary), issued by any agency with respect to the work performed or required to be performed by Lessor as to the erection of the aforesaid structure as and for a Nursing Home, have been obtained (hereinafter referred to as the "Commencement Date"), and ending twenty-one (21) years after the Commencement Date.

OCCUPANCY

FOURTH: The Lessee covenants and agrees that during the initial term and the renewal term (if any) of this lease, the Demised Premises shall be used and occupied solely for a Nursing Home and for no other purpose.

BASIC RENT

FIFTH:

(A) Commencing upon the date of issuance of a license to Lessee to operate or permission to accept patients from the department or governmental agency as shall then have jurisdiction with regard to issuance of licenses for Nursing Homes, such governmental agency being hereinafter referred to in this lease as the "Department of Health", but in any event not later than thirty (30) days after the issuance of a permanent Certificate of Occupancy as to work required to be done by Lessor hereunder, which ever shall be earlier, and continuing for the next ten (10) years a Basic Rent which shall be equal to \$1,700 per bed per annum multiplied by the number of beds for which the said building has been licensed by the Department of Health. Thereafter, and commencing with the first day of the one hundred twenty-first (121st) month, and throughout the remainder of the initial term of this lease, a Basic Rent of \$1,800 per bed per annum multiplied by the number of beds for which the said building has been licensed by the Department of Health. All rents payable pursuant to the terms of this lease shall be paid in equal monthly installments on the first day of each month in advance. All applications necessary for the issuance of such license and all work required to be done by the Lessee shall be promptly completed at or before the time of the issuance of the temporary or permanent Certificate of Occupancy.

In the event that the commencement of rent shall fall on other than the first day of a cal-

endar month, the Basic Rent and additional rent payable for the balance of that month shall be apportioned for the balance of said month and in the event that the term of this lease shall expire on a day other than the last day of the month, there shall be a similar apportionment of all Basic Rent and all additional rent payable under this lease for the short period during said last month.

Promptly after the Commencement Date hereinabove described, Lessor and Lessee shall enter into and execute a Supplementary Agreement fixing the Commencement Date and Expiration Date of the initial term of this lease in satisfactory form for recording.

(B) With respect to all payments required to be made by Lessee to Lessor under the terms of this paragraph or elsewhere in this lease contained, Lessor may establish an arrangement with a recognized bank (hereinafter called the "Bank"), whereby the Bank shall act as agent for Lessee of any payments required to be made hereunder and as disbursing agent for Lessor likewise with respect to the payments required to be made by Lessor hereunder. Accordingly, all payments referred to above shall be made by Lessee to the Bank throughout the term of this lease. Lessor may from time to time make arrangements with other recognized lending institutions and upon ten (10) days' written notice to Lessee, may substitute a new institution for the Bank.

ADDITIONAL RENT

SIXTH: Lessee agrees to pay at least

one month before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, as additional rent, all real estate taxes, assessments, water, water meter charges, vault taxes, permit or license fees, and sewer rates and charges, and other governmental levies and charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever (all of which taxes, assessments, water and sewer rates and charges, and other governmental levies and charges are hereinafter referred to as "Imposition"), which are assessed, levied, confirmed, imposed or become a lien upon the Demised Premises or become payable in respect thereto. If, by law, any Imposition is payable, or may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Lessee may pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments as the same respectively become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. Any Imposition, regardless of when the same is assessed, levied, confirmed, imposed or becomes a lien or becomes payable, which relates to the fiscal period of the taxing authorities in which the Commencement Date shall occur, shall be apportioned between Lessor and Lessee as of the date provided for the commencement of the term of this lease (Paragraph "THIRD"), so that Lessor shall pay as its share of said Imposition an amount which bears the same ratio to the total amount of such

Imposition that the part of such fiscal period expired prior to the Commencement Date bears to such fiscal period, and Lessee shall pay the remaining share of such Imposition. Any Imposition relating to a fiscal period of the taxing authority, a part of which period is included within the portion of the term of this lease in respect of which Lessee is required to pay Impositions, and a part of which is included in a period of time after the date fixed for the expiration of the term of this lease (or if the term of this lease shall expire prior to such date as hereinafter provided, then after the date of such prior expiration), shall (whether or not such Imposition shall be assessed, levied, confirmed, imposed or become a lien upon the Demised Premises, or any part thereof, or become payable in respect thereto, during such portion of the term of this lease), be apportioned between Lessor and Lessee as of the date fixed for the expiration of the term of this lease (or as of the date of such prior expiration) so that Lessor shall pay that portion of such Imposition which that part of such fiscal period remaining after such expiration bears to such fiscal period, and Lessee shall pay the remainder thereof. If, by the provisions of any mortgage to which this lease shall be subject or subordinate, the mortgagor or property owner is obligated to pay assessments in full, whether such assessments are payable or may be payable in installments, and if the holder of such mortgage shall require the payment of such assessments in full, whether payable in installments or otherwise, then the Lessee agrees to pay such assessments in full as though such assessments were not payable in installments.

Lessee hereby agrees to deposit with the Lessor or the lending institution, if required thereunder, simultaneously with each payment of Basic Rent as provided in Paragraph "FIFTH" above, a sum equal to one-twelfth (1/12) of the premiums that will next become due and payable on policies of fire and other insurance required to be carried by Lessee under this lease, plus Impositions next due on the Demised Premises (as estimated by the Lessor or the holder of the mortgage to which this lease is subordinate), less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such premiums and Impositions will become delinquent; such sums to be held by Lessor or the lending institution in trust to pay said premiums and Impositions and/or to remit the same to the holder of the mortgage to which this lease is subordinate if required by said holder. Upon demand, Lessor agrees to forward proof of payment of Impositions to Lessee.

Nothing in this lease contained shall require Lessee to pay any income tax assessed against Lessor, corporate, estate, inheritance, succession, capital levy or transfer tax of Lessor, or any owner of the fee of the Demised Premises, or any income, profits or revenue tax, or any other tax, assessment, charge or levy upon the Basic Rent payable by the Lessee under this lease. None of the foregoing shall be deemed to be included within the term "Imposition" as defined in this paragraph, provided, however, that if at any time during the term of this lease a tax or excise on rents is

levied or assessed against Lessor on the Basic Rent, the same shall be deemed to be included within the term "Imposition" as defined as aforesaid, and Lessee agrees to pay and discharge such tax or excise on rent in accordance with the provisions defined in this paragraph in respect of the payment of

Impositions.

Lessee may, at its sole cost and expense, if it shall in good faith so desire, contest the validity or amount of any such tax, assessments, water rents, sewer rents and charges, duties, Impositions, license and permit fees, charges for public utilities of any kind, payments and other charges of every kind and nature; provided it first makes payment thereof. To the extent that the Lessor shall satisfy and discharge any tax, assessment, water rents, sewer rents and charges, duties, Impositions, license and permit fees, charges for public utilities of any kind, payments and other charges of every kind and nature, together with interest and penalties thereon, the amount so paid by Lessor, with interest thereon at the maximum permissible legal rate from the date of payment by Lessor shall be and become immediately due and payable by Lessee to Lessor as Additional Rent.

Any official certificate or statement issued or given by any sovereign, governmental, city or municipal authority, or any department, bureau or board or officer thereof or of any public utility, showing the existence of any tax, assessment, water rents, sewer rents and charges, duties, Impositions, license and permit fees, charges for

public utilities of any kind, payments and other charges of every kind and nature, together with interest and penalties thereon, the payment of which is the obligation of Lessee as hereinbefore provided, shall be prima facie evidence for all purposes of this lease of the existence, amount and validity of such tax, assessment, water rents, sewer rents and charges, duties, Impositions, license and permit fees, charges for public utilities of any kind, payments and other charges of every kind and nature.

Lessee may at his sole cost and expense if it shall so desire, endeavor at any time or times by appropriate proceedings to obtain a reduction in the valuation of the Demised Premises assessed for tax purposes and in such event Lessor will afford to Lessee such reasonable cooperation as Lessee may request in effecting such reduction, provided that such cooperation shall not entail any expense to Lessor. Provided that this Lease has not been terminated due to Lessee's default, any and all rebates or refunds on account of taxes and assessments paid by the Lessee under the provisions of this lease shall belong to the Lessee; and the Lessor shall, upon request of the Lessee, execute any receipts, assignments or other instruments necessary or desirable to secure, or which will facilitate, recovery of any such rebate, and shall promptly pay over to the Lessee any such rebates which may be received by the Lessor.

The parties hereto agree to execute and deliver any and all necessary papers, documents, instruments, agreements and certificates necessary to carry out the fore-

going.

LESSEE'S OBLIGATION TO FURNISH

SEVENTH:

Lessee agrees at its sole cost and expense to provide and install all of the furniture, fixtures and equipment required by governmental authorities to operate the leased premises. Said items are to include, among others, the following:

- a. All furniture in rooms, lobby, day rooms, dining and office including drapes, linens and other soft goods.
- b. All refuse equipment, if required.
- c. Occupational, physiotherapy and recreational equipment.
- d. paging systems, if required for license.
- e. Fire extinguishers, locker cabinets for employees, ice machines and water fountains.
- f. Kitchen equipment, except grease traps.
- g. Closets in rooms for patient use.
- h. Electrical fixtures.
- i. Nurses' call system, if required for license.

The quality of all such

furniture, furnishings, fixtures and equipment to be installed by Lessee, as set forth above, shall be at least equal to the quality controls and minimum standards provided by the agencies passing approval thereon.

REQUIREMENTS OF PUBLIC AUTHORITIES

EIGHTH:

The Lessee covenants throughout the term of this Lease, at Lessee's sole cost and expense to comply with all laws and ordinances and the orders and require-

ments of all Federal, State and Municipal governments and appropriate departments, commissions, boards and officers thereof, which may be applicable by reason of the conduct of the Lessee's business in the Demised Premises, provided, however, that any order, rule or regulation in existence at the commencement of the term of this lease which requires Lessee to make repairs or alterations of a structural nature and arises out of a structural defect in existence at the time of commencement of the term of this lease, shall be complied with and/or the cost thereof shall be borne by the Lessor so that the license of Lessee to operate the Demised Premises as a Nursing Home shall in no way be impaired. Subject to the exception mentioned herein, Lessee shall comply, at its sole cost and expense, with all laws, ordinances, orders and requirements of any authority having jurisdiction of the premises, including such which may relate to repairs or alterations of a structural nature.

LESSOR'S SECURITY INTEREST IN FURNISHINGS

NINTH: In connection with the furniture, furnishings, fixtures and equipment for this Nursing Home which Lessee is required to furnish and install, maintain and/or replace, Lessee agrees to purchase the same for all cash, free and clear of any and all liens and encumbrances. As security for the faithful performance by Lessee of all of the terms, covenants and conditions of this lease on its part to be performed, in addition to such other security as is more particularly hereinafter set forth, Lessee hereby grants unto Lessor a

security interest therein and further agrees to execute and deliver to Lessor financing statements and/or other documents and agreements required and/or for filing pursuant to the Uniform Commercial Code, in order to perfect and maintain Lessor's security interest in said furniture, furnishings, fixtures and equipment. Lessor, as secured party, shall have the option but not the obligation to execute any such financing statements for and on behalf of Lessee.

INSURANCE

TENTH:

(A) During the term of the lease, Lessee, at its own cost and expense, and as Additional Rent, shall:

(1) Keep all buildings and improvements and furniture, furnishings, fixtures and equipment on, in, or appurtenant to the Demised Premises at the commencement of the term and thereafter erected thereon or therein, including all alterations, rebuildings, replacements, changes, additions and improvements, insured for the benefit of Lessor and Lessee and the holder of any first mortgage of which this lease is subordinate, as their respective interests may appear, against loss or damage by fire, sprinkler leakage, casualty and all available extended coverage, vandalism and malicious mischief, war risk (when obtainable at reasonable commercial rates), atomic bomb (when obtainable at reasonable commercial rates), other hazards and similar insurance as may from time to time be required by the holder of any mortgage to which this lease is

subordinate, in an aggregate amount which shall not be less than 100% of the full insurable value thereof, in such insurance companies and in such form as shall be satisfactory to Lessor and any such mortgagee, all of which policies shall provide that loss, if any, payable thereunder shall be payable to Lessor, Lessee and the first fee mortgagee as their respective interests may appear, and all such policies, with receipts evidencing payment of the premiums thereon, shall be delivered to and held by Lessor or the fee mortgagee designated by Lessor. Lessee agrees to waive any and all right of recovery from Lessor for any loss sustained by Lessee covered under the fire policy or policies to be issued hereunder (by way of subrogation);

(ii) Provide and keep in force for the benefit of Lessor property damage, general public liability, elevator and boiler, machinery and object insurance policies protecting Lessor against any and all liability, in the amount of not less than two million (\$2,000,000.00) dollars in respect of any one accident or disaster, and in the amount of not less than one million (\$1,000,000.00) dollars in respect on injuries to any one person, and in the amount of not less than two hundred fifty thousand (\$250,000.00) dollars in respect of destruction or damage to property, and such policies shall cover the entire buildings and premises, including but not limited to the sidewalks in front thereof, and all such policies, with receipts evidencing payment of the premiums thereon, shall be

delivered to and held by Lessor. The liability policy covering Lessor, Lessee, and the first mortgagee as their interests may appear, but otherwise in the form herein provided, shall be deemed a compliance with the covenants of this subdivision

(A) (ii);

(iii) Provide and keep in force for the benefit of Lessor adequate plate glass insurance covering the glass in the Demised Premises; and

(iv) Provide and keep in force at all times for the benefit of Lessor and Lessee, as their respective interests may appear, rent insurance, including vandalism and malicious mischief and extended coverage endorsements, when obtainable at reasonable commercial rates, if such endorsements are obtainable, in an amount at least equal to the Basic Rent and Additional Rent payable under this lease for a period of one (1) year, in the event of destruction of the premises in part or otherwise, by fire or other cause. Such rent insurance policies shall provide for monthly payment of loss to the Lessor to the extent of the Lessee's monthly obligations hereunder. In the event of receipt by the Lessor of any such rent insurance payment, the Lessee's obligation for the payment of rent shall be abated to the extent of the amount so received by Lessor. Where reference is made to 'one year', the insurance policy or policies shall provide that the yearly period shall commence as of the date of the damage to or destruction of the premises, in part or otherwise, by fire or other cause.

(B) Lessee shall pay all premiums and charges for all such policies, and if Lessee shall fail to make any such payment when due, or fail to carry any such policy, Lessor, at its option, may, but shall not be obligated to, make such payment or carry such policy, and the amounts paid by Lessor, with interest thereon from the date of payment, shall become due and payable by Lessee as Additional Rent with the next succeeding installment of Basic Rent which shall become due after such payment by Lessor; but payment by Lessor of any such premiums or the carrying by Lessor of any such policy shall not be deemed to waive or release the default of Lessee with respect thereto, or the right of Lessor to take such action as may be permissible hereunder as in the case of default in the payment of Basic Rent.

(C) Lessee shall not violate or permit to be violated any of the conditions or provisions of any such policy, and Lessee shall so perform and satisfy the requirements of the companies writing such policies so that at all times companies of good standing satisfactory to Lessor or any first mortgagee shall be willing to write and/or continue such insurance.

(D) Lessee and Lessor shall cooperate in connection with the collection of any insurance moneys that may be due in the event of loss, and Lessor shall execute and deliver to Lessee such proofs of loss and other instruments which may be required for the purpose of obtaining the recovery of any such insurance moneys.

(E) Each such policy or certificate therefor issued by the insurer shall to the extent obtainable contain an agreement by the insurer that such policy shall not be cancelled without at least ten (10) days' prior written notice to Lessor and to any mortgagee of the Demised Premises.

LESSOR'S RIGHT TO CURE DEFAULT

ELEVENTH: The Lessee covenants and agrees that if the Lessee shall at any time fail to make any payment or perform any other act on its part to be made or performed under this lease, the Lessor after seven (7) days' written notice to the Lessee may, but not be obligated to, make such payment or perform such other act to the extent the Lessor may deem desirable, and in connection therewith to pay expenses and employ counsel. All such sums so paid by the Lessor and all expenses in connection therewith shall be deemed Additional Rent hereunder and be payable to the Lessor on the first day of the next succeeding month and the Lessor shall have the same rights and remedies for the non-payment thereof as in the case of default in the payment of the Basic Rent reserved hereunder. In the event of the failure of the Lessor to perform any act on its part to be made or performed under any agreement with any mortgagee, having a lien against the subject premises, then in such event, the Lessor does covenant and agree to notify the Lessee of such failure to make any payment or to perform any act on the part of the Lessor to be performed provided such default or failure of performance has not been caused by the Lessee.

The Lessee shall be permitted, after written notice to Lessor, to make any payments or perform such other act necessary to cure such default and all sums paid by the Lessee and expenses incurred in connection therewith, shall be credited against the next rental due to the Lessor in accordance with the terms of this Agreement.

REPAIRS

TWELFTH:

(A) That all present and subsequently erected buildings and improvements on the said premises shall be kept, both inside and outside, ordinary and extraordinary, in good and substantial order and repair by the Lessee at the Lessee's sole cost and expense, including but not limited to all walls, floors, roofs, vaults, sidewalks, curbs, water and sewer connections, windows and other glass, plumbing, air conditioning and heating systems, elevators, water, gas and electric fixtures, pipes, wires and conduits, boilers, machinery, fixtures and appurtenances in, on or connected with the Demised Premises and the Lessee hereby agrees to replace and renew with like quality any of the said things in, on or about the said Demised Premises which may become too worn to be repaired so that at all times the said buildings and equipment shall be in thorough good order, condition and repair.

(B) Lessee covenants throughout the term of this lease, at the Lessee's sole cost and expense, to keep and maintain the sidewalks in front of the Demised Premises, including public areas and parking areas

thereof, in a clean and orderly condition, free of accumulation of dirt, refuse, snow and ice and in proper condition of repair and replacement when necessary.

(C) The Lessor shall not be liable for any failure of water supply or electrical current, sprinkler damage or failure of sprinkler or other service, nor for injury or damage to personal property caused by the elements, or by other persons in said building, or resulting from steam, gas, electricity, water, rain or snow which may leak or flow from any part of said building or from the pipes, appliances or plumbing works of the same, or from the street or sub-service or from any other place, nor for interference with light or incorporeal hereditaments by anybody, or caused by operations by or for the city in construction of any public or quasi-public work.

(D) Except as hereinabove provided in Paragraph "EIGHTH", the Lessee covenants throughout the term of this lease, at the Lessee's sole cost and expense, to make all structural repairs to the building except that Lessor agrees to make repairs to the electrical, plumbing and heating systems for a period of one year from date of the Certificate of Occupancy, and to make structural repairs for a period of two (2) years from such date, unless any of such repairs are necessitated by act of Lessee, its servants, agents, employees, customers, patrons or persons doing business with Lessee, in which event such repairs will be made by Lessee. Lessor agrees to deliver to Lessee subcontractors' warranties and guarantees.

(E) Anything herein to the contrary notwithstanding, Lessor further represents and agrees that promptly after receipt of notice from Lessee to be given to Lessor not later than one (1) year from the date of issuance of the Certificate of Occupancy, it will cure any structural defects which existed at the time of the issuance of Lessee's license, provided that said defects were covered by the Code then in force at the time of the issuance of the Lessee's license, and provided that a violation is placed against the building and/or the Lessee is required or directed by any governmental authority to repair or cure such defect.

Except as hereinabove provided, Lessee shall at the commencement of the lease term accept the building and improvements on the Demised Premises in the then existing condition and state of repair, and Lessee covenants that no representations, statements or warranties, express, implied or otherwise, have been made by or on behalf of Lessor in respect thereof, or in respect to their condition.

ALTERATIONS

THIRTEENTH:

(A) Subject to the limitation that no portion of any building on the Demised Premises shall be altered, demolished or removed without the prior consent in writing of the holder of any mortgage of the fee, Lessee may, at any time or times during the term and at its own cost and expense, make alterations, replacements, additions and improvements in and to the Demised Premises and to the buildings thereon provided:

(i) That the same shall be performed in a first class workmanlike manner, and shall not weaken nor impair the structural strength, or lessen the value of such building on the Demised Premises at the time, nor substantially change the character of the buildings;

(ii) All interior alterations, interior replacements, interior alterations and improvements in and to the Demised Premises and to the buildings thereon shall be made according to plans and specifications, if required, and if the estimated cost thereof shall exceed \$10,000.00, Lessee shall first submit the same to the Lessor for its approval in writing, which approval shall not be unreasonably withheld;

(iii) That before the commencement of any work, plans and specifications shall be filed with and approved by all governmental departments or authorities having jurisdiction, such approvals shall be exhibited to the Lessor and the first mortgagee of the fee and all such work shall be done subject to and in accordance with the requirements of law and local regulations and of all governmental departments or authorities having jurisdiction;

(iv) That before commencing any such work, Lessee shall, at Lessee's expense, procure and pay the amount of any increase in premiums on insurance policies provided for hereunder on account of endorsements to be made thereon covering the risk during the course of such work;

(v) If, as a result of any such work, a new or modified Certificate of Occupancy is

required by the appropriate agency having jurisdiction, a copy thereof shall be delivered to the Lessor and any mortgagee of the fee;

(vi) If the cost to make any such alterations, replacements, additions and improvements shall exceed \$25,000, Lessee, at its own cost and expense, shall deliver to Lessor a Payment and Performance Bond issued by a surety company licensed to transact business in the State of New Jersey to cover the cost of any work to be performed as referred to herein.

(B) All buildings, alterations, rebuildings, replacements, changes, additions, improvements, structural equipment and appurtenances on or in the Demised Premises at the commencement of the term, and which may be erected, installed or affixed on or in the Demised Premises during the term, are and shall be deemed to be and immediately become part of the realty and the sole and absolute property of Lessor, and shall be deemed to be part of the premises and subject to any mortgage on the premises.

(C) Any person, firm or corporation performing any work at the Demised Premises or supplying any fixtures, material, chattels or equipment, at the request of the Lessee, shall look for payment to Lessee only, as it is the understanding and agreement of Lessor and Lessee that neither Lessor nor Lessor's property shall be subjected to any claim or lien of any kind or nature by reason of any such work performed at the request of Lessee or by reason of any fixtures, material, chattels or equipment that may be furnished, supplied or

installed in connection therewith.

LIENS

FOURTEENTH:

The Lessee covenants not to suffer or permit any liens or any security interests to be filed against the fee of the Demised Premises nor against the Lessee's leasehold interest in said Demised Premises by reason of work, labor, services, materials, furnishings, fixtures or equipment supplied or claimed to have been supplied to the Lessee or anyone holding the Demised Premises or any part thereof through or under the Lessee. If any such lien shall at any time be filed against the Demised Premises or the Lessee's leasehold interest in said Demised Premises, the Lessee shall, within ten (10) days after receiving notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Any violations placed against the premises shall be promptly cured by Lessee. Failure to perform under this Paragraph shall constitute a default under this Lease.

INDEMNITY

FIFTEENTH:

The Lessee shall indemnify and save harmless the Lessor against and from any and all liability fines, suits, claims, demands, expenses and actions of any kind or nature arising by reason of injury to person or property occurring in the Demised Premises occasioned in whole or in part by any act or omission on the part of the Lessee or any employee (whether or not acting within the scope of employment), servant,

agent, licensee, visitor, assignee or sublessee of the Lessee, or by any use or occupancy of the Demised Premises or any breach, violation or non-performance of any covenant in this lease on the part of the Lessee to be observed or performed.

ACCESS TO THE PREMISES

SIXTEENTH: Lessee shall permit Lessor or its agent, and any mortgagee or its agents, to enter the Demised Premises at all reasonable hours for the purpose of inspection or of making repairs that Lessee may neglect or refuse to make in accordance with the agreements, terms, covenants and conditions hereof, and also for the purpose of showing the Demised Premises to persons wishing to purchase the same, and at any time within one (1) year prior to the expiration of the term to persons wishing to rent the same; and Lessee shall, within one (1) year prior to the expiration of the term, permit the usual notice of "TO LET" and "FOR SALE" signs to be placed on the Demised Premises and to remain thereon without hindrance and molestation.

DAMAGE OR DESTRUCTION

SEVENTEENTH: The Lessee covenants that in case of damage to or destruction of the Demised Premises by fire or otherwise, it will promptly at its sole cost and expense, restore, repair, replace or rebuild the same as nearly as possible to the condition it was in immediately prior to such damage or destruction. Such restorations, repairs, replacements or rebuilding shall be commenced promptly and prosecuted with reasonable diligence, after insurance proceeds are actually received

by the Lessee. To the extent that Lessor may receive the proceeds of any rent insurance supplied by Lessee, Lessee shall be credited with such receipt. However, until the payment of any such proceeds to Lessor, there shall be no abatement in any fixed or additional rent. Should Lessor receive the proceeds of any rent insurance after Lessee has paid to Lessor any item covered by such rent insurance, then Lessor, to the extent of such receipt, will remit same to Lessee forthwith.

It is understood and agreed

that Lessor shall turn over insurance proceeds to the Lessee to the extent permitted by the mortgagee.

In the event the insurance proceeds shall be in excess of the cost of Lessee's repairs and/or replacement, such excess proceeds shall be paid to and/or retained by the Lessor.

CONDEMNATION

TWENTY-SECOND: (A) If the whole of the

premises shall be taken for any public or quasi-public use under any statute or by right of Eminent Domain, during the original term of this lease, then this lease and all right, title and interest of the Lessee hereunder shall automatically terminate as of the date of vesting title and Lessee shall make payment of the Basic Rent and all other charges and deposits payable by Lessee under the terms of this lease whether additional rent or otherwise, properly apportioned to the date of such termination. Under these circumstances Lessee shall have the right to file claim for damages to and the cost of removing all furniture, fixtures, equipment

and items of personal property and any loss incurred as to such items but shall have no other claim against any condemnation award.

(B) If during the term of this lease and any renewals or extensions thereof, there shall be a taking of less than the entire Demised Premises so that no less than 136 beds shall remain, this lease shall, upon vesting of title, terminate as to the portion of the Demised Premises so taken. In the case of a taking involving so much of the building on the premises as to render it impossible to restore the remaining portion of the structure to a complete architectural unit which will permit the licensing and the operation of a Nursing Home of at least 136 beds Lessee or Lessor shall have the right to terminate this lease as to the remainder of the Demised Premises. Such termination as to the remainder of the Demised Premises shall be effected by notice in writing given not more than thirty (30) days after the date of vesting of title, and shall specify a date not more than fifteen (15) days after the giving of notice as the date for such termination. Upon the date specified in such notice, this lease and all right, title and interest of the Lessee hereunder shall cease and come to an end, and Lessee shall make payment of the Basic Rent and all other charges and deposits payable by Lessee under the terms of this lease, whether additional rent or otherwise, appropriately apportioned to the day of such vesting of title.

(C) If any part of the premises

shall be so taken and this lease shall not terminate or be terminated under the provisions of Section (B) of this Article, then the Basic Rent and all other charges payable by Lessee under the terms of this lease shall be equitably apportioned according to the number of beds for a Nursing Home which the premises will be adequate to permit in the restored structure, such apportionment to be effective from and after the date of vesting title, or from the date the number of beds in use by Lessee are actually reduced, whichever shall be later, and Lessor shall, at Lessor's own cost and expense, restore the remaining portion of the building (on the Demised Premises) not so taken to the extent necessary to render same a complete architectural unit for the use and occupancy of Lessee. In no event, however, shall Lessor be obligated to expend an amount in excess of the total award received by Lessor after deducting all expenses incurred in obtaining such award.

ASSIGNMENT

NINETEENTH: (A) Lessee shall not assign

nor sublet this lease without the prior written consent of the Lessor and mortgagee, if required, which consent of Lessor shall not be unreasonably delayed or withheld.

(B) In no event shall an assignment be effective unless: (i) such assignment shall transfer this lease and all rights of Lessee hereunder; (ii) at the time of making such assignment there shall be no default under any of the agreements, terms, covenants and conditions hereof on the part of Lessee to be performed;

(iii) such assignment by Lessee, or by any subsequent assignee of Lessee's interest hereunder, shall be in writing and shall be executed by the assignee who shall therein and thereby assume this lease and all the agreements, terms, covenants and conditions hereof on the part of Lessee to be performed; (iv) a duplicate original of such assignment and assumption, in recordable form, shall be delivered to Lessor within ten (10) days after the execution and delivery thereof; (v) the security set forth in Article THIRTY-THIRD hereof shall have been included in such assignment; (vi) approval and license for such assignee or sublessee to operate and conduct the Nursing Home on the Demised Premises has been given by the governmental agencies whose approval and license would be required for the proposed operation.

CONDITIONAL LIMITATIONS - DEFAULT PROVISIONS

TWENTIEETH:

During the term of this Lease

the Lessee shall:

(i) Apply for or consent in writing to, the appointment of a receiver, trustee or liquidator of the Lessee or of all or substantially all of its assets;

(ii) File a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they become due;

(iii) Make a general assignment for the benefit of creditors;

(iv) File a petition or an

answer seeking reorganization (other than a reorganization not involving the liabilities of the Lessee), or arrangements with creditors, or take advantage of any insolvency laws; or

(v) File an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding; or if any department of the State or Federal Government or any officer thereof, duly authorized shall take possession of the business or property of the Lessee by reason of insolvency or alleged insolvency of the Lessee, or if an order, judgment or decree shall be entered by any Court of competent jurisdiction on the application of a creditor adjudicating the Lessee a bankrupt or insolvent, or approaching a petition seeking reorganization of the Lessee (other than a reorganization not involving the liabilities of the Lessee) or appointment of a receiver, trustee or liquidator of the Lessee, or of all or substantially all its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) consecutive days, the Lessor may, at its option, give to the Lessee a notice of intention to end the term of this lease, at the expiration of five (5) days from the date of service of such notice and at the expiration of said five (5) days the term of this lease and all right, title and interest of the Lessee hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term and the Lessee will then quit and surrender the Demised Premises to the Lessor,

but the Lessee shall remain liable as hereinafter provided.

(A) If, during the term of this lease, the Lessee shall default in fulfilling any of the covenants of this lease (other than the covenants for the payment of rent, Additional Rent or other charges payable by the Lessee hereunder), the Lessor shall give to the Lessee thirty (30) days notice of any such default and if at the expiration of such thirty (30) days after the service of such a notice the default upon which said notice was based shall continue to exist, the term of this lease and all right, title and interest of the Lessee hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term and the Lessee will quit and surrender the Demised Premises to the Lessor, but the Lessee shall remain liable as hereinafter provided.

(B) If the Lessee shall default in the payment of the Basic Rent for ten (10) days after notice or shall default in the payment of any item of Additional Rent or any other charge required to be paid by the Lessee hereunder for ten (10) days after notice or if this lease shall expire as in subdivisions (i) through (v) and (A) of this Paragraph provided, the Lessor or his agents and servants may immediately or at any time thereafter re-enter the Demised Premises and remove all persons and all or any property therefrom, either by summary dispossession proceedings or by any suitable action or proceedings at law, or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and re-

possess and enjoy said premises, as of their former estate, together with all additions, alterations, fixtures and improvements (including equipment and movable fixtures, full kitchen equipment and fixtures, furniture and furnishings usually found in Nursing Homes). Upon the expiration of the term of this lease by reason of the happening of any of the events hereinabove described in subdivisions (i) through (v) or (A) of this Paragraph or in the event of the termination of this lease by summary dispossession proceedings or under any provision of law now or at any time hereafter in force, by reason of or based upon or arising out of default under or breach of this lease on the part of the Lessee, or upon the Lessor recovering possession of the Demised Premises in the manner or in any of the circumstances whatsoever, whether with or without legal proceedings, by reason of or based upon or arising out of a default under or breach of this lease on the part of the Lessee, the Lessor may, at its option, at any time, and from time to time, relet the Demised Premises or any part or parts thereof for the account of the Lessee or otherwise, and receive and collect the rents therefor, applying the same first to the payment of such expenses as the Lessor may have incurred in recovering possession of the Demised Premises, including legal expenses and reasonable attorneys' fees, and for putting the same in good order or condition or preparing or altering the same for re-rental, and expenses, commissions and charges paid, assumed or incurred by the Lessor in and about the reletting of the premises, and then

to the fulfillment of the covenants of the Lessee hereunder. Any such reletting herein provided for may be for the remainder of the term of this lease or for a longer or shorter period. In any such case and whether or not the Demised Premises or any part thereof be relet, the Lessee shall pay to the Lessor the rent and all other charges required to be paid by the Lessee up to the term of such termination of this lease, or of such recovery of possession of the Demised Premises by the Lessor, as the case may be, and thereafter, the Lessee covenants and agrees, if required by the Lessor, to pay to the Lessor until the end of the term of this lease the equivalent of the amount of all the rent reserved herein and all other charges required to be paid by the Lessee, less the net avails of reletting, if any, and the same shall be due and payable by the Lessee to the Lessor on the several rent days above specified, that is to say, upon each of such rent days the Lessee shall pay to the Lessor the amount of the deficiency then existing. In any of the circumstances hereinabove mentioned in which the Lessor shall have the right to hold the Lessee liable upon the several rent days herein specified to pay the Lessor the equivalent of the amount of all the rent and all other charges required to be paid by the Lessee less the net avails of reletting, if any, the Lessor shall have the election in place and instead of holding the Lessee so liable, forthwith to recover against the Lessee, as damages for loss of the bargain and not as a penalty, an aggregate sum which, at the time of such termination of this Lease, or of such

recovery of possession of the premises by the Lessor, as the case may be, represents the then present worth of the excess, if any, of the aggregate of the rent and all other charges payable by the Lessee hereunder that would have accrued for the balance of the term over the aggregate rental value of the Demised Premises for the balance of such term. Nothing herein contained shall limit or prejudice the Lessor's right to prove and obtain as liquidated damages arising out of such breach or termination the maximum amount allowed by any statute or rule of law which may govern the proceeding in which such damage are to be proved, whether such amount be greater, equal to or less than the amount of the then present worth of the excess of the Basic Rent and all other charges payable by the Lessee hereunder over the rental value referred to above.

(C) The Lessee hereby expressly waives the service of notice of intention to re-enter provided for in any statute now or hereafter in force, or to institute legal proceedings to that end, and also waives any and all right of redemption provided for in any statute now or hereafter in force in the case that Lessee shall be dispossessed by a judgment or by warrant of any court or judge. The term "enter", or "re-enter", "entry" or "re-entry", as used in this lease are not restricted to their technical legal meaning.

CUMULATIVE REMEDIES - NO WAIVER

TWENTY-FIRST: The specific remedies to which the Lessor or the Lessee may resort under the terms of this

lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which they may be lawfully entitled in case of any breach or threatened breach by either of them of any provision of this lease. The failure of the Lessor to insist in any one or more cases upon the strict performance of any of the covenants of this lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by the Lessor of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver, change, modification or discharge by either party hereto of any provisions in this lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by both the Lessor and the Lessee. In addition to the other remedies in this lease provided, the Lessor and the Lessee shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions or provisions of this lease or to a decree compelling performance of any of such covenants, conditions or provisions.

SUBORDINATION

TWENTY-SECOND: (A) It is hereby expressly agreed that this lease and all rights of the Lessee hereunder shall be subject and subordinate at all times to any mortgage or mortgages and to all advances made and to be made thereunder, and any renewals or replacement thereof

which now are or hereafter become liens on the Demised Premises.

All mortgages shall expressly provide or the mortgagee thereunder shall agree by a duly executed and acknowledged instrument that this lease and the leasehold estate hereby created shall not be extinguished or terminated nor the possession or the rights of the Lessee be disturbed by the foreclosure of any such mortgage arising out to any default thereunder or by the delivery of a deed in lieu of foreclosure of such mortgage or otherwise, so long as this lease shall be in force and Lessee is not in default, and irrespective of whether or not the term hereof shall have commenced. This clause shall be self-operative, and no further instrument of subordination shall be required provided, however, that if requested by Lessor, Lessee shall promptly execute a certificate confirming the foregoing subordination.

(B) It is agreed by Lessor, however, that any extended, new or consolidated mortgage or mortgages hereinafter placed against the Demised Premises shall provide for combined regular annual servicing costs including interest and amortization for each year to maturity which shall not in the aggregate exceed a sum equal to the annual basic rent payable by Lessee hereunder.

(C) This instrument shall not be a prior lien against said premises in respect of any mortgages, as provided for in above subdivisions (A) and (B) that are now on or that hereafter may be placed against said premises, and that the recording of such mortgage or mortgages shall have

preference and precedence and be superior and prior in lieu of this lease, irrespective of the date of recording and the Lessee agrees to execute any such instrument without cost, which may be deemed necessary or desirable to further effect the subordination of this lease to any such mortgage or mortgages, and a refusal to execute such instrument shall entitle the Lessor or the Lessor's assigns and legal representatives to the option of cancelling this lease without incurring any expense or damage and the term hereby granted is expressly limited accordingly. Lessee further agrees that if it shall fail at any time to execute, acknowledge or deliver any such instrument requested by Lessor, Lessor may, in addition to any other remedies available to it, execute, acknowledge and deliver such instrument as the attorney-in-fact of Lessee and in Lessee's name, and Lessee hereby makes, constitutes and irrevocably appoints Lessor as its attorney-in-fact for that purpose. The word "mortgage" as used herein includes mortgages, deeds of trust or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof.

PARTIAL INVALIDITY

TWENTY-FOURTH: If any term or provision of this lease, or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this lease or the application of such term or provision or circumstances, other than those as to which it is held invalid or unenforceable, shall not be affected

thereby, and each term and provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

NOTICES

TWENTY-FIFTH: All notices, demands or requests by Lessor to Lessee herein provided shall be deemed to have been properly served or given if sent by United States Registered or Certified Mail, return receipt requested, postage prepaid, addressed to Lessee at:

c/o M. Joshua Aber, Esq.
565 Fifth Avenue
New York, New York 10017

or to such other address as Lessee may from time to time designate by written notice to, Lessor.

All notices, demands or requests by Lessee to Lessor herein provided shall be deemed to have been properly served or given if sent by United States Registered or Certified Mail, return receipt requested, postage prepaid, addressed to Lessor at:

1354 46th Street
Brooklyn, New York

or to such other address as Lessor may from time to time designate by written notice to Lessee.

WAIVERS, TRIAL BY JURY AND COUNTERCLAIM

TWENTY-SIXTH: In the event Lessor shall commence any summary proceeding against the Lessee hereunder, the latter expressly waives the right to trial by jury and the right to interpose any counterclaim therein.

QUIET ENJOYMENT

TWENTY-SEVENTH: Lessor covenants and agrees

that Lessee, upon paying the Basic Rent and all other charges herein provided for, and observing and keeping the covenants, agreements and conditions of this lease on its part to be kept, shall lawfully and quietly hold, occupy and enjoy the Demised Premises during the term of this lease, subject and subordinate, however, to the matters, conditions and reservations herein set forth.

CONVEYANCE BY LESSOR

TWENTY-EIGHTH: In the event Lessor herein or any successor Lessor of the Demised Premises shall convey, transfer, assign or otherwise dispose of the Demised Premises, all liabilities and obligations on the part of Lessor or such successor owner as Lessor under this lease, accruing after each such conveyance, transfer, assignment or disposal, shall terminate upon written notice to Lessee hereof, and thereupon all such liabilities and obligations shall be binding upon the new owner of the Demised Premises, and the former owner Lessor shall automatically be freed and relieved from and after the date of such conveyance, transfer, assignment or disposal with respect to the performance of any covenants or obligations on the part of the Lessor contained in this lease, thereafter be performed.

CERTIFICATES BY LESSEE AND LESSOR

TWENTY-NINTH: (A) Lessee agrees at any time and from time to time upon not less than ten (10) days' prior notice by Lessor to execute, acknowledge and deliver to Lessor a statement in writing certifying that this lease is unmodified

and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Basic Rent and other charges have been paid in advance, if any, and stating whether or not to the best knowledge of the signer of such certificate Lessor is in default in performance of any covenant, agreement or condition contained in this lease, and, if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant to this Paragraph may be relied upon by any prospective purchaser of the fee or any mortgagee thereof or any assignee of any mortgagee upon the fee of the Demised Premises.

(B) Lessor agrees at any time and from time to time upon not less than twenty (20) days' prior notice by Lessee to execute, acknowledge and deliver to Lessee a statement in writing certifying that this lease is unmodified and in full force and effect (or if there shall have been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which the Basic Rent and other charges have been paid in advance, if any.

MEMORANDUM OF LEASE

THIRTIETH:

Lessor and Lessee will, upon the written request of the other, join in the execution of a memorandum of lease in proper form for recordation in the appropriate office where the property is situated, setting

forth the existence and term of this lease. The cost of preparation and recording of such memorandum of lease shall be borne by the party making request therefor.

BROKER

THIRTY-FIRST: Lessor and Lessee agree that no broker brought about the execution of this lease.

UTILITIES

THIRTY-SECOND: Lessee shall pay all charges for heat, water, water meter, gas, light, electricity, oil, sewer rents, telephone or any other communication or utility service which may be supplied to the Demised Premises throughout the term of this lease or any renewal thereof, and shall make application and pay all charges for same, it being the intention of the parties that all charges incurred or to be incurred for the operation of the premises as hereinbefore set forth shall be borne by the Lessee.

SECURITY

THIRTY-THIRD: Lessee agrees to deposit simultaneously with the commencement date of the lease or sooner, with the Lessor the sum of Seventy-five thousand (\$75,000) Dollars as security for the full and faithful performance by Lessee of all the terms and conditions of this lease, which sum shall be returned to Lessee at the expiration of the term herein provided the Lessee has fully and faithfully performed all the terms and conditions of this lease on its part to be performed. In the event of the exercise by Lessee of any renewal

option then such security shall be retained until expiration of the renewal term or terms, as the case may be, provided likewise Lessee has continued to fully perform all of the terms and conditions of this lease on its part to be performed. In the event of a bona fide sale of the premises, subject to this lease, the Lessor shall have the right to transfer the deposit made hereunder to the vendee for the benefit of the Lessee and the Lessor shall be considered released from all liability for the return of said deposit.

LESSEE'S OPTION TO RENEW

THIRTY-FOURTH: Provided the Lessee shall not then be in default in fulfilling any of the agreements, terms, covenants and conditions of this lease on its part to be performed, Lessee shall have the option to renew the term of this lease for two (2) twenty-one (21) year periods from the termination of the initial term of this lease.

Each option to renew this lease shall be exercised by lessee giving to lessor at least twelve (12) months' prior written notice of its exercise of such renewal option.

The Basic Rent for the first renewal term, exclusive of any and all other sums which may become due and payable during the first renewal term as additional rent and/or as otherwise provided in this lease, and except as hereinafter provided, shall be not less than as provided in Paragraph FIFTH of this lease and except for the Basic Rent said first renewal term shall otherwise be

upon the same terms, covenants and conditions as contained in this lease, except that there shall be only one further option to renew beyond this first twenty-one (21) year renewal period.

During the second renewal period, the same provisions as applied during the first renewal period shall be applicable, except that there shall be no further option to renew and except that the Basic Rent, other than as hereinafter provided, shall be not less than the Basic Rent payable during the first renewal period.

The Basic Rent to be paid during each of the renewal terms of this lease shall be as follows:

a. If lessee, its successors or assigns, shall have the option or shall have exercised the option for a renewal term under the foregoing provision, and if the parties shall not have agreed in writing, sixteen (16) months prior to the expiration of the initial term, upon the amount of the annual Basic Rent to be paid during the renewal term, then the Basic Rent for the renewal term shall be based upon the fair rental rate for facilities which are equivalent and comparable to the Demised Premises and being used for the same purposes as the Demised Premises are then being used, in the County of Essex, City of Orange and State of New Jersey, and such fair rental rate shall be determined in the manner as hereinafter provided. During said renewal term, in no event shall the annual Basic Rent be less than the annual Basic Rent payable for the last

year of the initial term of this lease, and in no event shall the annual Basic Rent be in excess of a rate which would be approved by the Department of Health of the State of New Jersey, or other governmental authority having jurisdiction of the operation being conducted in the Demised Premises.

b. In the event that the parties shall be unable to agree upon the annual Basic Rent for the renewal term as aforesaid, within sixteen (16) months prior to the commencement of the renewal term, then either party shall give notice to the other stating the name and address of an impartial person to act as an appraiser hereunder and within twenty (20) days after the receipt of such notice, the other party shall give notice to the sender of the first mentioned notice, likewise stating the name and address of an impartial person to act as an appraiser hereunder. The appraisers so specified in such notice shall be qualified, independent persons, having knowledge of ownership and operation of property similar to the Demised Premises in the Greater New York area. The appraisers in making their determination shall take into consideration, in addition to all other factors, the then age of the Demised Premises and the nature of the operation then being conducted thereon and all other relevant factors. Before proceeding to determine the fair rental rate of the Demised Premises for the renewal term of this lease, as aforesaid, the

appraisers so appointed shall subscribe and swear to an oath fairly and impartially to perform their duties. If, within thirty (30) days following the appointment of the latter of said appraisers, said two appraisers shall be unable to agree upon the then fair rental rate of said Demised Premises, as aforesaid, the said appraisers shall appoint, by an instrument in writing, a third impartial person with the same qualifications as aforesaid as the third appraiser, who, upon taking a similar oath, shall forthwith proceed with the two appraisers first appointed to determine the then fair rental rate of said Demised Premises. The written decision of any two the the appraisers so appointed fixing the fair rental rate of said Demised Premises shall be binding and conclusive on the parties. If, on the other hand, after notice of the appointment of the first appraiser, the other party shall fail, within the above specified period of twenty (20) days to appoint an appraiser, then and in such event the determination of the one designated impartial, qualified appraiser shall be binding and conclusive on both the lessor and lessee herein. If, on the other hand, after the appointment of the second appraiser, the said two shall be unable to agree upon the appointment of a third impartial person, as hereinabove provided, then and in such event application shall be made to the Supreme Court by lessor or lessee for the appointment of a third impartial person; and the person so designated by the Court shall act as the third impartial appraiser in the same manner as if appointed by the two appraisers

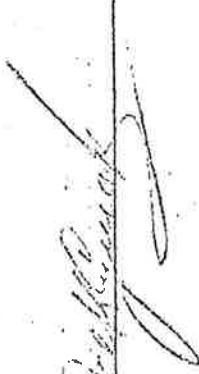
theretofore designated. The costs and expenses of such appraisal shall be borne equally by lessor and lessee.

All of the provisions in subdivisions "a" and "b" above shall be applicable to the second renewal period as well.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

I. & S. REALTY CORP.

BY:



WHITE HOUSE NURSING HOME, INC.

BY:

