

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Greater Peoria Specialty Hospital, LLC d/b/a Kindred Hospital Peoria		
Street Address: 500 West Romeo B. Garret Avenue		
City and Zip Code: Peoria, IL 60615-2301		
County: Peoria	Health Service Area: 2	Health Planning Area: C-01

Legislators

State Senator Name: David Koehler
State Representative Name: Jehan Gordon-Booth

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Greater Peoria Specialty Hospital, LLC
Street Address: 680 South Fourth Street
City and Zip Code: Louisville, KY 40202-2412
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 S. LaSalle St, Ste 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Benjamin A. Breier
CEO Street Address: 680 South Fourth Street
CEO City and Zip Code: Louisville, KY 40202-2412
CEO Telephone Number: 502-596-7300

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	<input type="checkbox"/>

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Charmaine Mech
Title: Attorney
Company Name: Arnall Golden Gregory LLP
Address: 171 17th Street NW, Suite 2100, Atlanta 30363
Telephone Number: 404-873-7018
E-mail Address: Charmaine.Mech@agg.com

Fax Number: 404-873-7019

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Name: Charmaine Mech
Title: Attorney
Company Name: Arnall Golden Gregory LLP
Address: 171 17th Street NW, Suite 2100, Atlanta 30363
Telephone Number: 404-873-7018
E-mail Address: Charmaine.Mech@agg.com

Fax Number: 404-873-7019

Additional Contact [Person who is also authorized to discuss the Application]

Name: Jessica Grozine
Title: Attorney
Company Name: Arnall Golden Gregory LLP
Address: 171 17th Street NW, Suite 2100
Telephone Number: 404-873-8526
E-mail Address: Jessica.Grozine@agg.com
Fax Number: 404-873-8527

Post Exemption Contact

[Person to receive all correspondence subsequent to exemption issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name: Barbara Lankford
Title: Senior Director, Marketing Planning
Company Name: Kindred Healthcare
Address: 680 S. Fourth Street, Louisville, KY 40202
Telephone Number: 502-596-7801
E-mail Address: barbara.lankford@kindred.com
Fax Number:

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: RI Wasco, LLC
Address of Site Owner: 7600 NE 41st Street, Suite 330, Vancouver, WA 98662
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Greater Peoria Specialty Hospital, LLC d/b/a Kindred Hospital Peoria		
Address: 680 South Fourth Street, Louisville, KY 40202-2412		
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental	<input type="checkbox"/> Sole Proprietorship
<input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other		

Operating Identity/Licensee after the Project is Complete

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Greater Peoria Specialty Hospital, LLC d/b/a/ Kindred Hospital Peoria	
Address: 680 South Fourth Street, Louisville, KY 40202-2412	
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/>
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 	
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

<p>Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.</p>
APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site.

Kindred Healthcare, LLC ("Kindred"), which operates a variety of inpatient and outpatient facilities and services through its subsidiaries, nation-wide, is undergoing an internal restructuring (the "Restructuring") in order to separate the service lines offered by Kindred within the corporate structure. Because the Restructuring is purely an internal restructuring, there is no purchase price or consideration for the changes.

One Illinois long-term acute care hospital is impacted by Kindred's proposed Restructuring. This Certificate of Exemption ("COE") application addresses the impact of the Restructuring on Kindred Hospital Peoria, which is located at 500 West Romero B. Garrett Avenue in Peoria, Illinois.

As a result of the Restructuring two entities with intermediate indirect ownership interests (Rehabcare Group East, LLC, at the grandparent level, and Rehabcare Group, LLC, at the great-grandparent level) will be removed from Kindred Hospital Peoria's ownership structure. There will be no other changes to the ownership structure of Kindred Hospital Peoria. There will be no change to the facility's direct ownership or ultimate indirect ownership as a result of the Restructuring.

The applicants do not anticipate any changes to the day-to-day operation of the facility, resulting from Restructuring, that would be apparent to patients or the population traditionally served.

Following the Restructuring, and as of the date of the filing of this COE application, it is anticipated that:

- Kindred will continue to manage the above-referenced facility's operations;
- The legal entity and name of the facility will not change;
- The services provided in and through the facility will not change in any appreciable fashion;
- The number of beds provided will not change;
- Employees will retain full credit for Kindred employment, retain current positions, and maintain seniority.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Not Applicable
Purchase Price: \$	_____		
Fair Market Value: \$	4,523,330.00	See property tax documentation in Attachment 5	

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes ___ No X. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

Not Applicable.

Anticipated exemption completion date (refer to Part 1130.570): _____

State Agency Submittals

Are the following submittals up to date as applicable:

- Cancer Registry
- APORS
- All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the Application being deemed incomplete.

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Greater Peoria Specialty Hospital, LLC in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Douglas L. Curnutte
PRINTED NAME

Senior Vice President, Corporate Development
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 1st day of October, 2020

Signature of Notary

Seal

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

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Vice President and Corporate Counsel
PRINTED TITLE

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this _____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

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SECTION II. BACKGROUND.**BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

- Purchase resulting in the issuance of a license to an entity different from current licensee.
- Lease resulting in the issuance of a license to an entity different from current licensee.
- Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- Stock transfer resulting in no change from current licensee.
- Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	X
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV.CHARITY CARE INFORMATION

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 7.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	23-41
2	Site Ownership	42-157
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	158
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	159-161
5	Background of the Applicant	162-170
6	Change of Ownership	171-175
7	Charity Care Information	176-177

ATTACHMENT 1

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "RENAISSANCE PARK LTACH, LLC", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF JANUARY, A.D. 2006, AT 6:56 O'CLOCK P.M.



4097546 8100

060060725

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4466432

DATE: 01-23-06

**CERTIFICATE OF FORMATION
OF
RENAISSANCE PARK LTACH, LLC**

The undersigned, an authorized natural person, for the purpose of forming a limited liability company, under the provisions and subject to the requirements of the State of Delaware, particularly Chapter 18, Title 6 of the Delaware Code (the "*Delaware Limited Liability Company Act*"), hereby certifies that:

FIRST

The name of the limited liability company is RENAISSANCE PARK LTACH, LLC. It is hereafter referred to as the "*Company*."

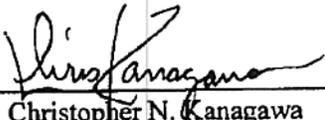
SECOND

The address of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington. The name of its Registered Agent at such address is The Corporation Trust Company.

THIRD

The Company shall have a perpetual existence.

20th IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation this day of January, 2006.

By: 
Christopher N. Kanagawa
Authorized Person

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "RENAISSANCE PARK LTACH, LLC", CHANGING ITS NAME FROM "RENAISSANCE PARK LTACH, LLC" TO "GREATER PEORIA SPECIALTY HOSPITAL, LLC", FILED IN THIS OFFICE ON THE EIGHTH DAY OF JANUARY, A.D. 2007, AT 1:11 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.

4097546 8100
070024670



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State
AUTHENTICATION: 5339434

DATE: 01-09-07

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:34 PM 01/08/2007
FILED 01:11 PM 01/08/2007
SRV 070019653 - 4097546 FILE

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF FORMATION
OF
RENAISSANCE PARK LTACH, LLC**

The undersigned, an authorized natural person, does hereby adopt this Certificate of Amendment, pursuant to the Delaware Limited Liability Company Act:

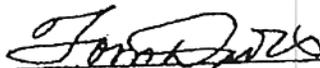
1. The name of the limited liability company is RENAISSANCE PARK LTACH, LLC.
2. The Certificate of Formation of the limited liability company is hereby amended as follows:

Paragraph FIRST is amended to read in its entirety as follows:

FIRST

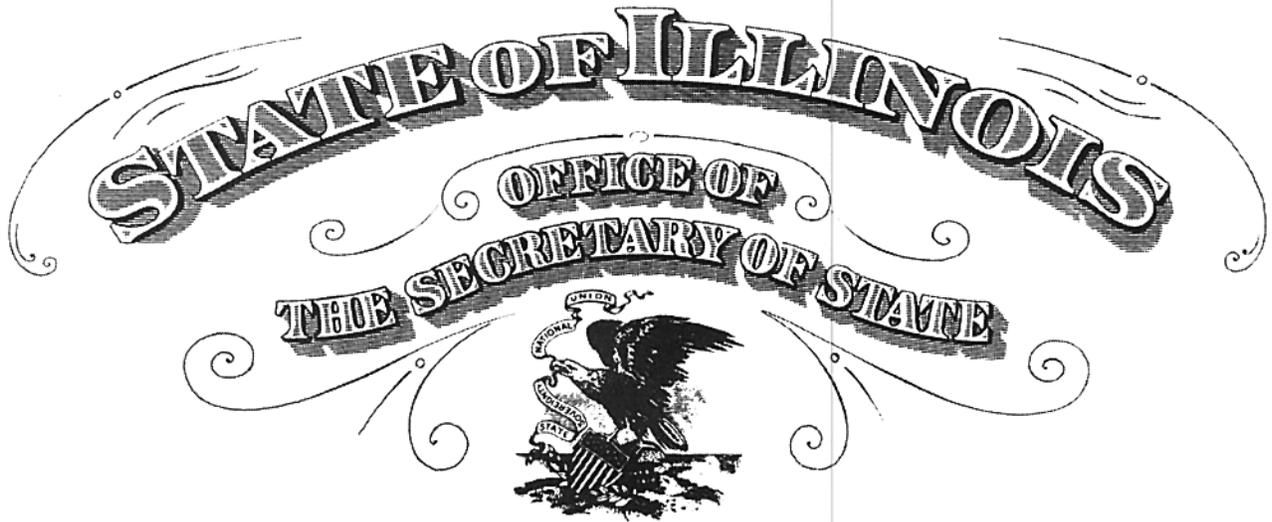
The name of the limited liability company is Greater Peoria Specialty Hospital, LLC.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment on the 5th day of January, 2007.



Tom E. Davis
Authorized Person

File Number 0174560-3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

GREATER PEORIA SPECIALTY HOSPITAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JANUARY 26, 2006, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 16TH day of JANUARY A.D. 2007 .

Jesse White

Authentication #: 0701603102

Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE



#E-045-20

OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

JANUARY 26, 2006

0174560-3

C T CORPORATION SYSTEM
208 SO LASALLE ST, SUITE 814
CHICAGO, IL 60604-1101

RE RENAISSANCE PARK LTACH, LLC

DEAR SIR OR MADAM:

IT IS OUR PLEASURE TO APPROVE YOUR REQUEST TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS. ENCLOSED PLEASE FIND AN APPROVED APPLICATION OF ADMISSION.

THE LIMITED LIABILITY COMPANY MUST FILE AN ANNUAL REPORT PRIOR TO THE FIRST DAY OF ITS ANNIVERSARY MONTH (MONTH OF QUALIFICATION) NEXT YEAR. A PRE-PRINTED ANNUAL REPORT FORM WILL BE SENT TO THE REGISTERED AGENT AT THE ADDRESS SHOWN ON THE RECORDS OF THIS OFFICE APPROXIMATELY 60 DAYS PRIOR TO ITS ANNIVERSARY MONTH.

SINCERELY YOURS,

A handwritten signature in cursive script that reads "Jesse White".

JESSE WHITE
SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES
LIMITED LIABILITY COMPANY DIVISION
TELEPHONE (217)524-8008

JW:LLC

STATE OF ILLINOIS

Office of the Secretary of State

I hereby certify that this is a true and correct copy, consisting of Two pages, as taken from the original on file in this office.



Jesse White

JESSE WHITE
SECRETARY OF STATE

DATED:

01/26/2016

BY:

Jesse White

Form **LLC-45.5**

December 2004

Illinois
Limited Liability Company Act
Application for Admission to Transact Business

FILE # 0174-5603

Secretary of State **Jesse White**
Department of Business Services
Limited Liability Division
Room 351 Howlett Building
501 S. Second St.
Springfield, IL 62756
www.cyberdriveillinois.com

This space for use by Secretary of State.

SUBMIT IN DUPLICATE
Must be typewritten

This space for use by Secretary of State.

Filing Fee: \$ 500

Penalty: \$

Approved: JL

FILED
JAN 26 2006
JESSE WHITE
SECRETARY OF STATE

1. Limited Liability Company name: Renaissance Park LTACH, LLC ✓
Must comply with Section 1-10 of ILLCA or item 2 below applies.

2. Assumed name, other than the true company name, under which the company proposes to transact business in Illinois:

If applicable, form LLC-1.20, Application to Adopt an Assumed Name, must be completed and attached to this application.

3. Jurisdiction of organization: Delaware ✓

4. Date of organization: January 20, 2006 ✓

5. Period of duration: Perpetual ✓

6. Address, including county, of the office required to be maintained in the jurisdiction of its organization or, if not required, of the principal place of business (P.O. Box alone or c/o is unacceptable):

Number 221 Street Northeast Glen Oak Avenue Suite # _____
City/State Peoria, Illinois ZIP Code 61636-0002 County Peoria

7. Registered agent: CT Corporation System
First Name _____ Middle Name _____ Last Name _____

Registered office: 208 South LaSalle Street Suite 814
(P.O. Box alone or c/o is unacceptable.) Number _____ Street _____ Suite # _____
City Chicago County Cook State Illinois ZIP Code 60604

8. If applicable, date on which the company first did business in Illinois: n/a

(continued on back page)

LLC-45.5

9. Purpose or purposes for which the company is organized and proposes to conduct business in Illinois: (Include the Business Code # from IRS Form 1065.)

The purpose for which the Company is organized is to own and operate a long-term acute care hospital and to engage in any lawful act or activity for which a limited liability company may be organized under the general limited liability company laws of Delaware and permitted under the Illinois Limited Liability Company Act.

10. The Limited Liability Company:
 is managed by a manager or managers
 has management vested in the member or members

11. The Illinois Secretary of State is, hereby, appointed the agent of the Limited Liability Company for service of process under the circumstances set forth in subsection (b) of Section 1-50 of the Illinois Limited Liability Company Act.

12. This application is accompanied by a Certificate of Good Standing or Existence, as well as a copy of the Articles of Organization, as amended, duly authenticated within the last 60 days, by the officer of the state or country wherein the LLC is formed.

13. If the period of duration is a date certain and is not stated in the Articles of Organization from the domestic state, a copy of that page from the Operating Agreement stating the date also must be submitted.

14. The undersigned affirms, under penalties of perjury, having authority to sign hereto, that this application for admission to transact business is to the best of my knowledge and belief, true, correct and complete.

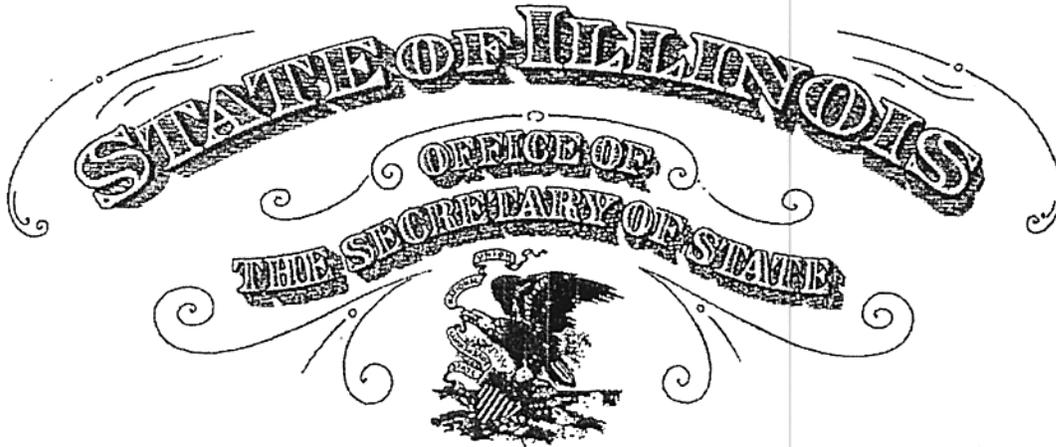
Dated January 23, 2006
Month/Day Year

Tom E. Davis
Signature (Must comply with Section 5-45 of ILLCA.)

Tom E. Davis, Manager
Name and Title (type or print)

If applicant is a company or other entity, state name of company and indicate whether it is a member or manager of the LLC. Please refer to Sections 178.20(d) of the Administrative Rules.

File Number 0174560-3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

GREATER PEORIA SPECIALTY HOSPITAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JANUARY 26, 2006, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 0701603102

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 16TH day of JANUARY A.D. 2007

Jesse White

SECRETARY OF STATE



#E-045-20

OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

0174560-3

01/11/2007

C T CORPORATION SYSTEM
208 SO LASALLE ST, SUITE 814
CHICAGO, IL 60604-1101

RE GREATER PEORIA SPECIALTY HOSPITAL, LLC
OLD: RENAISSANCE PARK LTACH, LLC

DEAR SIR OR MADAM:

AMENDED APPLICATION FOR ADMISSION HAS BEEN PLACED ON FILE, AND THE LIMITED LIABILITY COMPANY HAS BEEN CREDITED WITH THE REQUIRED FILING FEE.

SINCERELY YOURS,

A handwritten signature in cursive script that reads "Jesse White".

JESSE WHITE
SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES
LIMITED LIABILITY COMPANY DIVISION
TELEPHONE (217)524-8008

JW:LLC

Form **LLC-45.25**

July 2005

Secretary of State Jesse White
Department of Business Services
Limited Liability Division
Room 351 Howlett Building
501 S. Second St.
Springfield, IL 62756
www.cyberdriveillinois.com

Payment may be made by business
firm check payable to Secretary of State.
(If check is returned for any reason this
filing will be void.)

Illinois
Limited Liability Company Act
Amended Application for Admission

SUBMIT IN DUPLICATE

Must be typewritten

This space for use by Secretary of State.

Filing Fee: \$150

Approved: *jd*

FILE # *01745603*

This space for use by Secretary of State.

FILED

JAN 11 2007

JESSE WHITE
SECRETARY OF STATE

1. Limited Liability Company Name: Renaissance Park LTACH, LLC

2. This amended application is accompanied by a copy of the Articles of Amendment to the Articles of Organization, as evidence of any change, such copy being duly authenticated by the proper officer of the state or country wherein the Limited Liability Company is organized, which certification is not more than 60 days old. If none, so state.

3. Text of Amendment:

Item 1 of the Application for Admission is hereby amended to reflect that the name of the limited liability company shall be Greater Peoria Specialty Hospital, LLC.

OK

4. I affirm, under penalties of perjury, having authority to sign hereto, that this Amended Application for Admission is to the best of my knowledge and belief, true, correct and complete.

Dated January 5, 2007
Month/Day Year

Tom E. Davis

Signature (must comply with Section 5-45 of ILLCA)

Tom E. Davis, Manager

Name and Title (type or print)

If applicant is a company or other entity, state name of company and indicate whether it is a member or manager of the LLC.

Form **LLC-45.25**

2005

Secretary of State Jesse White
Department of Business Services
Limited Liability Division
Room 351 Howlett Building
501 S. Second St.
Springfield, IL 62756
www.cyberdriveillinois.com

Payment may be made by business
firm check payable to Secretary of State.
(If check is returned for any reason this
filing will be void.)

Illinois
Limited Liability Company Act
Amended Application for Admission

FILE #

This space for use by Secretary of State.

SUBMIT IN DUPLICATE

Must be typewritten

This space for use by Secretary of State.

Filing Fee: \$150

Approved:

1. Limited Liability Company Name: Renaissance Park LTACH, LLC

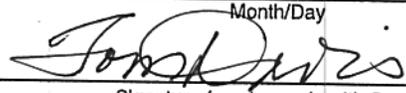
2. This amended application is accompanied by a copy of the Articles of Amendment to the Articles of Organization, as evidence of any change, such copy being duly authenticated by the proper officer of the state or country wherein the Limited Liability Company is organized, which certification is not more than 60 days old. If none, so state.

3. Text of Amendment:

Item 1 of the Application for Admission is hereby amended to reflect that the name of the limited liability company shall be Greater Peoria Specialty Hospital, LLC.

4. I affirm, under penalties of perjury, having authority to sign hereto, that this Amended Application for Admission is to the best of my knowledge and belief, true, correct and complete.

Dated January 5, 2007
Month/Day Year



Signature (must comply with Section 5-45 of ILLCA)

Tom E. Davis, Manager

Name and Title (type or print)

If applicant is a company or other entity, state name of company and indicate whether it is a member or manager of the LLC.

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF A DELAWARE CORPORATION UNDER THE NAME OF "KINDRED HEALTHCARE, INC." TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "KINDRED HEALTHCARE, INC." TO "KINDRED HEALTHCARE, LLC", FILED IN THIS OFFICE ON THE SECOND DAY OF JULY, A.D. 2018, AT 10:30 O`CLOCK A.M.




Jeffrey W. Bullock, Secretary of State

2875922 8100V
SR# 20185465471

Authentication: 202994576
Date: 07-02-18

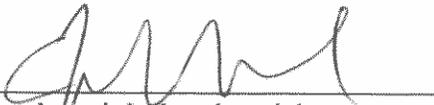
You may verify this certificate online at corp.delaware.gov/authver.shtml

**STATE OF DELAWARE
CERTIFICATE OF CONVERSION
FROM A CORPORATION TO A LIMITED LIABILITY COMPANY
PURSUANT TO SECTION 266 OF THE DELAWARE GENERAL
CORPORATION LAW AND SECTION 18-214 OF
THE DELAWARE LIMITED LIABILITY COMPANY ACT**

1. The jurisdiction where Kindred Healthcare, Inc., a Delaware corporation (the "Corporation"), first incorporated is the State of Delaware.
2. The jurisdiction immediately prior to filing this Certificate of Conversion is the State of Delaware.
3. The date the Corporation was first incorporated is March 27, 1998 under the name of "Vencor Healthcare, Inc."
4. The name of the Corporation immediately prior to filing this Certificate of Conversion is Kindred Healthcare, Inc., a Delaware corporation.
5. The name of the limited liability company as set forth in the Certificate of Formation is Kindred Healthcare, LLC, a Delaware limited liability company (the "Limited Liability Company").
6. All shares of stock of the Corporation outstanding as of the date of this Certificate of Conversion will be converted into limited liability company interests in the Limited Liability Company.

IN WITNESS WHEREOF, the undersigned being duly authorized to sign on behalf of the converting Corporation has executed this Certificate of Conversion on this 2nd day of July, 2018.

Kindred Healthcare, Inc.

By: 
Name: Joseph L. Landenwich
Title: General Counsel and Corporate Secretary



COMMONWEALTH OF KENTUCKY
ALISON LUNDERGAN GRIMES, SECRETARY OF STATE

0462709.06 DCornish
AMD
Alison Lundergan Grimes
Kentucky Secretary of State
Received and Filed:
10/11/2018 12:11 PM
Fec Receipt: \$40.00

Division of Business Filings
Business Filings
PO Box 718, Frankfort, KY 40602
(502) 584-3490
www.sos.ky.gov

Amended Certificate of Authority
(Foreign Business Entity)

FCA

Pursuant to the provisions of KRS Chapter KRS 14A and 271B, 273, 274, 275, 362 or 386 the undersigned hereby applies for an amended certificate of authority on behalf of the entity named below and, for that purpose, submits the following statements:

1. The business entity is:
- profit corporation (KRS 271B)
 - professional service corporation (KRS 274).
 - limited liability company (KRS 275).
 - professional limited liability company (KRS 275)
 - limited cooperative association
 - cooperative association
 - nonprofit corporation (KRS 273).
 - business trust (KRS 386).
 - limited partnership (KRS 382).
 - statutory trust (KRS 386)
 - non-profit LLC (KRS 275).

2. The name of the company is: Kindred Healthcare, Inc.
(The name must be identical to the name on record with the Secretary of State.)

3. It is an entity organized and existing under the laws of the state or country of DE

4. The entity received authority to transact business in Kentucky on 09/28/1998

5. The entity has changed its (check all that apply)

- Domicile name to Kindred Healthcare, LLC
- Name to be used in Kentucky to _____
- Jurisdiction of organization to _____
- Period of duration _____
- Form of organization LLC
- () Management type: Member managed Manager managed

8. This application will be effective upon filing, unless a delayed effective date and/or time is provided. The effective date or the delayed effective date cannot be prior to the date the application is filed. The date and/or time is _____
(Delayed effective date and/or time)

Please indicate the county in which your business operates:
County: VARIOUS

To complete the following, please shade the box completely.

Please indicate the size of your business: Small (fewer than 50 employees) Large (50 or more employees)

Please indicate whether any of the following make up more than fifty percent (50%) of your business ownership:
 Women-Owned Veteran Owned Minority Owned

Please indicate which of the following best describes your business:

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Mining	<input checked="" type="checkbox"/> Services	<input type="checkbox"/> Construction
<input type="checkbox"/> Wholesale Trade	<input type="checkbox"/> Retail Trade	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Finance, Insurance, Real Estate
<input type="checkbox"/> Public Administration	<input type="checkbox"/> Transportation, Communications, Electric, Gas, Sanitary Services		
<input type="checkbox"/> Other			

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

[Signature] Michael Bean VP: Tax
Signature of Authorized Representative Printed Name Title Date 9/20/18

To download full page copies of the document, please visit our web site at www.sos.ky.gov. If you would like to request copies of the document from our office, please download the Records Request Form at www.sos.ky.gov and submit to our Records department.

ATTACHMENT 2

LEASE AGREEMENT

by and between

CULLINAN MEDICAL 1, LLC

an illinois limited liability company

as

"Landlord"

And

GREATER PEORIA SPECIALTY HOSPITAL, LLC

A Delaware limited liability company

as

"Tenant"

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LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") dated effective as of December 21, 2007 (the "Effective Date") is entered into by and between CULLINAN MEDICAL 1, LLC, an Illinois limited liability company, having its principal office at 211 Fulton Street, Suite 700, Peoria, Illinois 61602 ("Landlord") and GREATER PEORIA SPECIALTY HOSPITAL, LLC, a Delaware limited liability company having its principal office at 221 Northeast Glen Oak Avenue, Peoria, Illinois 61636-0002 ("Tenant").

ARTICLE 1.**LEASED PROPERTY; TERM**

Upon and subject to the terms and conditions hereinafter set forth, Landlord leases to Tenant and Tenant rents from Landlord all of Landlord's rights and interest in and to the following real property (collectively, the "Leased Property"):

(a) the real property more particularly described on Exhibit A attached hereto together with all covenants, licenses, privileges and benefits thereto belonging, any and all easements, rights-of-way, rights of ingress and egress or other interests of Landlord in, on or to any land, highway, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining such real property, including all strips and gores adjacent to or lying between such real property and any adjacent real property (the "Land");

(b) all buildings, structures, Fixtures (as hereinafter defined) and other improvements of every kind including all alleyways and connecting tunnels, crosswalks, sidewalks, landscaping, parking lots and structures and roadways appurtenant to such buildings and structures presently or hereafter situated upon the Land, and Capital Additions financed by Landlord (but specifically excluding Capital Additions financed by Tenant), drainage and all above-ground and underground utility structures (collectively, the "Leased Improvements");

(c) all permanently affixed equipment, machinery, fixtures and other items of real and/or personal property, including all components thereof, now and hereafter located in, on or used in connection with, and permanently affixed to or incorporated into the Leased Improvements, including all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, carpet, moveable or immovable walls or partitions and built-in oxygen and vacuum systems, all of which are hereby deemed by the parties hereto to constitute real estate, together with all replacements, modifications, alterations and additions thereto, but specifically excluding all items included within the category of Personal Property (collectively, the "Fixtures"); and

(d) to the extent permitted by law, all permits, approvals and other intangible property or any interest therein now or hereafter owned or held by Landlord in connection with the Leased Property or any business or businesses now or hereafter conducted by Tenant or with the use thereof, including all contract rights, agreements, trade names, water rights and reservations,

zoning rights, business licenses and warranties (including those relating to construction or fabrication) related to the Leased Property or any part thereof, but specifically excluding the general corporate trademarks, service marks, logos or insignia or books and records of Tenant; and

(e) all site plans, surveys, soil and substrata studies, architectural drawings, plans and specifications, engineering plans and studies, floor plans, landscape plans, and other plans and studies that relate to the Land or the Leased Improvements and are in Tenant's possession or control; and

(f) Intentionally Omitted

SUBJECT, HOWEVER, to the matters set forth on Exhibit B attached hereto, the Facility Mortgage (the "**Permitted Exceptions**"), to have and to hold for a fixed term of fifteen (15) years (the "**Initial Term**") from and after the Commencement Date (hereafter defined) of the Lease and continuing for any Extension Term properly and timely elected pursuant to Article 33 hereof. The "**Term**" of this Lease shall be the Initial Term and any Extension Term hereunder. The "**Commencement Date**" of this Lease shall be defined as that date which is forty-five (45) days from the later of (i) delivery of the Leased Property to the Tenant by the Landlord, or (ii) issuance of Certificates of Occupancy from the City of Peoria, Illinois and issuance of an occupancy letter from the Illinois Department of Public Health (provided that the issuance of an occupancy letter from the Illinois Department of Public Health contingency shall be deemed satisfied if the delay in the issuance of the occupancy letter is not related to the physical condition of the Facility within the control of the Landlord, but rather is related to operational or similar issues within the control of Tenant). The taking of possession of the Leased Property by Tenant shall evidence Tenant's acceptance of the Leased Property and Landlord's Work, subject in all respects to the terms of this Lease (including, without limitation, the Work Letter). The Tenant's taking of possession shall not relieve Landlord from any obligation to complete or correct any work to be performed or corrected by Landlord under the terms of this Lease (including, without limitation, the Work Letter).

ARTICLE 2.

RENT

2.1 Minimum Rent and Adjustments to Minimum Rent. Commencing upon the Commencement Date and during the Term hereof, Tenant shall pay to Landlord, without notice, demand, set off or counterclaim, in advance in lawful money of the United States of America, at Landlord's address set forth herein or at such other place or to such other person, firms or corporations as Landlord from time to time may designate in writing, the Minimum Rent, as adjusted annually pursuant to Section 2.1(b) hereof during the Term. Landlord and Tenant agree that upon the execution of this Lease, the minimum rent amounts payable to Landlord in each Lease Year as set forth on Exhibit C - Rent Schedule are only estimated minimum rents based upon a Preliminary Project Budget. Landlord and Tenant shall finalize the Final Construction Documents for the Project and the Final Project Budget in accordance with the terms of the Work Letter attached hereto as Exhibit D. The term "Minimum Rent" used throughout this Lease shall mean the minimum rent amounts payable to Landlord in each Lease Year based upon the Final Construction Documents and Final Project Budget, as such Final

Construction Documents and Final Project Budget are agreed upon pursuant to the terms of the Work Letter attached hereto as Exhibit D and further as such Minimum Rent may be established and adjusted under Sections 2.1(a) and 2.1(b) hereof.

The Minimum Rent shall be payable in advance in 12 equal, consecutive monthly installments, on the first day of each calendar month of the Term. Minimum Rent shall be prorated as to any partial month, and is subject to adjustment as provided in Sections 2.1(b) and 9.3(b)(iv) below. Minimum Rent shall commence on the Commencement Date and shall be prorated on a daily basis if the Commencement Date is not the first day of a month for the remainder of that month. Rent shall be payable without notice, set-off or abatement, except as otherwise permitted under this Lease, at such address as Landlord may designate from time to time by written notice to Tenant.

(a) **Minimum Rent — Establishing Year One of the Lease Term.** Once the Final Project Plans and Final Project Budget have been finally approved by both Landlord and Tenant in accordance with the terms of the Work Letter at Exhibit D, then the annual Minimum Rent for Year One of the Lease Term shall be calculated as follows: the approved Final Project Budget multiplied by a rental factor of ten percent (10%).

(b) **Increases to Minimum Rent.** Minimum Rents due and payable for all years of the Lease Term shall increase every five (5) Lease Years at a rate of ten percent (10%). The below chart illustrates by example the manner in which the increases to Minimum Rent shall be calculated and accrued, using the Preliminary Budget minimum rent estimates based upon estimated total cost of construction of Eighteen Million Six Hundred Eighty-Three Thousand Eight Hundred Forty-Seven and 00/100 Dollars (\$18,683,847.00) multiplied by a rental factor of ten percent (10%) for the initial minimum annual rent due for Lease Years 1 – 5.. Landlord and Tenant shall use the same formula for the calculation of the increases to Minimum Rent after the Final Construction Documents and Final Project Budget have been approved by both Landlord and Tenant pursuant to the terms of the Work Letter attached hereto as Exhibit D.

<u>Lease Years</u>	<u>Minimum Rent Increase Calculation For Following 5 Year Lease Period</u>	<u>Minimum Annual Rent Due</u>
1 - 5		\$1,884,393.00
6 - 10	\$188,439.00	\$2,072,832.00
11 - 15	\$207,283.00	\$2,280,115.00

Upon approval of the Final Construction Documents and Final Project Budget by Landlord and Tenant, Landlord and Tenant shall execute a revised Exhibit C - Rent Schedule reflecting the final Minimum Rent due in each year of the Initial Lease Term and any Extension Terms and each shall attach this revised Exhibit C- Rent Schedule to this Lease and clearly mark and identify it as having been calculated upon the Final Construction Documents and Final Project Budget. Tenant will pay to Landlord as rent (the "Minimum Rent") for the Leased Property the sums set forth in Exhibit C - Rent Schedule attached hereto and made a part hereof for all purposes.

2.2 Intentionally Omitted

2.3 Additional Charges. Tenant will also pay and discharge as and when due (a) all other amounts, liabilities, obligations and Impositions which Tenant assumes or agrees to pay under this Lease including, to the extent applicable, any amounts due by Landlord under any assessments, tax, fees, or other charges related to the ownership and leasing of the Leased Property that accrue during the Term of this Lease, and (b) in the event of any failure on the part of Tenant to pay any of those items referred to in clause (a) above, Tenant will also promptly pay and discharge every fine, penalty, interest and cost which may be added for non-payment or late payment of such items (the items referred to in clauses (a) and (b) above being referred to herein collectively as the "Additional Charges"), and Landlord shall have all legal, equitable and contractual rights, powers and remedies provided in this Lease, by statute or otherwise, in the case of non-payment of the Additional Charges, as well as the Minimum Rent. If any installment of Minimum Rent or Additional Charges (but only as to those Additional Charges which are payable directly to Landlord) shall not be paid within ten (10) days after the date when due, Tenant will pay Landlord on demand, as Additional Charges, interest (to the extent permitted by law) computed at the Overdue Rate on the amount of such installment, from the date when due to Landlord to the date of payment in full thereof. In the event Landlord provides Tenant with written notice of failure to timely pay any installment of Minimum Rent or any Additional Charges pursuant to Section 15.1(b) more than three (3) times within any twelve-month period, Tenant shall pay an administrative fee to Landlord in the amount of Five Hundred and 00/100 Dollars (\$500.00) for each additional written notice Landlord gives pursuant to Section 15.1(b) during the next twelve months. To the extent that Tenant pays any Additional Charges to Landlord pursuant to any requirement of this Lease, Tenant shall be relieved of its obligation to pay such Additional Charges to the entity to which such Additional Charges would otherwise be due.

The Minimum Rent, Additional Charges and Impositions are collectively referred to herein as "Rent."

2.4 Net Lease. Except for Landlord's construction obligations set forth in the Work Letter - Exhibit D to this Lease, such other expenses specific to Landlord set forth in Article 3.5, Landlord repair and maintenance obligations set forth in Article 8.1, and any indemnity obligations owing by Landlord to Tenant under the terms of this Lease, this is an absolutely net lease and the Minimum Rent, Additional Charges and all other sums payable hereunder by Tenant shall be paid without notice (except as expressly provided herein), demand, set-off, counterclaim, abatement, suspension, deduction or defense. It is the intention of the parties hereto that the Minimum Rent shall be an absolutely net return to Landlord throughout the Term of this Lease. In order that such Minimum Rent shall be absolutely net to Landlord, Tenant shall pay when due, and save Landlord harmless from and against, any and all costs, charges and expenses attributable to the Leased Property accruing during the Term of this Lease, including each fine, fee, penalty, charge (including governmental charges), assessments, sewer rent, Impositions, insurance premiums required under Article 12 hereof or otherwise required of Tenant by Facility Mortgagee, utility expenses, costs, expenses and obligations of every kind and nature whatsoever, general and special, ordinary and extraordinary, foreseen and unforeseen, the payment for which Landlord or Tenant is, or shall become liable by reason of any rights or interest of Landlord or Tenant in, to or under the Leased Property or this Lease or in any manner relating to the ownership, leasing, operation, management, maintenance, repair, rebuilding, use or occupation of the Leased Property, or of any portion thereof; provided, however, that nothing

herein contained shall be construed as imposing upon Tenant any obligation to pay any Excluded Taxes of Landlord arising out of, or levied in connection with, this Lease or Landlord's right or interest in the Leased Property or the Rent.

2.5 Security for Lease. No Security Deposit shall be required of Tenant in connection with this Lease.

(a) **Bankruptcy Remote/Control of Tenant.** Tenant represents and warrants to Landlord that upon the execution of this Lease and further covenants that at all times thereafter and during the Term of this Lease (including any Extension Terms), it is and shall be a special purpose entity formed under the Laws of the State of Illinois exclusively for the purpose of owning and operating a hospital and other purposes incidental or ancillary thereto located on the Leased Property. Tenant further represents and warrants to Landlord that its initial members (the "Initial Members") are RehabCare Hospital Holdings, LLC ("RehabCare Hospital Holdings"), a Delaware limited liability company, owning a 51% membership interest in Tenant, and The Methodist Medical Center of Illinois ("Methodist"), an Illinois not for profit corporation owning a 49% membership in Tenant. Tenant represents, warrants and covenants to Landlord that except in the event of a permitted assignment of this Lease or assignment of an Initial Member's interest in Tenant under Section 22.4 hereof, then throughout the Term of this Lease, including any Extension Terms, the Initial Members and/or any Affiliate of the Initial Members, shall own and Control at least 100% membership in Tenant. The distribution of profits or proceeds to Tenant's members under the Regulations and/or Operating Agreement of Tenant is subordinate to the payment of Rent under this Lease and Tenant's Regulations and/or Operating Agreement shall so provide throughout the Initial Term and any Extension Term of this Lease. Provided, however, that so long as there is no default in the payment of said Rent, Tenant may distribute any profits or proceeds to its members as Tenant sees fit."

(b) **Tenant's Guaranty.** Tenant unconditionally guarantees the full and faithful performance of all of the provisions and covenants to be performed under the Lease within the time and in accordance with the terms of the Lease; including, without limitation, the obligation to pay Rent, as the same may be adjusted under the Lease, and any other charges required to be paid by Tenant hereunder. The preceding guarantee by Tenant in no manner waives or releases any rights, defenses, actions or remedies available to Tenant as set forth in this Lease or available at law.

(c) **Guaranty of Methodist and RehabCare Group, Inc.** Methodist and RehabCare Group, Inc ("RehabCare Group"), a Delaware corporation (RehabCare Group is a related entity to RehabCare Hospital Holdings) shall each guaranty the Tenant's obligations under the terms, covenants and obligations of the Lease in the following proportions: (i) Methodist shall guaranty 49% of all Tenant monetary obligations arising under the terms, covenants and obligations of the Lease, and (ii) RehabCare Group shall guaranty 51% of all Tenant monetary obligations arising under the terms, covenants and obligations of the Lease. The form of the guaranty to be executed is attached hereto as Exhibit I, and the same shall be executed contemporaneously with this Lease and is expressly incorporated herein by reference.

ARTICLE 3.

IMPOSITIONS

3.1 Payment of Impositions. Subject to Article 11 relating to permitted contests, Tenant will pay, or cause to be paid, all Impositions accruing after the Commencement Date of this Lease and during the Term of this Lease before any fine, penalty, interest or cost may be added for non-payment, such payments to be made directly to the taxing authorities where feasible, and Tenant will promptly, upon request, furnish to Landlord copies of official receipts or other satisfactory proof evidencing such payments. Tenant's obligation to pay such Impositions and the amount thereof shall be deemed absolutely fixed upon the date such Impositions become a lien upon the Leased Property or any part thereof. If any such Imposition may lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments during the Term hereof as the same become due and before any fine, penalty, premium, further interest or cost may be added thereto. Landlord, at its expense, shall, to the extent permitted by applicable law, prepare and file all tax returns and reports as may be required by governmental authorities in respect of Landlord's net income, gross receipts, franchise taxes and taxes on its capital stock. Tenant, at its expense, shall, to the extent permitted or required by applicable laws and regulations, prepare and file all other tax returns and reports in respect of any Imposition as may be required by governmental authorities. If any refund shall be due from any taxing authority in respect of any Imposition paid by Tenant, the same shall be paid over to or retained by Tenant if no Event of Default shall have occurred hereunder and be continuing. Any such funds retained by Landlord due to an Event of Default shall be applied as provided in Article 15. Landlord and Tenant shall, upon request of the other, provide such data as is maintained by the party to whom the request is made with respect to the Leased Property as may be necessary to prepare any required returns and reports. In the event governmental authorities classify any property covered by this Lease as personal property, Tenant shall file all such personal property tax returns in such jurisdictions where filing is required. Landlord and Tenant will provide the other party, upon request, with cost and depreciation records necessary for filing returns for any property so classified as personal property. Where Landlord is legally required to file personal property tax returns, and Tenant is obligated for the same hereunder, Tenant will be provided with copies of assessment notices in sufficient time for Tenant to file a protest. Tenant may, upon giving 30 days' prior written notice to Landlord, at Tenant's option and at Tenant's sole cost and expense, protest, appeal, or institute such other proceedings as Tenant may deem appropriate to effect a reduction of real estate or personal property assessments and Landlord, if requested by Tenant and at Tenant's expense as aforesaid, shall fully cooperate with Tenant in such protest, appeal, or other action. Billings for reimbursement by Tenant to Landlord of personal property taxes shall be accompanied by copies of an invoice therefor and payments thereof which identify the personal property with respect to which such payments are made. Landlord will cooperate with Tenant in order that Tenant may fulfill its obligations hereunder, including the execution of any instruments or documents reasonably requested by Tenant. Promptly after the Commencement Date of this Lease, Tenant shall direct the applicable taxing authorities to send all tax notices, statements and other correspondence directly to Tenant rather than to Landlord. Upon the occurrence of an Event of Default by Tenant, Landlord may direct

the applicable taxing authorities to send all tax notices, statements and other tax related correspondence directly to Landlord.

3.2 Proration of Impositions. Impositions imposed in respect of the tax-fiscal period during which the Term commences and terminates shall be prorated between Landlord and Tenant, whether or not such Imposition is imposed before or after such termination, and Tenant's and Landlord's obligation to pay their prorated shares thereof shall survive such termination. General Real Estate Taxes shall be prorated as of the commencement date of the Lease and any such taxes are due for a year prior to the commencement date shall be paid by the Landlord.

3.3 Utility Charges. Tenant will contract for, in its own name, and will pay or cause to be paid all charges for, electricity, power, gas, oil, water, telephone, cable television or satellite television, high-speed data connections and other utilities used in the Leased Property during the Term.

3.4 Insurance Premiums. Tenant will contract for, in its own name, and will pay or cause to be paid all premiums for, the insurance coverage required to be maintained by Tenant pursuant to Article 12 during the Term or such other insurance coverage reasonably required by Facility Mortgagee from time to time.

3.5 Excluded Expenses. Tenant shall in no manner be liable for any of the following obligations, and such shall not be included in any calculation of Minimum Rent, nor shall such be an Imposition to be paid by Tenant, and Landlord shall pay, or cause to be paid, the following: any costs occurred by Landlord's breach of any covenants or obligations under this Lease, any costs for testing, handling, remediating or abating of any environmental matters resulting from Landlord's acquisition of Land contaminated by Hazardous Materials or costs resulting from violation of any environmental or Hazardous Materials Laws during construction of the Leased Property or the cost to purchase environmental insurance, costs necessary to correct faulty design or defective construction of the Leased Property, any expenses for overhead, office costs, staff salary of any Landlord or affiliated entity, any fines Landlord must pay as a result of a failure to comply with laws, ordinances or municipal codes and the like during acquisition of the Land and construction of the Leased Property; any costs incurred because of Landlord's negligence; and any fees and expenses paid to affiliates of Landlord in excess of market rates.

ARTICLE 4.

NO TERMINATION

Except as may be otherwise expressly provided in this Lease, Tenant shall remain bound by this Lease in accordance with its terms and shall neither take any action without the consent of Landlord to modify, surrender or terminate the same, or set-off against the Rent, nor shall the respective obligations of Landlord and Tenant be otherwise affected by reason of (a) any damage to, or destruction of, the Leased Property or any portion thereof from whatever cause or any Taking of the Leased Property or any portion thereof, (b) the lawful or unlawful prohibition of, or restriction upon, Tenant's use of the Leased Property, or any portion thereof, or the interference with such use by any person, corporation, partnership or other entity, or by reason of eviction by paramount title, (c) any bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding up or other proceedings affecting Landlord or any assignee or transferee of Landlord, or (d) for any other cause whether similar or dissimilar to any of the foregoing. Except as otherwise expressly provided for in this Lease, Tenant hereby specifically waives all rights arising from any occurrence whatsoever which may now or hereafter be conferred upon it by law to (i) modify, surrender or terminate this Lease or quit or surrender the Leased Property or any portion thereof, or (ii) entitle Tenant to any abatement, reduction, suspension or deferment of the Rent or other sums payable by Tenant hereunder. The obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements and the Rent and all other sums payable by Tenant hereunder shall continue to be

payable in all events unless the obligations to pay the same shall be terminated pursuant to the express provisions of this Lease or unless Tenant has a specific right of offset against Rent or indemnity from Landlord pursuant to the terms of this Lease. Notwithstanding the foregoing, Tenant shall have the right by separate and independent action to pursue any claim or seek any damages it may have against Landlord as a result of a breach by Landlord of the terms of this Lease.

ARTICLE 5.

OWNERSHIP OF LEASED PROPERTY

5.1 Ownership of the Property. Tenant acknowledges that the Leased Property is the property of Landlord and that Tenant has only the right to the possession and use of the Leased Property during the Term hereof and upon the terms and conditions of this Lease.

5.2 Personal Property. Tenant may (and shall as provided herein below), at its expense, install, affix or assemble or place on any parcels of the Land or in any of the Improvements any items of the Personal Property, and may remove, replace or substitute for the same from time to time in the ordinary course of Tenant's business. Tenant shall provide and maintain during the entire Term all such Personal Property as shall be necessary in order to operate the Facility in compliance with all licensure and certification requirements, in compliance with all applicable Legal Requirements and Insurance Requirements and otherwise in accordance with customary practice in the industry for the Primary Intended Use.

ARTICLE 6.

CONDITION AND USE OF LEASED PROPERTY

6.1 Condition of the Leased Property. Landlord shall deliver the Leased Property to Tenant in such condition that the Leased Improvements shall not encroach upon any property, street or right-of-way adjacent to the Leased Property, and shall not violate the agreements or conditions contained in any applicable Legal Requirement, and the Permitted Exceptions, and shall not impair the rights of others under any easement or right-of-way to which the Leased Property is subject. The taking possession of the Leased Property by Tenant at the Commencement Date, and subject to the completion of all Punchlist Items by Landlord in a good and workmanlike manner, shall be conclusive evidence as against Tenant that the Leased Property, as to those things patent and not latent, were in good and satisfactory condition when possession was taken. Landlord shall construct and complete the Leased Improvements and install the Fixtures, any other improvements, fixtures or personal property or other work or matters to be completed, pursuant to the Work Letter and Building Standards attached hereto as Exhibits "D" and "G" and that are necessary as Landlord's work and responsibility, and that are necessary for Tenant to obtain any required license(s), approvals(s), permit(s), certification(s) or accreditation(s) to operate the Leased Property for its Primary Intended Use. As clarification, all such license(s), approval(s), permit(s), certification(s) or accreditation(s) to commence operations of the Leased Property for its Primary Intended Use (other than certificate of occupancy) shall be applied for by Tenant. Landlord is not responsible for completing such license(s), approvals(s), permit(s), certification(s) or accreditation(s), however, Landlord shall

construct and complete the Leased Improvements in such manner and condition that the Leased Property will not cause Tenant license(s), approvals(s), permit(s), certification(s) or accreditation(s) to fail, be rejected, or fail to be approved due to Landlord's failure to construct and complete the Leased Improvements per the Work Letter and Building Standards attached hereto as Exhibits "D" and "G" and that are necessary as Landlord's work and responsibility. In no way shall Landlord be responsible for a failure, rejection or denial of approval due to Tenant's failure to perform its responsibilities pursuant to the Work Letter attached as Exhibit "D" hereto or complete Tenant's work after Landlord has completed its work, whether occurring prior to or after Substantial Completion. In no matter shall Substantial Completion be achieved if the Leased Property is not delivered in such condition that Tenant may obtain any required license(s), approvals(s), permit(s), certification(s) or accreditation(s) to commence operations of the Leased Property for its Primary Intended Use. Prior to the taking of possession, Tenant and Landlord will prepare the Punchlist related to the Leased Property in the manner contemplated in the Work Letter attached hereto as Exhibit D. All Punchlist Items will be completed or corrected at the expense of Landlord, if the Punchlist Items are part of Landlord's Work under the Work Letter attached hereto as Exhibit D. Tenant's taking of possession prior to the completion of the Punchlist Items shall not relieve Landlord from any obligation to complete any of Landlord's Work to be performed by Landlord under the terms of the Work Letter attached hereto as Exhibit D. Provided, however, that nothing herein shall prohibit Tenant from pursuing against the Contractor and/or Architect any and all warranties provided to Landlord by said Contractor and/or Architect under the Construction Agreement or the AIA Contract between the Owner and Architect.

(a) **State Licensure Related to the Condition of the Leased Property.** Landlord and Tenant acknowledge that the Commencement Date of this Lease shall be triggered by Landlord's Substantial Completion of Landlord's Work under the Work Letter attached hereto as Exhibit D. Once Substantial Completion of the Leased Property has first been obtained as such relates to the condition of the Leased Property only, then Landlord's obligations to maintain the Leased Property in a condition or state of repair necessary to maintain such approval(s), license(s) or permit(s) shall terminate except as provided in Article 8.1 regarding Landlord's repair and maintenance obligations, and thereafter, except as provided in Article 8.1 regarding Landlord's repair and maintenance obligations, Tenant shall be solely responsible, at its own cost and expense, to maintain, repair, or modify the Leased Property in such a manner necessary to maintain such license(s), approval(s), permit(s) and accreditation to use the Leased Property for its Primary Intended Use.

(b) **State Licensure and Accreditation Related to Operations of the Leased Property.** Except for Landlord's responsibilities to construct and complete the Leased Improvements and to install the Fixtures pursuant to the Work Letter and Building Standards attached hereto as Exhibits "D" and "G," any other improvements, fixtures or personal property or other work or matters to be completed that are necessary for Tenant to obtain any required license(s), approvals(s), permit(s), certification(s) or accreditation(s) to operate the Leased Property for its Primary Intended Use shall be Tenant's sole responsibility and cost.

6.2 Use of the Leased Property and Exclusivity. After the Commencement Date and during the entire Term, Tenant shall use or cause to be used the Leased Property as a licensed hospital, a licensed long-term acute care hospital facility, an out-patient rehabilitation

facility, an out-patient surgery center, a psychological hospital, a skilled nursing facility, or an in-patient rehabilitation facility and for such other uses as may be necessary, incidental, profitable or complementary to such use and for any lawful use as permitted by local or state ordinance or regulation (the "Primary Intended Use"). Tenant shall not use the Leased Property or any portion thereof for any other use or business activity without the prior written consent of Landlord.

(a) Tenant covenants that at its own cost and expense during the Lease Term, it will obtain and maintain all material governmental approvals needed to use and operate the Leased Property for its Primary Intended Use in compliance with all applicable Legal Requirements.

(b) For a period of ten (10) years following the Commencement Date, Landlord, or any affiliates or subsidiaries, shall not directly or indirectly lease to, enter into any development agreement with any third parties, or manage or operate (collectively "Assist in Development") any other long-term acute care hospital, within the County of Peoria. For the purposes hereof, and without limiting the generality of the foregoing, Landlord shall be deemed to Assist in Development such a business indirectly if Landlord shall become a member of a joint venture or partnership, or manager, shareholder, officer or director of a corporation, that engages in such competitive business. In the event of any termination of this Lease by reason of Landlord's default, Landlord agrees not to Assist in Development of any such competitive business within the Illinois County of Peoria for a period equal to the remainder of the term of this Lease if it had not been terminated.

Upon the violation of this covenant by Landlord, Tenant shall have the right to immediately terminate the Lease upon delivery of written notice to Landlord, without prejudice to any other right or remedy Tenant may have under law.

(c) Tenant's failure to continuously operate the Leased Property in accordance with its Primary Intended Use and to maintain its certifications for reimbursement and licensure and its accreditation, shall not be an Event of Default under this Lease. Tenant's failure to continuously operate the Leased Property does not relieve Tenant from any other duties set forth in this Lease, specifically including all duties regarding payment of Minimum Rent, Additional Charges, and all duties regarding maintenance and repair of the Leased Property.

(d) Tenant shall not commit or suffer to be committed any material waste on the Leased Property, or in the Facility, nor shall Tenant cause or permit any nuisance thereon.

(e) Tenant shall neither suffer nor permit the Leased Property or any portion thereof, including any Capital Addition whether or not financed by Landlord, to be used in such a manner as (i) might reasonably tend to impair Landlord's (or Tenant's, as the case may be) title thereto or to any portion thereof, or (ii) may reasonably result in a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Leased Property or any portion thereof.

(f) Tenant will not utilize any Hazardous Materials on the Leased Property except in accordance with applicable Legal Requirements and will not permit any contamination or release of Hazardous Materials which may require remediation under any applicable Hazardous

Materials Law. Tenant agrees not to dispose of any Hazardous Materials or substances within the sewage system of the Leased Property, and that it will handle all "red bag" wastes in accordance with applicable Hazardous Materials Laws.

6.3 Management of Facility. The Facility shall be self-managed by Tenant or its Affiliates.

At its own cost and expense, Tenant shall employ such clinical, clerical and administrative personnel as may be required for proper operation of the Facility ("Tenant Employees") or shall enter into service contracts for such clinical, clerical and administrative personnel as may be required for proper operation of the Facility ("Service Contract Employees"). Tenant shall supervise, control and direct all Tenant Employees and ensure that Tenant Employees comply with Landlord's policies and procedures regarding employee conduct in Landlord's hospital. Tenant shall be solely responsible for all employment or employment-related decisions with respect to Tenant Employees. Tenant Employees and Service Contract Employees shall not for any purpose be, be deemed to be, or be considered to be employees of Landlord.

Tenant shall be solely responsible for the satisfaction of any and all obligations it assumes with respect to Tenant Employees, including without limitation, payment of wages and salaries, withholding of federal, state and local taxes, employee benefits, wage and hour obligations (including overtime), workers' compensation, Social Security and unemployment insurance. Tenant shall comply with all federal, state and local laws, rules and regulations respecting the employment and the provision of equal employment opportunities to Tenant Employees working in the Facility and those respecting occupational health and safety of hospital workers.

6.4 Landlord to Grant Easements. Landlord will, from time to time, at the request of Tenant and at Tenant's cost and expense, but subject to the consent of Landlord, which consent shall not be unreasonably withheld or delayed (a) grant easements and other rights in the nature of easements, (b) release existing easements or other rights in the nature of easements which are for the benefit of the Leased Property, (c) dedicate or transfer unimproved portions of the Leased Property for road, highway or other public purposes, (d) execute petitions to have the Leased Property annexed to any municipal corporation or utility district, (e) execute amendments to any covenants and restrictions affecting the Leased Property and (f) execute and deliver to any person any instrument appropriate to confirm or effect such grants, releases, dedications and transfers (to the extent of its interest in the Leased Property). Accompanying any request by Tenant to Landlord for any of the foregoing matters, Tenant shall deliver to Landlord an Officer's Certificate stating that such grant, release, dedication, transfer, petition or amendment is required or beneficial for and not detrimental to the proper conduct of the business of Tenant on the Leased Property and does not materially reduce its Fair Market Value or otherwise materially and negatively impact Landlord's interests in the Leased Property in Tenant's reasonable business judgment.

ARTICLE 7.**LEGAL, INSURANCE AND FINANCIAL REQUIREMENTS**

7.1 Compliance with Legal and Insurance Requirements. Subject to Article 11 relating to permitted contests, Tenant, at its expense, will promptly (a) comply with all material Legal Requirements and Insurance Requirements in respect of the use, operation, maintenance, repair and restoration of the Leased Property, whether or not compliance therewith shall require structural change in any of the Leased Improvements or interfere with the use and enjoyment of the Leased Property, and (b) directly or indirectly with the cooperation of Landlord, but at Tenant's sole cost and expense, procure, maintain and comply with all material licenses, certificates of need and other authorizations required for (i) the use and operation of the Leased Property for its Primary Intended Use, and for (ii) the proper erection, installation, operation and maintenance of the Leased Improvements or any part thereof, including any Capital Additions.

7.2 Legal Requirement Covenants. Tenant covenants and agrees that the Leased Property shall not be used for any unlawful purpose. Tenant shall, directly or indirectly with the cooperation of Landlord, but at Tenant's sole cost and expense, acquire and maintain all material licenses, certificates, permits and other authorizations and approvals needed to operate the Leased Property in its customary manner for the Primary Intended Use and any other use conducted on the Leased Property as may be permitted by Landlord from time to time hereunder. Tenant further covenants and agrees that Tenant's use of the Leased Property and Tenant's maintenance, alteration, and operation of the same, and all parts thereof, shall at all times conform to all applicable Legal Requirements.

ARTICLE 8.**REPAIRS; RESTRICTIONS****8.1 Maintenance and Repair**

(a) Repair and maintain (and derivations of such terms) as used in this Article shall mean the performance and furnishing of all repairs, replacements and renewals. The maintenance and repair obligations of the Landlord and the Tenant regarding the Premises and the Leased Property shall be as follows:

(i) Landlord, at its expense, will repair and maintain the **exterior** of the Facility, and shall keep the same in good order and repair (whether or not the need for such repairs occurs as a result of Tenant's normal wear and tear, the elements, or the age of the Facility). By way of example and not of limitation, Landlord shall repair and maintain all of the structural elements and exterior surfaces of the Facility including roof, roof membrane, roof covering, walls, concrete slab, footings, and electrical and plumbing systems exterior to the Facility. Landlord, except as otherwise provided in Articles 13 and 14, with reasonable promptness, will make all necessary and appropriate exterior repairs thereto of every kind and nature, structural or non-structural, capital or non-capital, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition first arising after the Commencement Date of this Lease (concealed or

otherwise). All repairs shall, to the extent reasonably achievable, be at least equivalent in quality to the original work performed by Landlord and shall be accomplished by a party selected by Landlord, subject to Tenant's reasonable written approval thereof. Landlord will not take or omit to take any action the taking or omission of which might materially impair the value or usefulness of the Leased Property or any part thereof for the Primary Intended Use. Provided, however, that Landlord shall not be responsible for any items of exterior repair or maintenance caused or required by Tenant's negligence or covered under the Contractor's or Architect's warranties. Notwithstanding anything contained herein to the contrary, Landlord shall have no obligation to maintain, repair, or replace any improvements or Capital Additions to the Facility or the Leased Property financed or paid for by Tenant.

(ii) Tenant, at its expense, will repair and maintain the interior of the Facility, all improvements appurtenant thereto, landscaping exterior to the Facility, and all private roadways, parking lots, sidewalks and curbs appurtenant to the Leased Property, and shall keep the same in good order and repair (whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements, the age of the Leased Property or any portion thereof). By way of example and not of limitation, Tenant shall repair and maintain the interior walls; interior floors and ceilings; the heating, ventilating and air conditioning system(s) (whether located upon the interior or the exterior of the Facility); all additional Facility mechanicals including electrical, oxygen and plumbing systems (whether located upon the interior or to the exterior of the Facility); and the Facility windows and doors. Tenant, except as otherwise provided in Articles 13 and 14, with reasonable promptness, will make all necessary and appropriate exterior repairs thereto of every kind and nature, structural or non-structural, capital or non-capital, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition first arising after the Commencement Date of this Lease (concealed or otherwise). All repairs shall, to the extent reasonably achievable, be at least equivalent in quality to the original work performed by Landlord and shall be accomplished by a party selected by Tenant. Tenant will not take or omit to take any action the taking or omission of which might materially impair the value or usefulness of the Leased Property or any part thereof for the Primary Intended Use. Provided, however, that Tenant shall not be responsible for any items of repair or maintenance caused or required by Landlord's negligence or covered under the Contractor's or Architect's warranties.

(b) Except as set forth in this Article 8, and except for the use of any insurance proceeds as set forth in Sections 13.1 and 13.2 hereof, Landlord shall not under any circumstances be required to build or rebuild the Leased Improvements on the Leased Property (or any Capital Additions that may become part of the Leased Property), or to make any repairs, replacements, alterations, restorations, or renewals of any nature or description to the Leased Property, whether ordinary or extraordinary, structural or non-structural, capital or non-capital, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto in connection with this Lease, or to maintain the Leased Property in any way.

(c) Nothing contained in this Lease and no action or inaction by Landlord shall be construed as giving Tenant any right, power or permission to contract for or permit the performance of any labor or services or the finishing of any materials or other property in such

fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim or other encumbrance upon the estate of Landlord in the Leased Property or any portion thereof.

(d) Unless Landlord shall convey any of the Leased Property to Tenant pursuant to the provisions of this Lease, Tenant will, upon the expiration or prior termination of this Lease, vacate and surrender the Leased Property to Landlord in the condition in which the Leased Property was originally received from Landlord, except for: (i) ordinary wear and tear (subject to the obligation of Tenant to maintain the Property in good order and repair during the entire Term); (ii) damage caused by the gross negligence or willful acts of Landlord; (iii) damage or destruction described in Article 13; (iv) damage resulting from a Taking described in Article 14 which Tenant is not required by the terms of this Lease to repair or restore; and (v) except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Lease.

8.2 Encroachments; Restrictions. If any of the Leased Improvements shall, at any time, encroach upon any property, street or right-of-way adjacent to the Leased Property, or shall violate the agreements or conditions contained in any applicable Legal Requirement, or the Permitted Exceptions, or shall impair the rights of others under any easement or right-of-way to which the Leased Property is subject, then promptly upon the request of Landlord, Tenant shall, at its expense, subject to its right to contest the existence of any encroachment, violation or impairment, (a) obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, violation or impairment, whether the same shall affect Landlord or Tenant, or (b) make such changes in the Leased Improvements, and take such other actions, as Landlord in the good faith exercise of its judgment deems reasonably practicable, to remove such encroachment, or to end such violation or impairment, including, if necessary, the alteration of any of the Leased Improvements, and in any event take all such actions as may be necessary in order to be able to continue the operation of the Facility for the Primary Intended Use substantially in the manner and to the extent the Facility was operated prior to the assertion of such violation or encroachment. However, Tenant shall have no such liability or obligations if such encroachment, violation, or impairment was present at the Commencement Date of the Lease. Any such alteration shall be made in conformity with the applicable requirements of Article 9. Tenant's obligations under this Section 8.2 shall be in addition to and shall in no way discharge or diminish any obligation of any insurer under any policy of title or other insurance and Tenant shall be entitled to a credit for any sums recovered by Landlord under any such policy of title or other insurance.

8.3 Intentionally Omitted.

ARTICLE 9.

CAPITAL ADDITIONS

9.1 Construction of Capital Additions to the Leased Property.

(a) If no Event of Default shall have occurred and be continuing, Tenant shall have the right, upon and subject to the terms and conditions set forth below, and further subject to

Landlord's maintenance and repair obligations under Article 8, to construct or install Capital Additions on the Leased Property with the prior written consent of Landlord, which consent shall not be unreasonably withheld; provided that Tenant shall not be permitted to create any Encumbrance on the Leased Property in connection with such Capital Addition without first complying with Section 9.1(b) hereof. Prior to commencing construction of any Capital Addition, Tenant shall submit to Landlord in writing a proposal setting forth in reasonable detail any proposed Capital Addition, together with plans and specifications, permits, licenses, contracts and other information concerning the proposed Capital Addition (the "Request"). Without limiting the generality of the foregoing, such Request shall indicate the approximate projected cost of constructing and time to complete construction of such Capital Addition and the use or uses to which it will be put. Within 15 days after receipt of Tenant's Request, Landlord shall request any additional information that it may require in order to evaluate Tenant's Capital Addition proposal.

(b) Prior to commencing construction of any Capital Addition, Tenant shall first request Landlord to provide funds to pay for such Capital Addition in accordance with the provisions of Section 9.3. If Tenant and Landlord do not reach a mutual agreement regarding financing provided by Landlord, Tenant shall have the right to terminate negotiations with Landlord and obtain financing by other means.

(c) Notwithstanding any other provision of this Article 9 to the contrary, no prior written consent of Landlord shall be required for Tenant to construct a Capital Addition unless the Capital Addition, when aggregated with the costs of all other Capital Additions made by Tenant, would exceed One Million and 00/100 Dollars (\$1,000,000.00) or would diminish the Fair Market Value of the Leased Property. Tenant shall provide Landlord with notice of any such Capital Addition not requiring Landlord's consent. In no event shall Tenant be required to obtain the consent of Landlord to construct a Capital Addition that is budgeted to cost less than Fifty Thousand Dollars (\$50,000.00), which will be self-funded by Tenant, unless when aggregated with the costs of all other Capital Additions made by Tenant such Capital Addition would exceed One Million and 00/100 Dollars (\$1,000,000.00) or would diminish the Fair Market Value of the Leased Property.

(d) Additionally, Landlord shall reasonably cooperate with Tenant regarding the grant of any consents or easements or the like necessary or appropriate in connection with any Capital Addition. Further, no Capital Addition shall be made which would tie in or connect any Leased Improvements on the Leased Property with any other improvements on property adjacent to the Leased Property (and not part of the Land covered by this Lease), including tie-ins of buildings or other structures or utilities, unless Tenant shall have obtained the prior written approval of Landlord, which approval shall not be unreasonably withheld. All proposed Capital Additions shall be architecturally integrated and consistent with the Leased Improvements.

9.2 Capital Additions Financed by Tenant. If Tenant provides or arranges to finance any Capital Addition with a party other than Landlord after compliance with the terms of Section 9.3 hereof, or if Tenant pays cash for any Capital Addition (which Landlord either did not agree to finance pursuant to Section 9.3 or for which Tenant was not required to obtain Landlord's consent to pursuant to Section 9.1(c) hereof) this Lease shall be and hereby is amended to provide as follows:

(a) There shall be no adjustment in the Minimum Rent by reason of any such Capital Addition.

(b) Any third-party or non-Landlord financing obtained by Tenant for the construction of any Capital Additions ("Tenant Capital Addition Encumbrance") shall be subordinate to the Facility Mortgage. Upon the expiration or earlier termination of this Lease, Tenant shall be solely responsible for the prompt removal of any Tenant Capital Additional Encumbrance filed against title to the Leased Property, and shall indemnify and hold harmless Landlord from any and all costs and expenses incurred by Landlord in conjunction with any Tenant Capital Addition Encumbrance. Upon the expiration or earlier termination of this Lease, Tenant shall, within ninety (90) days of receipt of notice from Landlord regarding such Tenant Capital Addition Encumbrance, cause the Tenant Capital Addition Encumbrance to be discharged at no cost to Landlord.

(c) All Capital Additions financed by Tenant pursuant to this Section 9.2, and that are made to or installed upon the Leased Property will remain upon the Leased Property at the termination of the Lease, and will be surrendered with the Leased Property as Landlord's sole and exclusive property.

9.3 Capital Additions Financed by Landlord.

(a) Together with any Request not exempt from Landlord consent requirements under Section 9.1(c) hereof Tenant shall request that Landlord provide or arrange financing for any Capital Addition.

(b) If the proposed Capital Addition, when aggregated with the costs of all other prior Capital Additions made by Tenant, does not exceed the Landlord Addition Threshold as defined under Section 9.3(c) hereof, Landlord may, but shall be under no obligation to provide or obtain the funds necessary to meet the Request.

(c) If the proposed Capital Addition, when aggregated with the costs of all other prior Capital Additions made by Tenant, does exceed the Landlord Addition Threshold, Landlord, at Tenant's option, shall provide or obtain the funds necessary to meet the Request, subject to the following conditions:

(i) Tenant (and any guarantors of Tenant's monetary obligations under the Lease) shall be obligated to present sufficient financial information to Landlord, as in Landlord's sole discretion, will assure Landlord of the Tenant's ability to satisfy the Tenant's additional Lease obligations arising from construction of the requested Capital Addition.

(ii) Landlord and Tenant shall enter into an amendment to the Lease whereby the Lease term shall be extended fifteen (15) years from the date of the execution of the amendment to the Lease ("Capital Addition Extension") (subject to the limitations set forth in Section 9.3(c)(iv) hereof on extensions beyond the Initial Leasehold Interest).

(iii) The Capital Addition Extension amendment to Lease shall reflect that Minimum Rent shall be increased during the first five (5) years of the Capital Addition

Extension term in an amount sufficient to allow a return to Landlord upon the total costs required to complete construction of the Capital Addition of that percentage rate computed by the addition of the Prime Rate in effect at the date of the Capital Addition Extension Lease amendment *plus* two and one half percent (2.50%) ("Capital Addition Minimum Rent"). Further, the Capital Addition Extension amendment to the Lease shall reflect that there shall be ten (10%) increases in the Capital Addition Minimum Rent for each subsequent five (5) year period of the Capital Addition Extension term, including extensions thereof, subject to the limitations set forth in Section 9.3(c)(iv).

(iv) Landlord and Tenant acknowledge that the Lease Initial Term is fifteen (15) years, and Tenant has five (5) consecutive Extension Terms arising after the Initial Term of five (5) years each, for a total initial potential leasehold interest of forty (40) years ("Initial Leasehold Interest"). Any Capital Addition Extension within the Initial Leasehold Interest shall cause any available Extension Term to abate accordingly, such that no Extension Term may be exercised beyond the Initial Leasehold Interest. A Capital Addition Extension exercised inside of the Initial Leasehold Interest may effect an extension beyond the Initial Leasehold Interest, but not beyond the Initial Leasehold Interest *plus* the Capital Addition Extension term of fifteen years, for a total extended potential leasehold interest of fifty-five (55) years ("Extended Leasehold Interest"). A Capital Addition Extension exercised beyond the Initial Leasehold Interest which would extend beyond the Extended Leasehold Interest if such Capital Addition Extension term was fifteen (15) years shall be reduced in term accordingly. For example, a Capital Addition Extension arising in the twentieth (20th) year of the Initial Leasehold Interest would result in one remaining Extension Term being available to Tenant, exercise of which would allow expiration of the Lease upon the fortieth (40th) Lease Year. By way of further example, a Capital Addition Extension arising in the thirty-fifth (35th) year of the Initial Leasehold Interest would result in no further Extension Terms being available to Tenant and expiration of the Lease upon the fiftieth (50th) Lease Year. By way of even further example, a Capital Addition Extension arising in the fiftieth (50th) year of the Extended Leasehold Interest would result in no further Extension Terms being available to Tenant and expiration of the Lease upon the fifty-fifth (55th) Lease Year, for a reduced Capital Addition Extension term of five (5) years. For Capital Addition Extensions arising within the last fifteen (15) years of the Extended Leasehold Interest, the Minimum Rent shall be equitably recalculated to provide an equivalent return to Landlord over the diminished Capital Addition Extension term, as the Landlord would have received over the full fifteen (15) years of an undiminished Capital Addition Extension term.

(v) Landlord Addition Threshold: One Million and 00/100 Dollars (\$1,000,000.00). The Landlord Addition Threshold shall be reset to Zero Dollars (\$0.00) with each Capital Addition Extension entered into by the parties, as of the date of each such amendment.

(d) Within 30 days of the later of: (i) Landlord's receipt of a Request; or (ii) Tenant's delivery of other reasonable information timely requested by Landlord related to a Request as set forth in Section 9.1(a) and 9.3(b) hereof, Landlord shall notify Tenant as to whether it will finance the proposed Capital Addition and, if so, the terms and conditions upon which it would do so, including the terms of any amendment to this Lease. Landlord's failure to timely respond

to a Request shall be deemed an approval of Tenant's proposed Capital Addition and a rejection of Landlord's opportunity to provide for or arrange financing for such proposed Capital Addition. Any Capital Addition not financed by Landlord and not otherwise exempt from consent under Section 9.1(c) hereof must still be approved in writing by Landlord pursuant to the terms of Section 9.1 hereof, which consent will not be unreasonably withheld. Tenant may withdraw its Request by notice to Landlord at any time before or after receipt of Landlord's terms and conditions.

(e) Within 30 days of the later of: (i) Landlord's receipt of a Request; or (ii) Tenant's delivery of other reasonable information timely requested by Landlord related to a Request as set forth in Section 9.1(a) and 9.3(c) hereof, and subject to the terms and conditions contained in Section 9.3(c), Landlord shall notify Tenant of the means by which it will finance the proposed Capital Addition and the terms and conditions upon which it will do so, including the terms of any amendment to this Lease. Tenant's failure to timely respond to Landlord's notification shall be deemed to be a rejection of Tenant's option to require Landlord to provide for or arrange financing for such proposed Capital Addition. Any Capital Addition not financed by Landlord and not otherwise exempt from consent under Section 9.1(c) hereof must still be approved in writing by Landlord pursuant to the terms of Section 9.1 hereof, which consent will not be unreasonably withheld. Tenant may withdraw its Request by notice to Landlord at any time before or after receipt of Landlord's terms and conditions. If Landlord finances the proposed Capital Addition, Landlord's obligation to advance any funds shall be subject to receipt of all of the following, in form and substance reasonably satisfactory to Landlord:

- (i) such documentation as may be required by Landlord;
- (ii) any information, certificates, licenses, permits or documents requested by Landlord or any lender with whom Landlord has agreed or may agree to provide financing which are necessary to confirm that Tenant will be able to use the Capital Addition upon completion thereof in accordance with the Primary Intended Use, including all required federal, state or local government licenses and approvals;
- (iii) an Officer's Certificate and, if requested, a certificate from Tenant's architect, setting forth in detail reasonably satisfactory to Landlord the projected (or actual, if available) cost of the proposed Capital Addition;
- (iv) an amendment to this Lease, duly executed and acknowledged, in form and substance satisfactory to Landlord and Tenant (the "Lease Amendment"), and containing such provisions as may be necessary or appropriate due to the Capital Addition, including any appropriate changes in the legal description of the Land and the Minimum Rent, all such changes to be mutually agreed upon by Landlord and Tenant;
- (v) a deed conveying title to Landlord to any land and improvements or other rights acquired for the purpose of constructing the Capital Addition, free and clear of any liens or encumbrances except those approved in writing by Landlord and, both prior to and following completion of the Capital Addition, an as-built survey thereof reasonably satisfactory to Landlord;

(vi) endorsements to any outstanding policy of title insurance covering the Leased Property or a supplemental policy of title insurance covering the Leased Property reasonably satisfactory in form and substance to Landlord (A) updating the same without any additional exceptions, except as may be permitted by Landlord; and (B) increasing the coverage thereof by an amount equal to the Fair Market Value of the Capital Addition (except to the extent covered by the owner's policy of title insurance referred to in subparagraph (vii) below);

(vii) if required by Landlord, (A) an owner's policy of title insurance insuring fee simple title to any land conveyed to Landlord pursuant to subparagraph (v), free and clear of all liens and encumbrances except those approved by Landlord and (B) a lender's policy of title insurance satisfactory in form and substance to Landlord and the Lending Institution advancing any portion of the Capital Addition Cost;

(viii) if the cost to construct the Capital Addition is in excess of One Hundred Thousand and 00/100 Dollars (\$100,000.00) and if required by Landlord upon completion of the Capital Addition, an M.A.I. appraisal of the Leased Property; and

(ix) such other certificates (including endorsements increasing the insurance coverage, if any, at the time required by Section 12.1), documents, customary opinions of Tenant's counsel, appraisals, surveys, certified copies of duly adopted resolutions Tenant's Managing Member and a required interest of Tenant's membership under Tenant's Membership Agreement, if required under the terms and conditions thereof, authorizing the execution and delivery of the Lease Amendment and any other instruments as may be reasonably required by Landlord.

(f) Upon making a Request to finance a Capital Addition, whether or not such financing is actually consummated, Tenant shall pay or agree to pay mutually agreed upon reasonable costs and expenses of Landlord and any Lending Institution which has committed to finance such Capital Addition paid or incurred in connection with the financing of the Capital Addition, including (i) the fees and expenses of their respective counsel, (ii) the amount of any recording or transfer taxes and fees, (iii) documentary stamp taxes, if any, (iv) title insurance charges, appraisal fees, if any, and (v) loan commitment fees, if any.

9.4 Remodeling and Non-Capital Additions. Tenant shall have the right and the obligation to make additions, modifications or improvements to the Leased Property which are not Capital Additions, from time to time as may reasonably be necessary for its uses and purposes and to permit Tenant to comply fully with its obligations set forth in this Lease; provided that such action will be undertaken expeditiously, in a workmanlike manner and will not significantly alter the character or purpose or detract from the value or operating efficiency of the Leased Property and will not significantly impair the revenue producing capability of the Leased Property or adversely affect the ability of Tenant to comply with the provisions of this Lease. Title to all non-Capital Additions, modifications and improvements shall, without payment by Landlord at any time, be included under the terms of this Lease and, upon expiration or earlier termination of this Lease, shall pass to and become the property of Landlord.

9.5 Intentionally Omitted.

ARTICLE 10.**LIENS**

Subject to the provisions of Article 11 relating to permitted contests, Tenant will not directly or indirectly create or suffer to exist and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon the Leased Property or any attachment, levy, claim or encumbrance in respect of the Rent, not including, however, (a) this Lease, (b) the Permitted Exceptions set forth in Exhibit B attached hereto, (c) the Facility Mortgage, (d) restrictions, liens and other encumbrances which are consented to in writing by Landlord, or any easements granted pursuant to the provisions of Section 6.4 of this Lease, (e) liens for those taxes of Landlord which Tenant is not required to pay hereunder, (f) subleases permitted by Article 22, (g) liens for Impositions or for sums resulting from noncompliance with Legal Requirements so long as (1) the same are not yet payable or are payable without the addition of any fine or penalty or (2) such liens are in the process of being contested as permitted by Article 11, (h) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that (1) the payment of such sums shall not be postponed for more than 60 days after the completion of the action (including any appeal from any judgment rendered therein) giving rise to such lien and such reserve or other appropriate provisions as shall be required by law or generally accepted accounting principles shall have been made therefor or (2) any such liens are in the process of being contested as permitted by Article 11, (i) any Encumbrance placed on the Leased Property by Landlord, and (j) any Encumbrance placed upon the Leased Property in connection with a Capital Addition as set forth in Article 9 hereof, provided such Tenant Capital Addition Encumbrance is subordinate to this Lease and the Facility Mortgage, and further provided that such Tenant Capital Addition Encumbrance is subject to the removal and discharge provisions of Article 9 upon termination or earlier expiration of this Lease.

ARTICLE 11.**PERMITTED CONTESTS**

Tenant, after ten days' prior written notice to Landlord, on its own or on Landlord's behalf (or in Landlord's name), but at Tenant's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any Imposition, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim (collectively, "Charge") not otherwise permitted by Article 10, which is required to be paid or discharged by Tenant; provided that (a) in the case of an unpaid Charge, the commencement and continuation of such proceedings, or the posting of a bond or certificate of deposit as may be permitted by applicable law, shall suspend the collection thereof from Landlord and from the Leased Property; (b) neither the Leased Property nor any Rent therefrom nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited, attached or lost; (c) Landlord would not be in any immediate danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings; (d) in the event that any such contest shall involve a sum of money or potential loss

in excess of Five Thousand and 00/100 Dollars (\$5,000.00), then Tenant shall deliver to Landlord and its counsel an Officer's Certificate as to the matters set forth in clauses (a), (b) and (c); (e) in the case of an Insurance Requirement, the coverage required by Article 12 shall be maintained; and (f) if such contest be finally resolved against Landlord or Tenant, Tenant shall, as Additional Charges due hereunder, promptly pay the amount required to be paid, together with all interest and penalties accrued thereon, or otherwise comply with the applicable Charge; provided further that nothing contained herein shall be construed to permit Tenant to contest the payment of Rent, or any other sums payable by Tenant to Landlord hereunder. Landlord, at Tenant's expense, shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such contest and, if reasonably requested by Tenant or if Landlord so desires and then at its own expense, Landlord shall join as a party therein. Landlord shall do all things reasonably requested by Tenant in connection with such action. Tenant shall indemnify and save Landlord harmless against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such contest and any loss resulting therefrom.

ARTICLE 12.

INSURANCE

12.1 General Insurance Requirements. During the Term of this Lease, Tenant shall at all times keep the Leased Property, and all property located in or on the Leased Property insured with the kinds and amounts of insurance as described below and written by companies reasonably acceptable to Landlord, authorized to do insurance business in the state in which the Leased Property is located, having an A.M. Best Insurance Reports rating of not less than "A," and a financial size category of not less than "VIII." The policies must name Tenant as the insured and Landlord as an additional insured and losses shall be payable to Landlord and/or Tenant as provided in Article 13. In addition, the policies shall name as an additional insured the holder ("Facility Mortgagee") of any mortgage, deed of trust or other security agreement securing any Encumbrance placed on the Leased Property in accordance with the provisions of Article 31 ("Facility Mortgage"), if any, by way of a standard form of mortgagee's loss payable endorsement. Any loss adjustment in excess of Ten Thousand and 00/100 Dollars (\$10,000.00) shall require the written consent of Landlord, and each affected Facility Mortgagee. Evidence of insurance shall be deposited with Landlord and, if requested, with any Facility Mortgagee(s). If any provision of any Facility Mortgage which constitutes a first lien on the Leased Property requires deposits of insurance to be made with such Facility Mortgagee, Tenant shall either pay to Landlord monthly the amounts required and Landlord shall transfer such amounts to such Facility Mortgagee or, pursuant to written direction by Landlord, Tenant shall make such deposits directly with such Facility Mortgagee. The policies on the Leased Property, including the Leased Improvements, the Fixtures and the Personal Property, shall insure against the following risks:

(a) Loss or damage by fire, vandalism and malicious mischief, extended coverage perils commonly known as "Special Form" (formerly "All Risk") and all physical loss perils, including sprinkler leakage, in an amount not less than 100% of the then Full Replacement Cost thereof (as defined below in Section 12.2) with a replacement cost endorsement sufficient to prevent Tenant from becoming a co-insurer together with an agreed value endorsement and

business interruption insurance (in an amount at least equal to twelve (12) months of Fixed Rent due under this Lease);

(b) Loss or damage by explosion of steam boilers, pressure vessels or similar apparatus now or hereafter installed in the Facility, in such limits with respect to any one accident as may be reasonably requested by Landlord from time to time;

(c) Loss of rental under a rental value insurance policy covering risk of loss during the first 12 months of reconstruction necessitated by the occurrence of any of the hazards described in Sections 12.1(a) or 12.1(b), in an amount sufficient to prevent Tenant from becoming a co-insurer; provided that in the event that Tenant shall not be in default hereunder and Landlord shall receive any proceeds from such rental insurance which, when added to rental amounts received with respect to the applicable time period, exceed the amount of rental owed by Tenant hereunder, Landlord shall immediately pay such excess to Tenant;

(d) Loss or damage by hurricane, earthquake, or any natural disaster in the amount of the Full Replacement Cost, after deductible;

(e) Claims for personal injury or property damage under a policy of comprehensive general public liability insurance, including insurance against assumed or contractual liability including indemnities under this Lease, with amounts not less than Three Million and 00/100 Dollars (\$3,000,000.00) per occurrence in respect of bodily injury and death and Three Million and 00/100 Dollars (\$3,000,000.00) for property damage and an umbrella policy in an amount of Three Million and 00/100 Dollars (\$3,000,000.00);

(f) Flood (when the Leased Property is located in whole or in part within a designated flood plain area) and such other hazards and in such amounts as may be customary for comparable properties in the area and if available from insurance companies authorized to do business in the state in which the Leased Property is located;

(g) If Tenant shall engage or cause to be engaged any contractor to perform any material work on the Leased Property (for purposes of this particular provision material shall mean in excess of One Thousand and 00/100 Dollars (\$1,000.00), including work related to the construction of any Capital Addition by Tenant, Tenant shall require such contractor to carry and maintain insurance coverage comparable to the foregoing requirements set forth in Section 12.1(e) above and builder's risk insurance in amounts sufficient to cover the Full Replacement Cost of the Leased Property (excluding the Land), at no expense to Landlord; provided that Tenant may allow any such contractor to carry or maintain alternative coverage in reasonable amounts upon Landlord's prior written consent, which shall not be unreasonably withheld. In the event of the construction of any Capital Addition to the Leased Property, whether financed by Landlord or not, Tenant and/or its general contractor(s) shall obtain and maintain during the course of such Capital Addition construction, builder's risk insurance in amounts sufficient to cover the budgeted cost of the Capital Addition and Full Replacement Cost of the Leased Property (excluding the Land).

12.2 Replacement Cost. The term "Full Replacement Cost" as used herein shall mean the actual replacement cost of the Facility from time to time, without deduction for physical

depreciation, and including an increased cost of construction endorsement. In the event either Landlord or Tenant believes that the Full Replacement Cost has increased or decreased at any time during the Term, either party shall have the right, although such right may not be exercised by a single party more frequently than once in a single five (5) year period, and at the electing party's expense to have such Full Replacement Cost re-determined by the insurance company which is then providing the largest amount of casualty insurance carried on the Leased Property, hereinafter referred to as the "impartial appraiser." The party desiring to have the Full Replacement Cost so re-determined shall forthwith, on receipt of such determination by the impartial appraiser, give written notice thereof to the other party hereto. The determination of such impartial appraiser shall be final and binding on the parties hereto, and Tenant shall forthwith increase, or may decrease, the amount of the insurance carried pursuant to this Article to the amount so determined by the impartial appraiser.

12.3 Additional Insurance. In addition to the insurance described above, Tenant shall maintain such additional insurance as may be reasonably required from time to time by Landlord or any Facility Mortgagee which is consistent with insurance coverage for similar buildings in the city, county and state where the Leased Property is located, or required pursuant to any applicable Legal Requirement and shall at all times maintain adequate worker's compensation insurance coverage for all persons employed by Tenant on the Leased Property, in accordance with all applicable Legal Requirements.

12.4 Waiver of Subrogation. All insurance policies carried by either party covering the Leased Property, the Fixtures, the Facility and/or the Personal Property, including contents, fire and casualty insurance, shall expressly waive any right of subrogation on the part of the insurer against the other party. The parties hereto agree that their policies will include such a waiver clause or endorsement so long as the same is obtainable without extra cost, and in the event of such an extra charge the other party, at its election, may request and pay the same, but shall not be obligated to do so.

12.5 Form of Insurance. All of the policies of insurance referred to in this Section shall be written in form reasonably satisfactory to Landlord and in compliance with the requirements of the Facility Mortgagee by insurance companies reasonably satisfactory to Landlord and Tenant shall not be self-insured, except to the extent of the permitted deductible levels set forth in this Section 12.5; provided that the deductibles for insurance required by Sections 12.1(a) and (b) shall be no greater than Fifty Thousand and 00/100 Dollars (\$50,000.00) and the deductible for coverage required by Section 12.1(c) shall be no greater than Fifty Thousand and 00/100 Dollars (\$50,000.00). Tenant shall pay all premiums therefor, and deliver such policies or certificates thereof to Landlord prior to their effective date (and, with respect to any renewal policy, at least 30 days prior to the expiration of the existing policy). In the event of the failure of Tenant to effect such insurance in the names herein called for or to pay the premiums therefor, or to deliver such policies or certificates thereof to Landlord at the times required, Landlord shall be entitled, but shall have no obligation, to enact such insurance and pay the premiums therefor, which premiums shall be repayable by Tenant to Landlord upon written demand therefor and shall be deemed Additional Charges hereunder, and failure to repay the same shall constitute an Event of Default within the meaning of Section 15.1(c). Each insurer mentioned in this Section shall agree, by endorsement on the policy or policies issued by it, or by

independent instrument furnished to Landlord, that it will give to Landlord prior written notice before the policy or policies in question shall be altered, allowed to expire or canceled.

12.6 Change in Limits. In the event that Landlord shall at any time reasonably and in good faith believe the limits of the personal injury, property damage or general public liability insurance then carried to be insufficient, the parties shall endeavor to agree on the proper and reasonable limits for such insurance to be carried and such insurance shall thereafter be carried with the limits thus agreed on until further change pursuant to the provisions of this Section. If the parties shall be unable to agree thereon, the proper and reasonable limits for such insurance shall be determined by an impartial third party selected by the parties the costs of which shall be divided equally between the parties. Such re-determinations, whether made by the parties or by arbitration, shall be made no more frequently than every five (5) years. Nothing herein shall permit the amount of insurance to be reduced below the amount or amounts reasonably required by any Facility Mortgagee.

12.7 Blanket Policy. Notwithstanding anything to the contrary contained in this Section, Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Tenant; provided that the coverage afforded Landlord will not be reduced or diminished or otherwise be different from that which would exist under separate policies meeting all other requirements of this Lease; provided further that the requirements of this Article 12 are otherwise satisfied.

12.8 No Separate Insurance. Without the prior written consent of Landlord, Tenant shall not, on Tenant's own initiative or pursuant to the request or requirement of any third party, take out separate insurance concurrent in form or contributing in the event of loss with that required in this Article 12 to be furnished by, or which may reasonably be required by a Facility Mortgagee to be furnished by, Tenant, or increase the amounts of any then-existing insurance required under this Article 12 by securing an additional policy or additional policies, unless all parties having an insurable interest in the subject matter of the insurance, including in all cases Landlord and all Facility Mortgagees, are included therein as additional insureds and the loss is payable under said insurance in the same manner as losses are required to be payable under this Lease. Tenant shall immediately notify Landlord of the taking out of any such separate insurance or of the increasing of any of the amounts of the then-existing insurance required under this Article 12 by securing an additional policy or additional policies.

ARTICLE 13.

FIRE AND CASUALTY

13.1 Insurance Proceeds. All proceeds payable by reason of any loss or damage to the Leased Property or any portion thereof (but specifically excluding proceeds payable to Tenant on account of loss or damage to any of Tenant owned personal property), and insured under any policy of insurance required by Article 12 of this Lease shall be paid to Landlord and held by Landlord in trust (subject to the provisions of Section 13.7) and shall be made available for reconstruction or repair, as the case may be, of any damage to or destruction of the Leased Property, or any portion thereof, and shall be paid out by Landlord from time to time for the

reasonable cost of such reconstruction or repair in accordance with this Article 13 after Tenant has expended an amount equal to or exceeding the deductible under any applicable insurance policy. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property shall be retained by Tenant free and clear upon completion of any such repair and restoration except as otherwise specifically provided below in this Article 13; provided that in the event neither Landlord nor Tenant is required or elects to repair or restore the Leased Property, then all such insurance proceeds shall be retained by Landlord. All salvage resulting from any risk covered by insurance shall belong to Tenant, including any salvage relating to Capital Additions paid for by Tenant.

13.2 Reconstruction in the Event of Damage or Destruction Covered by Insurance.

(a) Except as provided in Section 13.7, if during the Term, the Facility is totally or partially destroyed from a risk covered by the insurance described in Article 12 and the Facility thereby is rendered Unsuited for its Primary Intended Use in Landlord's commercially reasonable opinion, Tenant shall have the option, by giving notice to Landlord within thirty (30) days following the date of such destruction, to (i) apply all proceeds payable with respect thereto to restore the Facility to substantially the same condition as existed immediately before the damage or destruction, or (ii) offer to acquire the Leased Property from Landlord for a purchase price equal to the Minimum Purchase Price of the Leased Property immediately prior to such damage or destruction. Such Tenant notice shall include Tenant's opinion as to whether or not the casualty has rendered the Leased Property Unsuited for its Primary Intended Use. Landlord shall, within ten (10) days after receipt of Tenant's notice shall, in writing, either concur or disagree with Tenant's opinion of whether the Leased Property has been rendered Unsuited for its Primary Intended Use in Landlord's commercially reasonable opinion. Landlord's determination shall be final and conclusive. Tenant may, by giving notice to Landlord prior to the closing of the purchase of the Leased Property within the time frame set forth in Article 17 hereof, withdraw its offer to purchase the Leased Property and proceed to restore the Facility to substantially the same condition as existed immediately before the damage or destruction.

(b) Except as provided in Section 13.7, if during the Term, the Facility is partially destroyed from a risk covered by the insurance described in Article 12, but the Facility is not thereby rendered Unsuited for its Primary Intended Use in Landlord's commercially reasonable opinion, Tenant shall restore the Facility to substantially the same condition as existed immediately before the damage or destruction. Such damage or destruction shall not terminate this Lease.; provided that if Tenant cannot within a reasonable time obtain all necessary governmental approvals, including building permits, licenses, conditional use permits and any certificates of need, after diligent efforts to do so, in order to be able to perform all required repair and restoration work and to operate the Facility for its Primary Intended Use in substantially the same manner as immediately prior to such damage or destruction, Tenant may offer to purchase the Leased Property from Landlord for a purchase price equal to the Minimum Purchase Price of the Leased Property immediately prior to such damage or destruction, but the right to purchase under this Section 13.2(b) shall only be available to Tenant if the damage or destruction to the Leased Property has occurred on or after the fourteenth (14th) anniversary of the Commencement Date of this Lease and Landlord shall have the right to reject Tenant's offer.

(c) In the event Landlord accepts Tenant's offer to purchase the Leased Property, this Lease shall terminate upon payment of the Minimum Purchase Price and execution and delivery of all reasonably necessary or appropriate documentation to conclude the purchase and sale of the Leased Property, and Landlord shall remit to Tenant, or allow Tenant a credit against the purchase price in an amount equal to, all insurance proceeds being held in trust by Landlord.

13.3 Reconstruction in the Event of Damage or Destruction Not Covered by Insurance. Except as provided in Section 13.7 below, if during the Term the Facility is totally or materially destroyed (in Landlord's commercially reasonable opinion) by a risk not covered by the insurance described in Article 12, whether or not such damage or destruction renders the Facility Unsuitable for its Primary Intended Use, Tenant at its option shall either (a) restore the Facility to substantially the same condition it was in immediately before such damage or destruction and such damage or destruction shall not terminate this Lease, or (b) acquire the Leased Property from Landlord for a purchase price equal to the Minimum Purchase Price immediately prior to such damage or destruction. If such damage or destruction is not total or material in the commercially reasonable opinion of Landlord, again without regard to whether or not the damage or destruction renders the Facility Unsuitable for its Primary Intended Use, Tenant shall restore the Leased Property.

13.4 Tenant's Property. In the event that Tenant rebuilds or repairs the Leased Property rather than acquires the Leased Property if permitted under any of Section 13.2 or Section 13.3, then Tenant shall use any insurance proceeds payable by reason of any loss of or damage to any of the Tenant's personal property to restore such Tenant owned personal property to the Leased Property with items of substantially equivalent value to the items being replaced.

13.5 Restoration of Tenant's Property. If Tenant is required or elects to restore the Facility as provided in Sections 13.2 or 13.3, Tenant shall also restore any of Tenant's personal property as required pursuant to Section 13.4 and all Capital Additions paid for or financed by Landlord. Any insurance proceeds payable by reason of damage to Capital Additions paid for or financed by Landlord shall be paid to Landlord and Landlord shall hold such insurance proceeds in trust to pay the cost of repairing or replacing such Capital Additions in the event Tenant does not purchase the Leased Property as provided above.

13.6 No Abatement of Rent. Unless this Lease is terminated by the closing of any purchase right exercised by Tenant pursuant to this Article 13, this Lease shall remain in full force and effect and Tenant's obligation to pay Rent when due as required by this Lease shall remain unabated during any period required for repair and restoration.

13.7 Damage Near End of Term. Notwithstanding any provisions of Sections 13.2 or 13.3 to the contrary, if damage to or destruction of the Facility occurs during the last twenty-four (24) months of the Initial Term or an Extension Term, and if in Landlord's commercially reasonable opinion, such damage or destruction cannot be fully repaired and restored within the lesser of (i) six (6) months or (ii) the period remaining in the Term immediately following the date of loss, either party shall have the right to terminate this Lease by giving notice to the other within thirty (30) days after the date of damage or destruction, in which event Landlord shall be entitled to retain the insurance proceeds and Tenant shall pay to Landlord on demand the amount of any deductible or uninsured loss arising in connection therewith; provided that any such notice

given by Landlord shall be void and of no force and effect if Tenant exercises any available option to extend the Term for one Extension Term, or one additional Extension Term, as the case may be, within thirty (30) days following receipt of such termination notice.

13.8 Waiver. Tenant hereby waives any statutory or common law rights of termination which may arise by reason of any damage or destruction of the Facility.

ARTICLE 14.

CONDEMNATION

14.1 Parties' Rights and Obligations. If during the Term there is any Taking of all or any part of the Leased Property or any interest in this Lease by Condemnation, the rights and obligations of the parties shall be determined by this Article 14.

14.2 Total Taking. If there is a Taking of all of the Leased Property by Condemnation, this Lease shall terminate effective as of the Date of Taking, and the Minimum Rent and all Additional Charges paid or payable hereunder shall be apportioned and paid to the Date of Taking.

14.3 Partial Taking. If there is a Taking of a portion of the Leased Property by Condemnation such that the Facility is not thereby rendered Unsuited for its Primary Intended Use in the commercially reasonable opinion of Landlord and Tenant, this Lease shall remain in effect. If, however, the Facility is thereby rendered Unsuited for its Primary Intended Use in Landlord or Tenant's commercially reasonable opinion, Tenant shall have the right, subject to the terms of the Facility Mortgage (a) to take such proceeds of any Award as shall be necessary and restore the Facility, at its own expense, to the extent possible, to substantially the same condition as existed immediately before the partial Taking, or (b) to terminate this Lease and acquire the remainder of the Leased Property (after the partial Taking) from Landlord, but subject to Landlord's right to reject Tenant's offer, for a purchase price equal to the Minimum Purchase Price of the Leased Property immediately prior to such partial Taking, in which event this Lease shall terminate upon payment of the purchase price and execution and delivery of all appropriate and reasonable documents necessary to close on the purchase and sale of the Leased Property. Tenant shall immediately provide Landlord with notice of any partial Taking and Tenant's opinion concerning the suitability of the Leased Property for its Primary Intended Use. Landlord shall, within thirty (30) days after such notice of partial Taking, advise Tenant of its opinion concerning whether or not the Leased Property is, after the partial Taking rendered Unsuited for its Primary Intended Use. Tenant shall exercise any one of its above stated options by giving Landlord notice thereof within sixty (60) days after Tenant receives Landlord's notice concerning the suitability of the Leased Property for its Primary Intended Use after the partial Taking. Landlord shall accept or reject Tenant's offer by notice given to Tenant not later than thirty (30) days following Landlord's receipt of Tenant's notice and if Landlord fails to either accept or reject Tenant's offer, then it shall be deemed to have accepted Tenant's offer. In the event that Landlord rejects Tenant's offer, this Lease shall terminate effective as of the Date of Taking, and the Minimum Rent and all Additional Charges paid or payable hereunder shall be apportioned and paid to the Date of Taking.

14.4 Restoration. If there is a partial Taking of the Leased Property and this Lease remains in full force and effect pursuant to Section 14.3, Tenant shall accomplish all necessary restoration of the Leased Property.

14.5 Award Distribution. In the event Landlord accepts Tenant's offer to purchase the Leased Property, the entire Award shall belong to Tenant and Landlord agrees to assign to Tenant all of its rights thereto, after deduction of all reasonable and mutually agreed upon legal fees and other costs and expenses, including without limitation, expert witness fees, incurred by Landlord in connection with obtaining any such Award. Except as otherwise provided in Section 14.3 above, in any other event, the entire Award shall belong to and be paid to Landlord, except that, if this Lease is terminated, and subject to the rights of the Facility Mortgagee, Tenant shall be entitled to receive from the Award, if and to the extent such Award includes such items, the following: any sum attributable to the Capital Additions for which Tenant would be entitled to reimbursement at the end of the Term pursuant to the provisions of Section 9.2(b). Tenant shall be entitled to a separate award or damages equal to the value of any trade fixtures installed by Tenant at its own cost on the Leased Property, Tenant Work, and any further improvements, repairs or additions paid for by Tenant; Tenant shall be entitled to seek separate award and damages for relocation expenses and loss of business resulting from such Taking; Tenant shall be entitled to such award or damages only to the extent such award does not diminish the award or damages to which the Leased Property would otherwise be entitled. Landlord and Tenant agree to work together in a coordinated effort in the filing of their respective separate claims for any such awards and shall each file all necessary pleadings or other documents to support the other's position. If Tenant is required or elects to restore the Facility, Landlord agrees that, subject to the rights of the Facility Mortgagees, its portion of the Award shall be used for such restoration and it shall hold such portion of the Award in trust, for application to the cost of the restoration.

14.6 Temporary Taking. The Taking of the Leased Property, or any part thereof, by military or other public authority shall constitute a Taking by Condemnation only when the use and occupancy by the Taking authority has continued for longer than twelve (12) months. During any such twelve (12) month period all the provisions of this Lease shall remain in full force and effect and the Rent shall not be abated or reduced during such period of Taking; provided that Tenant will receive any compensation from the Taking authority as a result of such temporary Taking.

ARTICLE 15.

DEFAULT

15.1 Events of Default. The occurrence of any one or more of the following events shall constitute events of default (individually, an "Event of Default" and, collectively, "Events of Default") hereunder:

(a) if Tenant shall fail to make a payment of the Rent or any other sum required to be paid by Tenant hereunder when the same becomes due and payable and such failure continues for a period of ten (10) days after written notice from Landlord to Tenant, or, after Landlord has provided such ten (10) days' prior written notice twice in any twelve (12) month period, then if Tenant shall fail to make a payment of the Rent when the same becomes due and payable, or

(b) if Tenant shall fail to observe or perform any other term, covenant or condition of this Lease and such failure is not cured by Tenant within a period of sixty (60) days after receipt by Tenant of notice thereof from Landlord, unless such failure cannot with due diligence be cured within a period of sixty (60) days, in which case such failure shall not be deemed to continue if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof, or

(c) if Tenant, any of its subsidiaries, or members shall:

(i) admit in writing its inability to pay its debts generally as they become due,

(ii) file a petition in bankruptcy or a petition to take advantage of any insolvency law,

(iii) make an assignment for the benefit of its creditors,

(iv) consent to the appointment of a custodian (including without limitation a trustee or receiver) of itself or of the whole or any substantial part of its property, or

(v) file a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, or

(d) if final judgment for the payment of money shall be rendered against Tenant, any of its subsidiaries or members and Tenant or any such subsidiary or member, as the case may be, shall not discharge or cause the same to be discharged within 30 days from the entry thereof, or shall not appeal therefrom or from the order, decree or process upon which or pursuant to which said judgment was granted, based or entered and secure a stay of execution pending such appeal, or

(e) if any of the representations or warranties made by Tenant, any of its subsidiaries or members and Tenant or any such subsidiary or member, as the case may be, in this Lease prove to have been untrue in any material respect when made, and to the extent such untrue representation or warranty is not cured within thirty (30) days after receipt by Tenant of written notice thereof from Landlord, or

(f) if the Financial Statements of any of Tenant, any of its subsidiaries or members and Tenant or any such subsidiary or member, as the case may be, provided under this Lease to Landlord in connection with the execution of this Lease prove to have been untrue in any material respect when made, and reliance on such Financial Statements causes an adverse impact to Landlord.

15.2 Remedies. If an Event of Default shall have occurred, Landlord shall have the right at its election, then or at any time thereafter, to pursue any one or more of the following remedies, in addition to any remedies which may be permitted by law or by other provisions of this Lease, without further notice or demand, except as hereinafter provided:

(a) Without any notice or demand whatsoever, Landlord may take any one or more actions permissible at law to ensure performance by Tenant of Tenant's covenants and obligations under this Lease. In this regard, it is agreed that if Tenant abandons or vacates the Leased Property, Landlord may enter upon and take possession of such Leased Property in order to protect it from deterioration and continue to demand from Tenant the monthly Minimum Rent and the Additional Charges provided in this Lease. Landlord shall use reasonable efforts to relet but shall have no absolute obligation to relet. If Landlord does, at its sole discretion, elect to relet the Leased Property, such action by Landlord shall not be deemed as an acceptance of Tenant's surrender of the Leased Property unless Landlord expressly notifies Tenant of such acceptance in writing, Tenant hereby acknowledging that Landlord shall otherwise be reletting as Tenant's agent. It is further agreed in this regard that in the event of any Event of Default described in this Article 15, Landlord shall have the right to enter upon the Leased Property and do whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any reasonable expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, and further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action provided that Landlord is not negligent in the performance of Tenant's lease obligations.

(b) Landlord may terminate this Lease by written notice to Tenant, in which event Tenant shall immediately surrender the Leased Property to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which Landlord may have for possession or arrearage in rent (including any interest which may have accrued pursuant to Section 2.3 of this Lease or otherwise), enter upon and take possession of the Leased Property and expel or remove Tenant and any other person who may be occupying the Leased Property or any part thereof. In addition, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of any termination effected pursuant to this subsection (b), said loss and damage to be determined, at Landlord's option, by any of the following alternative measures of damages:

(i) Although Landlord shall be under no absolute obligation to attempt and shall be obligated only to use reasonable efforts, to relet the Leased Property, until the Leased Property is relet Tenant shall pay to Landlord on or before the first day of each calendar month the monthly Minimum Rent and other Additional Charges provided in this Lease. After the Leased Property has been relet by Landlord, Tenant shall pay to Landlord on the 10th day of each calendar month the difference between the monthly Minimum Rent and Additional Charges provided in this Lease for the preceding calendar month and that actually collected by Landlord for such month; provided that such collections are less than the Minimum Rental and Additional Charges due under this Lease. If it is necessary for Landlord to bring suit in order to collect any deficiency, Landlord shall have a right to allow such deficiencies to accumulate and to bring an action on several or all of the accrued deficiencies at one time. Any such suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies. Any amount collected by Landlord from subsequent tenants for any calendar month in excess of the monthly Minimum Rent and Additional Charges provided in this Lease shall be credited to Tenant in reduction of Tenant's liability for any calendar month for which the amount collected by Landlord will be less than the monthly

Minimum Rent and Additional Charges provided in this Lease; but Tenant shall have no right to such excess other than the above described credit; or

(ii) When Landlord desires, Landlord may demand a final settlement in an amount not to exceed the greater of (1) the Fair Market Value of the Leased Property at the time of such final settlement, or (2) the aggregate sum of (x) the Final Project Budget, (y) any Tenant Change Request (as defined in the Work Letter at Exhibit D hereof) paid for or financed by Landlord and (z) Capital Additions that have been paid for or financed by Landlord, or (3) the outstanding principal balance of any loans to Landlord that are secured by a first lien position on the Leased Property, not to exceed a fair and reasonable allocation of such balance to the Leased Property as among the Leased Property and other Property of Landlord or its affiliates securing such loans. In the event Landlord elects final settlement, it shall deliver a notice thereof to Tenant specifying a Payment Date occurring no less than ninety (90) days subsequent to the date of such notice, upon which Tenant shall purchase the Leased Property, and the Leased Property shall be thereupon conveyed in accordance with the provisions of Article 17. Upon demand for a final settlement, Landlord shall have a right to, and Tenant hereby agrees to pay, the difference between the total of all Minimum Rent and Additional Charges provided in this Lease for the remainder of the Term and the Fair Market Rental Value of the Leased Property for such period (including a reasonable time to relet the Leased Property), as determined pursuant to the provisions of Article 27 hereof, such difference to be discounted to present value at a rate equal to the lowest rate of capitalization (highest present worth) reasonably consistent with industry standards at the time of such determination and allowed by applicable law.

(iii) After an Event of Default has occurred and prior to any final settlement action taken by Landlord under Section 15.2(b)(ii) above, in order to collect upon and manage the Additional Charges (which are not required to be paid to Landlord monthly under the other provisions of this Lease), Landlord shall be permitted to make a reasonable estimate of the Additional Charges due under this Lease during each Lease Year and may require Tenant to pay the estimated Additional Charges together with the monthly Minimum Rent prorated on a monthly basis. Landlord shall be obligated to remit to Tenant any excess over actual Additional Charges collected by Landlord within 120 days after the end of each Lease Term. All such sums collected by Landlord as estimated Additional Charges shall be used by Landlord to pay such Additional Charges, except to the extent that Tenant has failed to make all Minimum Rent payments to Landlord, in which event, Landlord may, at its election, apply such sums collected as estimated Additional Charges to past due Minimum Rent payments and any late fees charged to Tenant.

The rights and remedies of Landlord hereunder are cumulative, and pursuit of any of the above remedies shall not preclude pursuit of any other remedies prescribed in other sections of this Lease and any other remedies provided by law or equity. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default.

(c) **Additional Expenses.** In addition to payments required pursuant to subsections (a) and (b) of Section 15.2 above, Tenant shall compensate Landlord for all reasonable expenses incurred by Landlord in repossessing the Leased Property (including any increase in insurance premiums caused by the vacancy of the Leased Property), all reasonable expenses incurred by Landlord in reletting (including repairs, remodeling, replacements, advertisements and brokerage fees), all reasonable concessions granted to a new tenant upon reletting (including renewal options), all fees and expenses incurred by Landlord as a direct or indirect result of any appropriate action by a Facility Mortgagee, any expenses of Landlord incurred for the installation of separate lines or meters for any public utilities not previously metered separately from adjacent property of Tenant and a reasonable allowance for Landlord's administrative efforts, salaries and overhead attributable directly or indirectly to Tenant's default and Landlord's pursuing the rights and remedies provided herein and under applicable law.

15.3 Waiver. If this Lease is terminated pursuant to law or the provisions of Section 15.1, Tenant waives, to the extent permitted by applicable law, (a) any right of redemption, reentry or repossession and (b) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt.

15.4 Application of Funds. All payments otherwise payable to Tenant which are received by Landlord under any of the provisions of this Lease during the existence or continuance of any Event of Default shall be applied to Tenant's obligations in the order which Landlord may reasonably determine or as may be prescribed by the laws of the state in which the Facility is located.

15.5 Notices by Landlord. The provisions of this Article 15 concerning notices shall be liberally construed insofar as the contents of such notices are concerned, and any such notice shall be sufficient if it shall generally apprise Tenant of the nature and approximate extent of any default.

ARTICLE 16.

LANDLORD'S RIGHT TO CURE

If Tenant, without the prior written consent of Landlord, shall fail to make any payment, or to perform any act required to be made or performed under this Lease and to cure the same within the relevant time periods provided in Section 15.1, Landlord, without waiving or releasing any obligation or Event of Default, may (but shall be under no obligation to) make such payment or perform such act for the account and at the expense of Tenant, and may, to the extent permitted by law, enter upon the Leased Property for such purpose and take all such action thereon as, in Landlord's opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord, together with a late charge thereon (to the extent permitted by law) at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, and all costs and expenses (including reasonable attorneys' fees and expenses, in each case, to the extent permitted by law) so incurred shall be paid by Tenant to Landlord on demand. The obligations of Tenant and rights of Landlord contained in this Article shall survive the expiration or earlier termination of this Lease.

ARTICLE 17.**PURCHASE OF THE LEASED PROPERTY**

In the event Tenant purchases the Leased Property from Landlord pursuant to any right or option to purchase under the terms of this Lease, the closing of such purchase shall occur within 45 days after Tenant provides Landlord with its notice of intent to purchase the Leased Property. Landlord shall, upon receipt from Tenant of the purchase price (as applicable under the particular purchase provision elsewhere set forth in this Lease), together with full payment of any unpaid Rent due and payable with respect to any period ending on or before the closing date of the purchase and any other amounts owing to Landlord hereunder, deliver to Tenant an appropriate special warranty deed and any other documents reasonably requested by Tenant to convey the interest of Landlord in and to the Leased Property, subject only to the Permitted Exceptions and the Permitted Liens, to Tenant, and such other standard documents usually and customarily prepared in connection with such transfers, free and clear of all encumbrances other than (a) those that Tenant has agreed hereunder to pay or discharge, (b) those mortgage liens, if any, which Tenant has agreed in writing to accept and to take title subject to, (c) any other Encumbrances permitted to be imposed on the Leased Property under the provisions of Article 31 which are assumable at no cost to Tenant, and (d) any matters affecting the Leased Property on or as of the Commencement Date. The difference between the applicable purchase price and the total of the encumbrances assigned or taken subject to shall be paid in cash to Landlord, or as Landlord may direct, in federal or other immediately available funds except as otherwise mutually agreed by Landlord and Tenant. All expenses of such conveyance, including the cost of title examination or standard coverage title insurance, attorneys' fees incurred by Landlord in connection with such conveyance, and transfer taxes, shall be paid by Landlord. Recording fees and similar charges shall be paid for by Tenant.

ARTICLE 18.**HOLDING OVER**

If Tenant shall for any reason remain in possession of the Leased Property after the expiration of the Term or any earlier termination of the Term hereof, such possession shall be construed to be a monthly tenancy during which time Tenant shall pay as rental each month, for the first three months of such month to month tenancy, (a) monthly Minimum Rent as set forth in the immediately preceding complete rent year, increased by Ten percent (10%) plus (b) all Additional Charges accruing during such month; and plus (c) all other sums, if any, payable pursuant to the provisions of this Lease with respect to the Leased Property. Following the initial three (3) months of such month to month tenancy following expiration or early termination of the Term, Tenant shall pay as rental each month a One Hundred Thirty percent (130%) of one-twelfth (1/12th) of the aggregate Minimum Rent payable with respect to the immediately preceding complete Lease Year; plus (b) all Additional Charges accruing during such month; and plus (c) all other sums, if any, payable pursuant to the provisions of this Lease with respect to the Leased Property. During such period of tenancy, Tenant and Landlord shall be obligated to perform and observe all of the terms, covenants and conditions of this Lease and to continue its occupancy and use of the Leased Property. Nothing contained herein shall constitute the

consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Lease.

ARTICLE 19.

ABANDONMENT

19.1 Right to Close Operations. Landlord agrees that nothing in this Lease shall be construed as compelling Tenant to conduct or operate or continue operations of any business whatsoever in or upon the Leased Property, and that Tenant shall have the right and privilege of closing any business in or upon the Leased Property at any time, provided Tenant shall continue to pay the Minimum Rent and Additional Charges and to make all other payments and to perform all other obligations required by this Lease to be paid or performed by Tenant.

19.2 Obsolescence of the Leased Property; Offer to Purchase. If, in the reasonable good faith judgment of Tenant, the Leased Property becomes uneconomical or Unsuitable for its Primary Intended Use, all as set forth in an Officer's Certificate delivered to Landlord, Tenant, if Landlord has not terminated this Lease as provided in Section 15.2, shall have the right, but only after the fourteenth (14th) anniversary of the Commencement Date of this Lease, to purchase the Leased Property for a purchase price equal to the Minimum Purchase Price on the first Payment Date occurring not less than one hundred twenty (120) days after the date of such Officer's Certificate, or upon such alternative date as is mutually agreed upon between the parties.

19.3 Conveyance of Leased Property. In the event Tenant elects to purchase the Leased Property pursuant to Section 19.2, then on the first Payment Date occurring not less than one hundred twenty (120) days after the date of the Officer's Certificate referenced in Section 19.2, or upon such alternative date as is mutually agreed upon between the parties, Landlord shall, upon receipt from Tenant of the purchase price provided for above and any Rent or other sums then due and payable under this Lease (excluding the installment of Minimum Rent due on the date of conveyance), convey the Leased Property to Tenant on such date in accordance with the provisions of Article 17 and this Lease shall thereupon terminate as to the Leased Property.

ARTICLE 20.

RISK OF LOSS

Except as otherwise provided in this Lease, during the Term of this Lease, the risk of loss or of decrease in the enjoyment and beneficial use of the Leased Property in consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than by Landlord and those claiming from, through or under Landlord) is assumed by Tenant and, Landlord shall in no event be answerable or accountable therefor nor shall any of the events mentioned in this Section entitle Tenant to any abatement of Rent except as specifically provided in this Lease.

ARTICLE 21.

INDEMNIFICATION

21.1 Tenant's Indemnity. Subject to Section 12.4 hereof, Tenant will protect, indemnify, save harmless and defend Landlord from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys' fees and expenses), to the 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 to property occurring on or about the Leased Property, including any claims of malpractice, caused by Tenant or Tenant's agents, (b) any use, misuse, no use, condition, maintenance or repair by Tenant of the Leased Property, (c) any Impositions (which are the obligations of Tenant to pay pursuant to the applicable provisions of this Lease), (d) any failure on the part of Tenant to perform or comply with any of the terms of this Lease, (e) the non-performance of any of the terms and provisions of any and all existing and future subleases of the Leased Property to be performed by Tenant as landlord thereunder and (f) the violation of any Hazardous Materials Law occurring during the Lease Term, but excluding any period of time during which Landlord has re-entered and repossessed the Leased Property after Tenant's abandonment thereof. Any amounts which become payable by Tenant under this Section 21.1 shall be paid within thirty (30) days after liability therefor on the part of Landlord is finally determined by litigation or otherwise (including the expiration of any time for appeals) and, if not timely paid, shall bear interest (to the extent permitted by law) at the Overdue Rate from the date of such determination to the date of payment. Tenant, at its expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Landlord or may compromise or otherwise dispose of the same as Tenant sees fit. Landlord shall cooperate with Tenant in a reasonable manner to permit Tenant to satisfy Tenant's obligations hereunder, including the execution of any instruments or documents reasonably requested by Tenant. Nothing herein shall be construed as indemnifying Landlord or its agents for their own negligent acts or omissions or willful misconduct. Tenant's liability for a breach of the provisions of this Section 21.1 shall survive any termination of this Lease.

21.2 Landlord's Indemnity. Landlord will protect, indemnify, save harmless and defend Tenant from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys' fees and expenses), to the extent permitted by law, imposed upon or incurred by or asserted against Tenant by reason of: (a) any accident, injury to or death of persons or loss to property occurring on or about the Leased Property which either (i) arises prior to the Commencement Date of the Lease or (ii) is caused by Landlord or its agents; (b) any use, misuse, no use, condition, maintenance or repair by Landlord of the Leased Property; (c) any Impositions (which are not the obligations of Tenant to pay pursuant to the applicable provisions of this Lease), (d) any failure on the part of Landlord to perform or comply with any of the terms of this Lease, and (e) the violation of any Hazardous Materials Law during any period of time during which Landlord has re-entered and repossessed the Leased Property after Tenant's abandonment thereof. Any amounts which become payable by Landlord under this Section 21.2 shall be paid within thirty (30) days after liability therefor on the part of Tenant is finally determined by litigation or otherwise (including the expiration of any time for appeals) and, if not timely paid, shall bear interest (to the extent permitted by law) at the Overdue Rate from the date of such determination to the date of payment. Landlord, at its

expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Tenant or may compromise or otherwise dispose of the same as Landlord sees fit. Tenant shall cooperate with Landlord in a reasonable manner to permit Landlord to satisfy Landlord's obligations hereunder, including the execution of any instruments or documents reasonably requested by Landlord. Nothing herein shall be construed as indemnifying Tenant or its agents for their own negligent acts or omissions or willful misconduct. Landlord's liability for a breach of the provisions of this Section 21.2 shall survive any termination of this Lease.

ARTICLE 22.

SUBLETTING AND ASSIGNMENT

22.1 Subletting and Assignment. Except as expressly permitted under Sections 22.3 or 22.4 hereof, Tenant shall not do any of the following without the prior written consent of Landlord: (i) assign, either directly or indirectly (including an assignment of Tenant's rights hereunder occurring by merger, conversion, whether occurring directly or indirectly, or by other operation of law), or delegate all or any portion of Tenant's rights or obligations under or in respect to the leasehold estate created under this Lease, (ii) sublet all or any portion of the Leased Property, and/or (iii) permit the use of all or any part of the Leased Property by any persons other than Tenant or its Affiliates. In no event shall any assignee or subtenant use the Leased Property for any purpose other than that permitted in Article 6 of this Lease without Landlord's consent, and in no event may Leased Property be used for a Prohibited Use. In the event Tenant desires to make a sublease or assignment, Tenant shall deliver prior written notice thereof and thereafter Landlord shall provide Tenant with written information or any prohibited or limited uses of the Leased Property to any assignee or sublessee. Tenant acknowledges that making any sublease or assignment without Landlord's prior written consent shall be void, except as set forth in Sections 22.3 and 22.4, and if Tenant makes any sublease or assignment without such consent, Landlord shall have the right (but not the obligation) at anytime to declare an Event of Default hereunder. Except as to a Permitted Assignment set forth in Sections 22.3 or 22.4 hereof, Landlord may require, as a condition precedent to consenting to any sublease or assignment, that the assignee or sublessee establishes to Landlord's sole, absolute and uncontrolled satisfaction (a) such assignee's or sublessee's financial ability to consistently perform the terms and obligations of this Lease, (b) in the case of a subletting, the subtenant shall comply with the provisions of Sections 22.2, (c) in the case of an assignment, the assignee shall assume in writing and agree to keep and perform all of the terms of this Lease on the part of Tenant to be kept and performed and shall be and become jointly and severally liable with Tenant for the performance thereof, (d) an original counterpart of each such sublease or assignment and assumption, duly executed by Tenant and such subtenant or assignee, as the case may be, in form and substance reasonably satisfactory to Landlord, shall be delivered promptly to Landlord, and (e) in case of either an assignment or subletting, Tenant shall remain primarily liable, as principal rather than as surety, for the prompt payment of the Rent and for the performance and observance of all of the covenants and conditions to be performed by Tenant hereunder. In the event Tenant desires to make a sublease or assignment that requires Landlord's consent, Landlord's consent shall not be unreasonably or arbitrarily withheld or delayed.

22.2 Non-Disturbance, Subordination and Attornment. Tenant shall insert in each sublease permitted hereunder provisions to the effect that (a) such sublease is subject and

subordinate to all of the terms and provisions of this Lease and to the rights of Landlord hereunder, (b) in the event this Lease shall terminate before the expiration of such sublease, the subtenant thereunder will, at Landlord's option, attorn to Landlord and waive any right the subtenant may have to terminate the sublease or to surrender possession thereunder as a result of the termination of this Lease, and (c) in the event the subtenant receives a written notice from Landlord or Landlord's assignees, if any, stating that Tenant is in default under this Lease, the subtenant shall thereafter be obligated to pay all rentals accruing under said sublease directly to the party giving such notice, or as such party may direct. All rentals received from the subtenant by Landlord or Landlord's assignees, if any, as the case may be, shall be credited against amounts owing by Tenant under this Lease. Landlord agrees that notwithstanding any default, termination, expiration, sale, entry or other act or omission of Tenant pursuant to the terms of this Lease, or at law or in equity, any subtenant's possession shall not be disturbed unless such possession may otherwise be terminated pursuant to the terms of the applicable sublease. Landlord hereby agrees, upon Tenant's request, to execute a nondisturbance agreement in favor of any subtenant under any sublease permitted under Section 22.1 above; provided that any such subtenant has acknowledged all of the foregoing provisions and executed all documents required by this Section 22.2.

22.3 Permitted Assignment to a Permitted Transferee. Tenant may either directly or indirectly assign this Lease, whether occurring by actual assignment of interests, merger, conversion, or other operation of law, Transfer of membership or partnership interests in Tenant or Transfer of any shares, membership interest, partnership interest, or ownership interest in the legal entity owning the membership or partnership interests in Tenant, to any person or entity, as allowed pursuant to those requirements set forth in Section 22.4 hereof (a "Permitted Transferee" and/or a "Permitted Assignee"). Tenant shall notify Landlord in writing in advance of any change in its ownership structure, the Transfer of shares or ownership interest in the legal entity owning any partnership or membership interests in Tenant or assignment of this Lease to a Permitted Transferee and shall provide to Landlord all reasonably requested documentation relating to any such Transfer.

22.4 Permitted Assignment by Tenant or Initial Members to Third Parties. Landlord shall permit the direct or indirect assignment of this Lease by Tenant and/or sublease of the Lease whether occurring by actual assignment of interests, merger, conversion or other operation of law, to a third party (collectively the "Assignment") if such third party is, in Landlord's commercially reasonable opinion, of equal or better financial strength and capability as Tenant, and further conditioned upon the Tenant's prior provision to Landlord of information detailing the probable source of patients and revenue as to such proposed assignee and/or subtenant.

Landlord shall permit the direct or indirect assignment of any part of an Initial Member's ownership interest in Tenant, whether occurring by actual assignment of interests, merger, conversion or other operation of law, to a third party (also "Assignment") if such third party is, in Landlord's commercially reasonable opinion, of equal or better financial strength and capability as the Initial Member transferring the interest.

At least thirty (30) days prior to the occurrence of any Assignment, merger, conversion or other similar event (collectively, an "other event"), Tenant shall deliver to Landlord notice of

such Assignment or other event, together with information concerning the anticipated date for closing of the Assignment or other event and, the proposed assignee's Financial Statements for then current (in unaudited form if mid-fiscal year for such assignee) and the three (3) prior fiscal years. Within fifteen (15) days after delivery to Landlord of a request for Assignment or other event, Landlord shall advise Tenant whether any additional information is required. Landlord shall provide such consent or reason for withholding consent within fifteen (15) days after delivery to Landlord of notice of such Assignment or other event and such reasonably requested financial information for assignee. Landlord's failure to provide such consent or reason for withholding consent within such fifteen (15) days shall be deemed approval. In the event Tenant desires to make a sublease or assignment of the Lease, or assignment of an Initial Member's ownership interest in Tenant, Landlord's consent shall not be unreasonably or arbitrarily withheld or delayed.

ARTICLE 23.

OFFICER'S CERTIFICATES AND FINANCIAL STATEMENTS

At any time and from time to time within twenty (20) days following written request by Landlord, Tenant will furnish to Landlord an Officer's Certificate certifying that this Lease is unmodified and in full force and effect (or that this Lease is in full force and effect as modified and setting forth the modifications) and the dates to which the Rent has been paid. Any such Officer's Certificate furnished pursuant to this Article maybe relied upon by Landlord and any prospective purchaser of the Leased Property.

ARTICLE 24.

INSPECTION

Tenant shall permit Landlord and its authorized representatives to inspect the Leased Property during usual business hours subject to any security, health, safety or confidentiality requirements of Tenant, any governmental agency, any Insurance Requirements relating to the Leased Property, or imposed by law or applicable regulations.

ARTICLE 25.

QUIET ENJOYMENT

So long as Tenant shall pay all Rent as the same becomes due and shall fully comply with all of the terms of this Lease and fully perform its obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Leased Property for the Term hereof, free of any claim or other action by Landlord or anyone claiming by, through or under Landlord, but subject to all liens and encumbrances of record as of the date hereof or hereafter consented to by Tenant. No failure by Landlord to comply with the foregoing covenant shall give Tenant any right to cancel or terminate this Lease, or to fail to pay any other sum payable under this Lease, or to fail to perform any other obligation of Tenant hereunder. Notwithstanding the foregoing, Tenant shall have the right by separate and independent action to pursue any claim or seek any damages it

may have against Landlord as a result of a breach by Landlord of the covenant of quiet enjoyment contained in this Article.

ARTICLE 26.

NOTICES

26.1 All Notices. All notices, demands, requests, consents, approvals and other communications or documents to be provided under this Lease shall be in writing and shall be given to the party at its address or telecopy number set forth below or such other address or telecopy number as the party may later specify for that purpose by notice to the other party. Each notice shall, for all purposes shall be deemed given and received:

(i) If given by telecopy, when the telecopy is transmitted to the party's telecopy number specified below and confirmation of complete receipt is received by that transmitting party during normal business hours on any Business Day or on the next Business Day if not confirmed during normal business hours;

(ii) If hand delivered to a party when the copy of the notice is delivered;

(iii) If given by nationally recognized and reputable overnight delivery service, the day on which the notice is actually received by the party at the address of the party specified below in this Article 26; or

(iv) If given by certified mail, return receipt requested, postage prepaid, two Business Days after posted with the United States Postal Service, at the address of the party specified below, or if so addressed but receipt is refused:

If to Landlord:

CULLINAN MEDICAL 1, LLC
211 Fulton
Suite 700
Peoria, Illinois 61602
Attention: Michael C. Owens
Telephone: 309-999-1700
Telecopy: 309-999-1701

With a copy to:

Richard Joseph
Miller, Hall & Triggs
416 Main Street
Suite 1125
Peoria, Illinois 61602
Telephone: 309-671-9600
Telecopy: 309-671-9616

If intended for Tenant:

GREATER PEORIA SPECIALTY HOSPITAL
221 Northeast Glen Oak Avenue
Peoria, Illinois 61636-0002
Attention: Terry Waters
Telephone:
Telecopy:

With a copy to:

Donald A. Adam
Senior Vice President & Chief Development Officer
Rehab Care
7733 Forsyth Boulevard
Suite 2300
St. Louis, Missouri 63105
Telephone: (314) 659-2200
Telecopy: (866) 812-2832

ARTICLE 27.

APPRAISAL

In the event that it becomes necessary to determine the Fair Market Value, the Fair Market Added Value, the Minimum Purchase Price or the Fair Market Rental Value of the Leased Property for any purpose of this Lease, the party required or permitted to give notice of such required determination shall include in the notice the name of a person selected to act as an appraiser on its behalf. Within ten (10) days after receipt of any such notice, Landlord (or Tenant, as the case may be) shall by notice to Tenant (or Landlord, as the case may be) appoint a second person as an appraiser on its behalf. The appraisers thus appointed (each of whom must be a member of the American Institute of Real Estate Appraisers or any successor organization thereto) shall, within forty-five (45) days after the date of the notice appointing the first appraiser, proceed to appraise the Leased Property to determine any of the foregoing values as of the relevant date (giving effect to the impact, if any, of inflation from the date of their decision to the relevant date); provided that if only one appraiser shall have been so appointed, or if two appraisers shall have been so appointed but only one such appraiser shall have made such determination within fifty (50) days after the making of Tenant's or Landlord's request, then the determination of such appraiser shall be final and binding upon the parties. If two appraisers shall have been appointed and shall have made their determinations within the respective requisite periods set forth above and if the difference between the amounts so determined shall not exceed five percent of the lesser of such amounts, then the Fair Market Value or Fair Market Added Value or the Fair Market Rental Value shall be an amount equal to 50% of the sum of the amounts so determined. If the difference between the amounts so determined shall exceed 5% of the lesser of such amounts, then such two appraisers shall have twenty (20) days to appoint a

third appraiser, but if such appraisers fail to do so, then either party may request the American Arbitration Association or any successor organization thereto to appoint an appraiser within twenty (20) days of such request, and both parties shall be bound by any appointment so made within such twenty (20) day period. If no such appraiser shall have been appointed within such twenty (20) days or within ninety (90) days of the original request for a determination of Fair Market Value or Fair Market Added Value or the Fair Market Rental Value, whichever is earlier, either Landlord or Tenant may apply to any court having jurisdiction to have appointment made by such court. Any appraiser appointed, by the American Arbitration Association or by such court, shall be instructed to determine the Fair Market Value or Fair Market Added Value or the Fair Market Rental Value within thirty (30) days after appointment of such appraiser. The determination of the appraiser which differs most in terms of dollar amount from the determinations of the other two appraisers shall be excluded, and 50% of the sum of the remaining two determinations shall be final and binding upon Landlord and Tenant as the Fair Market Value or Fair Market Added Value or the Fair Market Rental Value for such interest. However, in the event that following the appraisal performed by said third appraiser, the dollar amount of two of such appraisals are higher and lower, respectively, than the dollar amount of the remaining appraisal in equal degrees, the determinations of both the highest and lowest appraisal, respectively, shall be rejected and the determination of the remaining appraisal shall be final and binding upon Landlord and Tenant as the Fair Market Value or Fair Market Added Value or the Fair Market Rental Value for such interest. This provision for determination by appraisal shall be specifically enforceable to the extent such remedy is available under applicable law, and any determination hereunder shall be final and binding upon the parties except as otherwise provided by applicable law. Landlord and Tenant shall each pay the fees and expenses of the appraiser appointed by it and each shall pay one-half of the fees and expenses of the third appraiser and one-half of all other costs and expenses incurred in connection with each appraisal.

ARTICLE 28.

PURCHASE RIGHTS

28.1 Landlord Intended Sale. During the Term hereof and provided that Tenant is not in default hereunder at such time, and in the event that Landlord desires to sell the Leased Property, Tenant shall have an opportunity to purchase the Leased Property upon the terms and conditions set forth in this Section 28.1. In the event that Landlord desires to sell the Leased Property and/or list the Leased Property for sale, then Landlord shall deliver written notice to Tenant of its intent to sell and/or list the Leased Property and the material terms and conditions of such proposed sale or listing (the "Sale Notice"). The material terms that shall be included in Landlord's Sale Notice to Tenant shall include, at a minimum, (i) the price for the Leased Property and, if applicable, the terms of any owner financing, (ii) brokerage fees to be paid by Landlord, (iii) the due diligence or feasibility period that will be provided a potential buyer of the Leased Property, (iv) the amount of any deposit required in connection with a contract for sale and when such deposit will be earned by Landlord, and (v) the date or time period for closing. Tenant shall have a period of thirty (30) days after receipt of Landlord's Sale Notice to deliver to Landlord a form of purchase and sale agreement meeting the minimum terms and conditions set forth in the Sale Notice. Landlord shall respond to Tenant's purchase and sale agreement within a period of ten (10) days following its delivery to Landlord, either accepting or rejecting the proposed purchase and sale agreement terms and conditions.

28.2 First Refusal to Purchase. During the Term hereof and provided that Tenant is not in default hereunder at such time, Tenant shall have a first refusal option to purchase the Leased Property as set forth in this Section 28.2. In the event that Landlord receives a bona fide written offer to purchase the Leased Property from a third party, which offer Landlord intends to accept (or has accepted subject to Tenant's right of first refusal granted herein) (a "Third Party Offer"), then Landlord shall promptly provide Tenant with a copy of such Third Party Offer (the "Third Party Offer Notice") and Tenant shall have thirty (30) days after receipt of the Third Party Offer Notice in which to elect to purchase the Leased Property on the same terms and conditions contained in the Third Party Offer. Tenant shall timely provide written confirmation to Landlord of its rejection of its right to purchase the Leased Property on the terms and conditions stated in any Third Party Offer. If Tenant should fail to timely provide such written confirmation of its rejection, then Tenant shall be deemed to have elected not to meet the terms of the Third Party Offer Notice and Landlord and the third party shall be entitled to proceed with the sale of the Leased Property free and clear of any Tenant right of first refusal to purchase the Leased Property. If Tenant exercises the foregoing option, then such purchase shall be consummated within the time period set forth in the Third Party Offer and in accordance with the provisions of Article 17 hereof to the extent not inconsistent herewith. If Tenant shall not exercise Tenant's option to purchase set forth above within said thirty (30) day period after receipt of the Third Party Offer Notice, Landlord shall be free to sell the Leased Property to the third party, or its assignee or affiliated entity, at the price, terms and conditions set forth in such offer. Notwithstanding anything to the contrary contained in the foregoing, the terms of the Third Party Offer may be adjusted between Landlord and the Third Party after Tenant's refusal or decline to purchase under this Section 28.2 as follows: (i) the purchase price may be increased or decreased by 5% or less; (ii) the sharing of expenses in such sale may be changed in any manner that does not effectively reduce the purchase price by 5% or more; (iii) any time periods for inspection, feasibility or closing may be extended from that set forth in the Third Party Offer Notice for up to ninety (90) days; and (iv) additional earnest money may be required or Landlord may require additional consideration (whether applicable or non-applicable to the purchase price) as a condition of any extension of inspection, feasibility or closing periods. In the event that the Third Party Sale fails to close, for whatever reason, Tenant shall be entitled to exercise its right of first refusal as provided in this Section 28.2, as to any subsequently received bona fide third party offer for purchase of the Leased Property that occurs during the Term of this Lease.

28.3 Option to Purchase the Personal Property. Unless the Leased Property is conveyed to Tenant pursuant to the terms hereof, Landlord shall have the option to purchase the personal property belonging to Tenant and used at the Leased Property for its Primary Intended Use and ancillary uses, at the expiration or earlier termination of this Lease upon ten (10) days' prior written notice to Tenant. The purchase price for Tenant's personal property shall be an amount equal to the then-current book value (original cost less accumulated depreciation on the books of Tenant pertaining thereto) subject to and with appropriate price adjustments for all equipment leases, conditional sales contracts, security interests and other encumbrances to which Tenant's Personal Property is subject.

28.4 Negative Pledge. Tenant shall not, and shall not permit any of its Affiliates to, create, incur, permit or suffer to exist any lien upon Tenant's property or the Leased Property now owned or hereafter acquired, except for Permitted Liens.

28.5 Landlord's Assignment. Notwithstanding any provision of this Article 28 that may be to the contrary, Landlord may assign its interests in this Lease to an Affiliate of Landlord without being subject to the terms and conditions of Sections 28.1 and 28.2 hereof.

ARTICLE 29.

DEFAULT BY LANDLORD

29.1 Default by Landlord. Landlord shall be in default of its obligations under this Lease if Landlord shall fail to observe or perform any term, covenant or condition of this Lease on its part to be performed and such failure shall continue for a period of sixty (60) days after written notice thereof from Tenant, unless such failure cannot with due diligence be cured within a period of sixty (60) days, in which case such failure shall not be deemed to continue if Landlord, within said sixty (60) day period, proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof. The time within which Landlord shall be obligated to cure any such failure shall also be subject to extension of time due to the occurrence of any Unavoidable Delay.

29.2 Tenant's Right to Cure. Subject to the provisions of Section 30.1, if Landlord shall breach any covenant to be performed by it under this Lease, Tenant, after notice to and demand upon Landlord in accordance with Section 29.1, without waiving or releasing any obligation of Landlord hereunder, and in addition to all other remedies available hereunder and at law or in equity to Tenant, may (but shall be under no obligation at any time thereafter to) make such payment or perform such act for the account and at the expense of Landlord. All sums so paid by Tenant and all costs and expenses (including reasonable attorneys' fees) so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Tenant, shall be paid by Landlord to Tenant on demand. The rights of Tenant hereunder to cure and to secure payment from Landlord in accordance with this Section 29.2 shall survive the termination of this Lease. Tenant's right to secure payment from Landlord shall include the right to set-off the Rent due hereunder.

ARTICLE 30.

LIMITED MEDIATION / LIMITED ARBITRATION

30.1 Limited Mediation / Limited Arbitration. In the event that a dispute arises between Landlord and Tenant regarding whether the Leased Improvements have become Unsuitable for their Primary Intended Use in the event of a casualty or condemnation as set forth in Articles 13 and 14 of this Lease, then Landlord and Tenant agree, within fifteen (15) business days after a dispute has arisen between them concerning the suitability of the Leased Property for its Primary Intended Use under Articles 13 and 14, to submit their dispute before a mutually agreed upon mediator in Peoria, Illinois and to use good faith efforts to reach an agreement concerning the continued suitability of the Leased Property for its Primary Intended Use. In the event that Landlord and Tenant are unable to settle their dispute, then the parties agree to arbitrate their claim as set forth in this Article 30. Unless agreed to by Landlord and Tenant, no other controversy between the parties hereto shall be required to be settled by arbitration or mediation.

30.2 Appointment of Arbitrator. The party or parties requesting arbitration shall serve upon the other a written demand therefor specifying the matter to be submitted to arbitration, and nominating an arbitrator. Within twenty (20) days after receipt of such written demand and notification, the other party shall, in writing, nominate a competent disinterested arbitrators and the two arbitrators so designated shall, within ten (10) days thereafter, select a third (3rd) arbitrator and give immediate written notice of such selection to the parties and shall fix in said notice a time and place for the first (1st) meeting of the arbitrators, which meeting shall be held as soon as conveniently possible after the selection of all arbitrators, at which time and place the parties to the controversy may appear and be heard. All such arbitrators shall be disinterested parties and shall be picked from a pool of professionals and educators in the medical field, such as administrators, senior managers or officers of rehabilitation / long term acute care operating management companies or university personnel qualified in health care administration.

30.3 Third Arbitrator. In case the notified party or parties shall fail to make a selection upon notice, as aforesaid, or in case the first two arbitrators selected shall fail to agree upon a third arbitrator within ten (10) days after their selection, then such arbitrator or arbitrators may, upon application made by either of the parties to the controversy, after twenty (20) days' written notice thereof to the other party or parties, have a third arbitrator appointed by any judge of any United States court of record having jurisdiction in the state in which the Leased Property is located or, if such office shall not then exist, by a judge holding an office most nearly corresponding thereto.

30.4 Arbitration Procedure. Said arbitrators shall give each of the parties not less than ten (10) days' written notice of the time and place of each meeting at which the parties or any of them may appear and be heard and after hearing the parties in regard to the matter in dispute and taking such other testimony and making such other examinations and investigations as justice shall require and as the arbitrators may deem necessary, they shall decide the questions submitted to them. The decision of said arbitrators in writing signed by a majority of them shall be final and binding upon the parties to such controversy. In rendering such decisions, the arbitrators shall not add to, subtract from or otherwise modify the provisions of this Lease.

30.5 Expenses. The expenses of such arbitration shall be divided between Landlord and Tenant unless otherwise specified in the decision of the arbitrators. Each party in interest shall pay the fees and expenses of its own counsel.

ARTICLE 31.

FINANCING OF THE LEASED PROPERTY

Landlord agrees that it will not grant or create any mortgage, deed of trust, lien, encumbrance or other title retention agreement ("Encumbrance") upon the Leased Property other than the Facility Mortgage without the prior written consent of Tenant. However, Landlord shall have the right to enter into any renewals or modifications of the Facility Mortgage without the prior written consent of Tenant. Any such Encumbrance as approved by Tenant shall require the holder of each such Encumbrance to simultaneously with or prior to recording the Encumbrance agree (a) to give Tenant the same notice, if any, given to Landlord of any default or acceleration

of any obligation underlying any such Encumbrance or any sale in foreclosure of such Encumbrance, (b) to permit Tenant to appear with its representatives and to bid at any public foreclosure sale with respect to any such Encumbrance, and (c) to enter into an agreement with Tenant containing the provisions described in Article 32 of this Lease. Following approval by Tenant, Tenant agrees to execute and deliver to Landlord or the holder of an Encumbrance any written agreement required by this Article within ten (10) days of written request thereof by Landlord or the holder of an Encumbrance.

ARTICLE 32.

SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE

Subject to the provisions of this Article 32, Tenant agrees that this Lease shall at all times be subject and subordinate to the lien of any Facility Mortgage, and Tenant agrees, upon demand, without cost, to execute instruments as may be reasonably required to further effectuate or confirm such subordination, so long as such subordination recognizes Tenant's rights under this Lease. The subordination contained herein shall be subject to the execution and delivery of a Subordination, Non-Disturbance, and Attornment Agreement by the applicable Facility Mortgagee in substantially the form of the sample agreement attached hereto as Exhibit "E" and made a part hereof with no modifications that would materially diminish the rights of the Tenant set forth in the sample Agreement or herein.

Except as expressly provided in this Lease by reason of the occurrence of an Event of Default, and as a condition to the subordination described in this Article 32 above or to Tenant's obligation to execute any instruments as otherwise required under this Article 32 above, Tenant's tenancy and Tenant's rights under this Lease or any Easement shall not be disturbed, terminated or otherwise adversely affected, nor shall this Lease be affected, by the existence of, or any default under, any Facility Mortgage, and in the event of a foreclosure or other enforcement of any Facility Mortgage, or sale in lieu thereof, the purchaser at such foreclosure sale shall be bound to Tenant for the Term of this Lease and any Renewal Term, the rights of Tenant under this Lease shall expressly survive, and this Lease shall in all respects continue in full force and effect so long as no Event of Default has occurred and is continuing. Upon Tenant's request, each Facility Mortgagee and each holder of a Facility Mortgage shall enter into a Subordination, Non-Disturbance and Attornment Agreement setting forth the provisions of this Article 32. The Subordination, Non-Disturbance and Attornment Agreement shall be in substantially the form of the sample agreement in Exhibit "E", with no modifications that would materially diminish the rights of the Tenant set forth in the sample Agreement or herein. Tenant shall not be named as a party defendant in any such foreclosure suit, except as may be required by law.

Notwithstanding the provisions of Article 32 above, the holder of any Facility Mortgage to which this Lease is subject and subordinate shall have the right, at its sole option, at any time, to subordinate and subject the Facility Mortgage, in whole or in part, to this Lease by recording a unilateral declaration to such effect.

At any time prior to the expiration of the Term, Tenant agrees, at the election and upon demand of any owner of the Leased Property, or of a Facility Mortgagee who has granted nondisturbance to Tenant pursuant to Article 32 above, to attorn, from time to time, to any such owner or

Facility Mortgagee, upon the terms and conditions of this Lease, for the remainder of the Term. The provisions of this Article 32 shall inure to the benefit of any such owner or Facility Mortgagee, shall apply notwithstanding that, as a matter of law, this Lease may terminate upon the foreclosure of the Facility Mortgage, shall be self-operative upon any such demand, and no further instrument shall be required to give effect to said provisions.

Tenant and Landlord agree that, if requested by the other to, without charge, enter into a Subordination, Non-Disturbance and Attornment Agreement reasonably requested by a Facility Mortgagee or Tenant, as the case may be, provided such agreement contains provisions relating to non-disturbance in accordance with the provisions of Article 32 above, Tenant hereby agrees for the benefit of any Facility Mortgagee whose name and address have been provided to Tenant that Tenant will not, (i) without in each case securing the prior written consent of such Facility Mortgagee, such consent not to be unreasonably withheld, conditioned or delayed, amend or modify this Lease or enter into any agreement with Landlord so to do, (ii) without the prior written consent of such Facility Mortgagee which may be withheld in its sole discretion, cancel or surrender or seek to cancel or surrender the Term hereof, or enter into any agreement with Landlord to do so (the parties agreeing that the foregoing shall not be construed to affect the rights or obligations of Tenant, Landlord or Facility Mortgagee with respect to any termination permitted under the express terms hereof), or (iii) pay any installment of Minimum Rent more than one (1) month in advance of the due date thereof or otherwise than in the manner provided for in this Lease.

If any Person providing financing of Trade Fixtures, requires a landlord's consent or collateral access agreement from Landlord, Landlord shall execute and deliver such consent or such collateral access agreement as is reasonably acceptable to Landlord promptly after Tenant's request therefor, provided that Tenant pays or reimburses Landlord for, all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in connection with such waiver or collateral access agreement.

ARTICLE 33.

EXTENSION TERMS

Tenant and/or its Permitted Assignee or Permitted Transferee shall have the right, at its option, to extend the Initial Term of this Lease for five (5) consecutive extension terms (the "Extension Terms"), each Extension Term being five (5) years in length. Each Extension Term shall commence on the day after the expiration of the preceding Lease Term and shall expire on the fifth (5th) anniversary of the last day of the Initial Term in the case of the first (1st) Extension Term, and in the case of the second (2nd) Extension Term, on the tenth (10th) anniversary of the last day of the Initial Term, and in the case of the third (3rd) Extension Term, on the fifteenth (15th) anniversary of the last day of the Initial Term, and in the case of the fourth (4th) Extension Term, on the twentieth (20th) anniversary of the last day of the Initial Term, and in the case of the fifth (5th) Extension Term, on the twenty-fifth (25th) anniversary of the last day of the Initial Term. The option to extend the Initial Term or any Extension Term of this Lease for an Extension Term as described above must be exercised by Tenant at least one (1) year prior to the last day of the Initial Term or Extension Term, as the case may be. Failure of Tenant to timely exercise any extension right shall terminate all further extension rights. The terms and

conditions of this Lease shall apply to each Extension Term with the same force and effect as if such Extension Term had originally been included in the Initial Term of the Lease. The right of Tenant to exercise its right to extend the Initial Term and for any Extension Term shall be conditioned upon this Lease being in full force and effect, Tenant, its Affiliate or a Permitted Assignee or Permitted Transferee under Article 22 hereof occupying the Leased Property, Tenant accepting the Leased Property during such Extension Term in its "AS IS" condition, and no Event of Default then existing as of both the date that Tenant notifies Landlord of Tenant's decision to extend the term of this Lease for any of the Extension Terms. The Initial Term, together with any Extension Term which Tenant properly exercises its option with respect to, and for which the conditions related thereto are satisfied, shall constitute the "Term" of this Lease.

ARTICLE 34.

CONSTRUCTION OF THE LEASED IMPROVEMENTS

Landlord shall construct the Leased Improvements in accordance with the terms of the Work Letter and Building Standards attached hereto as Exhibits "D" and "G."

ARTICLE 35.

MISCELLANEOUS

35.1 No Waiver. No failure by Landlord or Tenant to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of Rent during the continuance of any such breach, shall constitute a waiver of any such breach or any such term. To the extent permitted by law, no waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

35.2 Remedies Cumulative. To the extent permitted by law, each legal, equitable or contractual right, power and remedy of Landlord or Tenant 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 or Tenant of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord or Tenant of any or all of such other rights, powers and remedies.

35.3 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.

35.4 No Merger of Title. There shall be no merger of this Lease or of the leasehold estate created hereby by reason of the fact that the same person, firm, corporation or other entity may acquire, own or hold, directly or indirectly, (a) this Lease or the leasehold estate created

hereby or any interest in this Lease; or (b) this Lease or the leasehold estate created hereby or any interest in this Lease such leasehold estate and the fee estate in the Land; or (c) this Lease, or the leasehold estate created hereby or any interest in this Lease and a ground lessee interest in the Land.

35.5 Transfers by Landlord. If Landlord or any successor owner of the Leased Property shall convey the Leased Property in accordance with the terms hereof (subject to the terms of Article 28 hereof), other than as security for a debt, the grantee or transferee of the Leased Property shall expressly assume all obligations of Landlord hereunder arising or accruing from and after the date of such conveyance or transfer, and shall be reasonably capable of performing the obligations of Landlord hereunder and Landlord or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of Landlord under this Lease arising or accruing from and after the date of such conveyance or other transfer and all such future liabilities and obligations shall thereupon be binding upon the new owner. Again, assignment of this Lease to an Affiliate of Landlord is not subject to the terms and conditions of Sections 28.1 or 28.2 hereof.

35.6 General. Anything contained in this Lease to the contrary notwithstanding, all claims against, and liabilities of, Tenant and Landlord against the other arising out of or relating to this Lease and arising prior to any date of termination of this Lease shall survive such termination. If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby. If any late charges provided for in any provision of this Lease are based upon a rate in excess of the maximum rate permitted by applicable law, the parties agree that such charges shall be fixed at the maximum permissible rate. Neither this Lease nor any provision hereof may be changed, waived, discharged or terminated except by an instrument in writing and in recordable form signed by Landlord and Tenant. All the terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. This Lease shall be governed by and construed in accordance with the laws of Illinois, but not including its conflict of laws rules. This Lease may be executed in one or more counterparts, each of which shall be an original but, when taken together, shall constitute but one document.

35.7 Memorandum of Lease. Landlord and Tenant shall, promptly upon the request of either, enter into a short form memorandum of this Lease in form suitable for recording under the laws of the state in which the Leased Property is located in which reference to this Lease, and all options contained herein, shall be made.

35.8 Transfer of Licenses. Upon the expiration or earlier termination of the Term, Tenant shall take all action necessary to effect or useful in effecting the transfer to Landlord or Landlord's nominee of all licenses, operating permits and other governmental authorizations and all service contracts which may be necessary or useful in the operation of the Facility and which relate exclusively to the Facility, which have not previously been transferred or assigned to Landlord and further which are in fact transferable. To the extent Landlord or its nominee operates under Tenant's licenses, operating permits or other governmental authorization or service contracts after the termination of this Lease, then Landlord agrees to indemnify and hold

harmless Tenant against all demands, claims, costs and actions brought against Tenant related to such transferred licenses, operating permits, governmental authorizations or service contracts.

ARTICLE 36.

GLOSSARY OF TERMS

36.1 Definitions. For purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (a) the terms defined in this Article 36 have the meanings assigned to them in this Article 36 and include the plural as well as the singular, (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as at the time applicable, (c) 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 (d) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision and (e) the word "including" shall mean "including without limitation." For purposes of this Lease, the following terms shall have the meanings indicated:

"Additional Charges" has the meaning set forth in Section 2.3 hereof.

"Additional Costs" has the meaning given it in the Work Letter attached hereto as Exhibit D.

"Adjustment Date" has the meaning set forth in Section 2.1(b) hereof.

"Affiliate," when used with respect to Tenant, means any person directly or indirectly controlling or controlled by or under direct or indirect common control with Tenant. For the purposes of this definition, "control," as used with respect to any person, shall mean the possession, directly and indirectly, of the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, partnership interests or other equity interests.

"Approved Development Costs" has the meaning given it in the Work Letter attached hereto as Exhibit D.

"Award" means all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which national banks in the City of Peoria, Illinois are closed.

"Capital Additions" means one or more new buildings or one or more additional structures annexed to any portion of any of the Leased Improvements, which are constructed on any parcel or portion of the Land during the Term, including the construction of a new wing or new story, or the rebuilding of the existing Leased Improvements or any portion thereof not normal, ordinary or recurring to maintain the Leased Property.

"Capital Addition Cost" means the cost of any Capital Additions proposed to be made by Tenant whether paid for by Tenant or Landlord. Such cost shall include and be limited to (a) the cost of construction of the Capital Additions, including site preparation and improvement, materials, labor, supervision and certain related design, engineering and architectural services and the cost of any fixtures, construction financing and miscellaneous items approved in writing by Landlord, (b) if agreed to by Landlord in writing in advance, the cost of any land contiguous to the Leased Property purchased for the purpose of placing thereon the Capital Additions or any portion thereof or for providing means of access thereto, or parking facilities therefor, including the cost of surveying the same, (c) the cost of insurance, real estate taxes, water and sewage charges and other carrying charges for such Capital Additions during construction, (d) the cost of title insurance, (e) reasonable fees and expenses of legal counsel and accountants, (f) filing, registration and recording taxes and fees, (g) documentary stamp taxes, if any, (h) environmental assessments and boundary surveys and (i) all reasonable costs and expenses of Landlord and any Lending Institution which has committed to finance the Capital Additions, including, (A) the reasonable fees and expenses of their respective legal counsel, (B) all printing expenses, (C) the amount of any filing, registration and recording taxes and fees, (D) documentary stamp taxes, if any, (E) title insurance charges, appraisal fees, if any, (F) rating agency fees, if any, and (G) commitment fees, if any, charged by any Lending Institution advancing or offering to advance any portion of the financing for such Capital Additions.

"Capital Improvements" are defined as major, non-routine or non-recurring repairs, and replacements unrelated to new construction that cost Five Thousand and 00/100 Dollars (\$5,000.00) or more; materially add to the value of the property; and appreciably prolong its useful life [such as alterations to rectify code deficiencies, modifications to improve utility systems, repaving, roof repairs, exterior fencing and lighting, and repair projects that restore a facility to its former condition and do not result in changes in facility use]. Capital improvements do not include normal routine maintenance and repair, or repair and replacements costing less than Five Thousand and 00/100 Dollars (\$5,000.00). For example, the patching of a roof is not a capital improvement while the partial or complete replacement of the old roof is; repair of a foundation is considered a capital improvement and not a repair. Repairs which are incidental to a capital improvement project, or replacement of an item not normally considered a capital improvement, are not defined as capital improvements.

"Charge" has the meaning set forth in Article 11 hereof.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" has the meaning set forth in Article 1.

"Condemnation" means the transfer of all or any part of the Leased Property as a result of (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or (ii) a voluntary sale or transfer by Landlord to any Condemnor, either under threat of Condemnation or while legal proceedings for Condemnation are pending.

"Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

“Contract Documents” has the meaning given it in the Work Letter, attached hereto as Exhibit D.

“Control” means, as used with respect to any person, the possession, directly and indirectly, of the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, partnership interests or other equity interests.

“Date of Taking” means the date the Condemnor has the right to possession of the property being condemned.

“Effective Date” has the meaning set forth in the first paragraph of this Lease.

“Encumbrance” has the meaning set forth in Article 32.

“Event of Default” or “Default” has the meaning set forth in Section 15.1.

“Excluded Taxes” means any income or franchise taxes based upon, measured by, or calculated with respect to net income or profits (but not including any franchise tax based upon gross receipts with respect to the Rent), inheritance, estate, succession, transfer or any similar taxes.

“Extension Term” has the meaning set forth in Section 33.

“Facility” means the approximate 56,350 square foot long-term acute care hospital and/or general hospital facility to be constructed and operated at the Leased Property.

“Facility Mortgage” has the meaning set forth in Section 12.1.

“Facility Mortgagee” has the meaning set forth in Section 12.1.

“Fair Market Added Value” means the Fair Market Value (as hereinafter defined) of the Leased Property (including all Capital Additions) less the Fair Market Value of the Leased Property determined as if no Capital Additions paid for by Tenant without financing by Landlord had been constructed.

“Fair Market Rental Value” means the fair market rental value of the Leased Property, (a) assuming the same is unencumbered by this Lease, and (b) determined in accordance with the appraisal procedures set forth in Article 27 or in such other manner as shall be mutually acceptable to Landlord and Tenant and (c) not taking into account any reduction in value resulting from an indebtedness to which the Leased Property may be subject.

“Fair Market Value” means the fair market value of the Leased Property, including all Capital Additions, (a) assuming the same is unencumbered by this Lease, (b) determined in accordance with the appraisal procedures set forth in Article 27 or in such other manner as shall be mutually acceptable to Landlord and Tenant, and (c) not taking into account any reduction in value resulting from any indebtedness to which the Leased Property is subject to (including the Facility Mortgage and/or any liens related to any Capital Additions) or which encumbrance Tenant or Landlord is otherwise required to remove pursuant to any provision of this Lease or

agrees to remove at or prior to the closing of the transaction as to which such Fair Market Value determination is being made. The positive or negative effect on the value of the Leased Property or Substitute Property attributable to the interest rate, amortization schedule, maturity date, prepayment penalty and other terms and conditions of any Encumbrance on the Leased Property, as the case may be, which is not so required or agreed to be removed shall be taken into account in determining such Fair Market Value.

"Financial Statements" means for any fiscal year or other accounting period for Tenant, or such other party identified as being obligated to deliver to Landlord its Financial Statements, audited profit and loss statements for such period and for the period from the beginning of the respective fiscal year of Tenant or such other party to the end of such period and the related balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding fiscal year of Tenant, or such other party, and prepared in accordance with generally accepted accounting principles consistently applied, except as noted.

"Final Construction Documents" has the meaning given it in the Work Letter.

"Final Project Budget" has the meaning given it in the Work Letter attached hereto as Exhibit D.

"Fiscal Year" means the 12-month accounting period of the applicable party.

"Fixtures" has the meaning set forth in Article 1.

"Force Majeure" shall have the meaning set forth in the Work Letter, attached hereto as Exhibit D.

"Full Replacement Cost" has the meaning set forth in Section 12.2.

"Hazardous Materials" means any substance, including asbestos or any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, medical waste, chemicals, pollutants, effluents, contaminants, emissions or related materials and items included in the definition of hazardous or toxic wastes, materials or substances under any Hazardous Materials Law.

"Hazardous Materials Law" means any law, regulation or ordinance relating to environmental conditions, medical waste and industrial hygiene, including the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Materials Transportation Act, the Federal Water Pollution Control Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Safe Drinking Water Act, and all similar federal, state and local environmental statutes and ordinances, whether heretofore or hereafter enacted or effective and all regulations, orders, or decrees heretofore or hereafter promulgated thereunder.

"Impositions" means, collectively, all taxes relating to the Leased Property, including all ad valorem, sales and use, gross receipts, action, privilege, rent (with respect to any ground

leases) or similar taxes, assessments (including all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term), water, sewer or other rents and charges, excises, tax levies, fees (including license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Leased Property and/or the Rent (including all interest and penalties thereon due to any failure in payment by Tenant), which at any time prior to, during or in respect of the Term hereof may be assessed or imposed on or in respect of or be a lien upon (a) Landlord or Landlord's interest in the Leased Property, (b) the Rent, the Leased Property or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (c) any occupancy, operation, use or possession of, sales from, or activity conducted on, or in connection with, the Leased Property or use of the Leased Property or any part thereof; provided that nothing contained in this Lease shall be construed to require Tenant to pay (1) any tax based on net income (whether denominated as a franchise or capital stock or other tax) imposed on Landlord, (2) any transfer or net revenue tax of Landlord, (3) any tax imposed with respect to the sale, exchange or other disposition by Landlord of any portion of the Leased Property or the proceeds thereof, or (4) except as expressly provided elsewhere in this Lease, any principal or interest on any Encumbrance on the Leased Property, except to the extent that any tax, assessment, tax levy or charge which Tenant is obligated to pay pursuant to this definition and which is in effect at any time during the Term hereof is totally or partially repealed, and a tax, assessment, tax levy or charge set forth in clause (1), (2) or (3) is levied, assessed or imposed expressly in lieu thereof.

"Initial Term" has the meaning set forth in Article 1.

"Insurance Requirements" means all terms of any insurance policy required by this Lease and all requirements of the issuer of any such policy.

"Land" has the meaning set forth in Article 1.

"Landlord" means Cullinan Medical 1, LLC, an Illinois limited liability company.

"Landlord's Work" shall have the meaning given it in the Work Letter, attached hereto as Exhibit D.

"Lease" means this Lease Agreement.

"Lease Year" means each period of twelve (12) full calendar months during the Term of this Lease, and in the event that the Commencement Date is a day other than the first day of the month, then the first Lease Year shall also include the remainder of the month in which the Commencement Date occurred.

"Leased Improvements" and "Leased Property" have the meanings set forth in Article 1.

"Legal Requirements" means all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting the Leased Property or the construction, use or alteration thereof (including zoning ordinances), whether now or hereafter enacted and in force, including any which may (a) require repairs,

modifications or alterations of or to the Leased Property, or (b) in any way adversely affect the use and enjoyment thereof, and all permits, licenses, authorizations and regulations relating thereto, and all covenants, agreements, actions and encumbrances contained in any instruments, either of record or known to Tenant (other than encumbrances created by Landlord without the consent of Tenant), at any time in force affecting the Leased Property.

“Lending Institution” means any insurance company, federally insured commercial or savings bank, national banking association, savings and loan association, employees' welfare, pension or retirement fund or system, corporate profit-sharing or pension plan, college or university, or real estate investment, including any corporation qualified to be treated for federal tax purposes as a real estate investment trust having a net worth of at least \$50,000,000.

“Minimum Rent” has the meaning set forth in Section 2.1(a) hereof.

“Minimum Purchase Price” means that price for the Leased Property mutually agreed upon between Landlord and Tenant at the time of repurchase hereunder by Tenant.

“Net Rentable Square Foot” means the number of rentable square feet contained within the Leased Improvements as established by the Project Architect after the completion of Landlord's Work in accordance with the Measurement Method (as defined in the Work Letter, attached hereto as Exhibit D).

“Officer's Certificate” means a certificate of Tenant's general partner or managing member signed by the Chairman of the Board of Directors, the President, any Vice President or another officer authorized to so sign by the Board of Directors or By-Laws of Tenant's general partner or managing member.

“Overdue Rate” means as of any date, a rate per annum equal to the Prime Rate as of such date, plus three percent, but in no event greater than the maximum rate then permitted under applicable law.

“Payment Date” means any due date for the payment of the installments of Minimum Rent under this Lease.

“Permitted Assignee” has the meaning set forth in Section 22.3 hereof.

“Permitted Exceptions” has the meaning set forth in Article 1 hereof.

“Permitted Liens” means (i) liens described on Exhibit B attached hereto, (ii) pledges or deposits made to secure payments of worker's compensation insurance (or to participate in any fund in connection with worker's compensation insurance), unemployment insurance, pensions or social security programs, (iii) liens imposed by mandatory provisions of law such as for materialmen, mechanics, warehousemen and other like liens arising in the ordinary course of business, securing indebtedness whose payment is not yet due and payable, (iv) liens for taxes, assessments and governmental charges or levies if the same are not yet due and payable or if the same are being contested in good faith and as to which adequate cash reserves have been provided, (v) liens arising from good faith deposits in connection with tenders, leases, real estate bids or contracts (other than contracts involving the borrowing of money), pledges or deposits to secure public or statutory obligations and deposits to secure (or in lieu of) surety, stay, appeal or

customs bonds and deposits to secure the payment of taxes, assessments, duties or other similar charges, (vi) liens to secure purchase money indebtedness, so long as the indebtedness incurred to purchase the new asset is secured only by such asset, or (vii) a Tenant Capital Addition Encumbrance as set forth in Section 9.2 hereof.

"Permitted Transferee" has the meaning set forth in Section 22.3 hereof.

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

"Personal Property" means the Landlord provided machinery, equipment, furniture, furnishings, computers, signage, trade fixtures and/or other personal property and consumable inventory and supplies used or useful in the operation of the Leased Property for its Primary Intended Use, together with all replacements and substitutions therefor, specifically set forth in Exhibit D attached hereto.

"Preliminary Project Budget" means the estimated budget for the Project attached hereto as Exhibit F.

"Primary Intended Use" has the meaning set forth in Section 6.2.

"Prime Rate" means the annual rate reported by The Wall Street Journal, Eastern Edition (or, if The Wall Street Journal shall no longer be published or shall cease to report such rates, then a publication or journal generally accepted in the financial industry as authoritative evidence of prevailing commercial lending rates), from time to time as being the prevailing prime rate (or, if more than one such rate shall be published in any given edition, the arithmetic mean of such rates). The prime rate is an index rate used by The Wall Street Journal to report prevailing lending rates and may not necessarily be its most favorable lending rate available. Any change in the Prime Rate hereunder shall take effect on the effective date of such change in the prime rate as reported by The Wall Street Journal, without notice to Tenant or any other action by Landlord. Interest shall be computed on the basis that each year contains 360 days, by multiplying the principal amount by the per annum rate set forth above, dividing the product so obtained by 360, and multiplying the quotient thereof by the actual number of days elapsed.

"Prohibited Use" means the use of the Leased Property in connection with: (i) any sexually oriented business as defined by applicable city ordinance; (ii) heavy manufacturing facility or industrial uses; or (iii) other use prohibited under the Permitted Exceptions in effect on the Effective Date of this Lease and applicable to the Leased Property.

"Project Improvements" has the meaning set forth in the Work Letter attached hereto as Exhibit D.

"Punchlist Items" shall have the meaning given to it in the Work Letter attached hereto as Exhibit D.

"Rent" means, collectively, the Minimum Rent and the Additional Charges.

"Request" has the meaning set forth in Section 9.1(a).

“Sale Notice” has the meaning set forth in Section 28.1.

“Substantial Completion” shall mean the latest to occur of the following: (a) Landlord’s Work under the Work Letter is sufficiently complete in accordance with the Contract Documents so that Tenant can commence beneficial use and occupancy of the Leased Property as intended, (b) all Project systems included in Landlord’s Work are operational as designed and specified, (c) all governmental inspections designated or required for Landlord’s Work have been successfully completed, and a certificate of occupancy and other municipal permits or approvals issued by the City of Peoria and (if applicable) County of Peoria for Landlord’s Work have been obtained, in each case to the extent required to occupy and use the Project for its Primary Intended Use, (d) all final finishes required by the Contract Documents (as defined in the Work Letter) are in place (except for minor Punchlist Items which do not materially detract from the appearance and utility of the Project for the Primary Intended Use), (e) all remaining Landlord’s Work is reasonably estimated to be completed within thirty (30) consecutive calendar days (or as otherwise agreed to by Tenant) following the date of Substantial Completion of Landlord’s Work, and (f) Landlord has (i) delivered to Tenant binders containing complete sets of all manufacturer’s catalogs, instructions and other similar data covering all mechanical and manually operated devices furnished and/or installed as part of Landlord’s Work, and (ii) provided Tenant’s property management and operations personnel with the opportunity to be trained in the operation and maintenance of building systems and controls installed as part of Landlord’s Work.

“Taking” means a taking or voluntary conveyance during the Term hereof 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.

“Tenant” means Greater Peoria Specialty Hospital, LLC, an Illinois limited liability company and its Permitted Transferees and/or Permitted Assignees.

“Term” means the Initial Term and any Extension Term as to which Tenant has properly and timely exercised its options to extend contained in Article 33 hereof unless earlier terminated pursuant to the provisions hereof.

“Third Party Offer” has the meaning set forth in Section 28.2.

“Third Party Offer Notice” has the meaning set forth in Section 28.2.

“Unsuitable for Its Primary Intended Use” as used anywhere in this Lease, shall mean that, by reason of damage or destruction, or a partial Taking, in the good faith judgment of Tenant and/or Landlord, reasonably exercised, the Facility cannot be profitably operated for its Primary Intended Use, taking into account, among other relevant factors, the number of usable beds affected by such damage or destruction or partial Taking.

ARTICLE 37.

CONTINGENCIES / TERMINATION RIGHTS

37.1 Purchase of Land. This Lease Agreement is expressly contingent upon Landlord's, or Landlord's Affiliate, closing and taking possession and fee simple title to the surface of the Land, which Land, as of the execution of this Lease, is not owned by Landlord. Landlord hereby acknowledges and agrees that Landlord shall provide Tenant all information, documents, or materials in regards to negotiations for purchase of the Land that Tenant may reasonably request during and after such negotiations. If Landlord, or Landlord's Affiliate, is unable to purchase and take fee simple title to the surface of the Land on or before December 17, 2007, then Tenant may at its election, terminate this Lease upon written notice to Landlord and upon Tenant's payment of the Approved Development Costs as defined at Exhibit D hereto, neither party shall have any further obligation under this Lease.

37.2 Financing Contingency. This Lease Agreement is expressly contingent upon Landlord, or Landlord's Affiliate, securing of financing to construct the Leased Improvements, install the Fixtures and Personal Property to be provided by Landlord hereunder, upon such terms and conditions as are acceptable to Landlord and Tenant. Landlord hereby acknowledges and agrees that Landlord shall provide Tenant all information, documents, or materials in regards to negotiations to secure financing hereunder that Tenant may reasonably request during and after such negotiations. Loan fees incurred by Landlord or Landlord's Affiliate, in conjunction with said financing shall not exceed one percent (1%) of the amount borrowed, and the rate for such financing shall approximate the general market rates available for similar commercial loans in the State of Illinois at the time such financing is secured. Further, Landlord shall not close on such financing without prior written consent of Tenant. If Landlord shall close on such financing without the prior written consent of Tenant, Landlord hereby acknowledges and agrees that upon the termination of the Lease prior to the Construction Commencement Date, notwithstanding anything set forth elsewhere in this Lease, Tenant shall not be obligated to reimburse Landlord for any costs incurred in connection with the acquisition and closing upon the financing. If Landlord, or Landlord's Affiliate, is unable to secure financing to construct the Leased Improvements, and install the Fixtures and Personal Property to be provided by Landlord hereunder on or before December 17, 2007 then Tenant may at its election, terminate this Lease upon written notice to Landlord and upon Tenant's payment of the Approved Development Costs as defined at Exhibit D hereto, neither party shall have any further obligation under this Lease.

37.3 Zoning/Subdivision. If Landlord is required by the City of Peoria to obtain either: (i) the re-zoning of the Project Land (due to a modification in the location of the Project from that shown on the current zoning ordinance or a special use permit, compatible with the Leased Property's Primary Intended Use); or (ii) a final approved subdivision plat for the Land (to the extent such is required under applicable City/County ordinances and regulations) and Landlord is unable to obtain either or both, on or before commencement of construction, then Landlord or Tenant may, at their election, terminate this Lease upon written notice to the other party and upon Tenant's payment of the Approved Development Costs as defined at Exhibit D hereto, neither party shall have any further obligation under this Lease. Landlord shall diligently pursue the prosecution of any required zoning or special use permits and platting of the Land.

Tenant shall use commercially reasonable efforts and join in any necessary applications with Landlord to promptly achieve such required zoning and subdivision, if applicable.

37.4 Insurable Leasehold Interest. This Lease Agreement is expressly contingent upon Landlord being able to deliver to Tenant a leasehold interest, pursuant to the terms of this Lease, that is insurable by a standard form leasehold interest title insurance policy, in such amount reasonably acceptable to Tenant and Landlord which reflects status of title which is acceptable to Tenant and Landlord. If Landlord is unable to deliver to Tenant at Landlord's closing upon the Land pursuant to Article 37.1 hereof, an insurable leasehold interest insured in such amount reasonably acceptable to Tenant and Landlord which reflects status of title which is acceptable to Tenant and Landlord, pursuant to the terms of this Lease, then Tenant may at its election, terminate this Lease upon written notice to Landlord and upon Tenant's payment of the Approved Development Costs as defined at Exhibit D hereto, neither party shall have any further obligation under this Lease or any Guaranties executed pursuant to the Lease.

37.5 Operating Lease. This Lease Agreement is expressly contingent upon the Lease being classified as an operating lease as per the Generally Accepted Accounting Principals (GAAP) Standards set forth in Financial Accounting Standards Board's (FASB) Statement No. 13, Accounting for Leases. If the Lease fails to meet one of the four criteria for classifying the Lease as an operating lease vs. a capital lease, then Landlord and Tenant agree to amend the lease to qualify as an operating lease. Such amendment to be reasonably acceptable to Landlord and Tenant. Landlord and Tenant agree that the following changes are accepted as changes that will be adopted by an executed amendment to the Lease, if the Lease (as written on the Effective Date) is not classified as an operating lease. Upon request by Tenant and delivery of reasonable evidence that the Lease has not been classified as an operating lease, Tenant and Landlord will execute an amendment that includes the following changes or language which shall replace existing terms of the Lease:

- A. At Article 1, the Initial Term of the Lease will be fifteen (15) years; and
- B. Article 33 Extension Terms will be deleted in its entirety and replaced with the following new Article 33 Extension Terms:

Tenant and/or its Permitted Assignee or Permitted Transferee shall have the right, at its option, to extend the Initial Term of this Lease for five (5) consecutive extension terms (the "Extension Terms"), each being one (1) year in length. Each Extension Term shall commence on the day after the expiration of the preceding Lease Year and shall expire on the first (1st) anniversary of last day of the Initial Term (the "Lease Expiration Date") in the case of the first (1st) Extension Term, and on the second (2nd), third (3rd), fourth (4th) and fifth (5th) anniversaries of the Lease Expiration Date in the case of the second (2nd), third (3rd), fourth (4th) and fifth (5th) Extension Terms, respectively. The option to extend the Initial Term of this Lease for one, one-year Extension Term as described above must be exercised by Tenant at least twelve (12) months prior to end of the first Lease Year of the Initial Term. The option to extend the Term of the Lease for the second (2nd) Extension Term must be exercised by Tenant at least twelve (12) months prior to the end of the second Lease Year of the Initial Term. The option to extend the Term of the Lease for the third (3rd) Extension

Term must be exercised by Tenant at least twelve (12) months prior to the end of the third Lease Year of the Initial Term. The option to extend the Term of the Lease for the fourth (4th) Extension Term must be exercised by Tenant at least twelve (12) months prior to the end of the fourth Lease Year of the Initial Term. The option to extend the Term of the Lease for the fifth (5th) Extension Term must be exercised by Tenant at least twelve (12) months prior to the end of the fifth Lease Year of the Initial Term.

Additionally, if Tenant has exercised each of the five options noted above, then Tenant and/or its Permitted Assignee or Permitted Transferee shall have the right, at its option, to extend the final Extension Term of this Lease for three (3) consecutive extension terms, each additional extension term being five (5) years in length ("Five Year Extension Term"). Each Five Year Extension Term shall commence on the day after the expiration of the preceding Lease Term and shall expire on the fifth (5th) anniversary of the last day of the final Extension Term in the case of the first (1st) Five Year Extension Term, in the case of the second (2nd) Five Year Extension Term, on the tenth (10th) anniversary of the last day of the final Extension Term, and in the case of the third (3rd) Five Year Extension Term, on the fifteenth (15th) anniversary of the last day of the final Extension Term. The option to extend the final Extension Term of this Lease for the first (1st) Five Year Extension Term as described above must be exercised by Tenant at least twelve (12) months prior to the end of the final Extension Term. The option to extend the Term of the Lease for the second (2nd) Five Year Extension Term must be exercised by Tenant at least twelve (12) months prior to the end of the first (1st) Five Year Extension Term. The option to extend the Term of the Lease for the third (3rd) Five Year Extension Term must be exercised by Tenant at least twelve (12) months prior to the end of the second (2nd) Five Year Extension Term.

Failure of Tenant to timely exercise any extension right shall terminate all further extension rights. In the event that any Extension Term is not exercised by Tenant, the terms and conditions of this Lease shall apply to each Extension Term with the same force and effect as if such Extension Term had originally been included in the Initial Term of the Lease. The right of Tenant to exercise its right to extend the Initial Term, any Extension Term, and any Five Year Extension Term shall be conditioned upon this Lease being in full force and effect, Tenant occupying the Leased Property, Tenant accepting the Leased Property during such Extension Term or Five Year Extension Term in its "AS IS" condition, and no Event of Default then existing as of both the date that Tenant notifies Landlord of Tenant's decision to extend the term of this Lease for any of the Extension Terms or Five Year Extension Term(s). The Initial Term, together with any Extension Term or Five Year Extension Term(s) which Tenant properly exercises its option with respect to, and for which the conditions related thereto are satisfied, shall constitute the "Term" of this Lease.

EXHIBIT A**LAND DESCRIPTION**

PART OF BLOCKS 73, 80 AND 89 IN MONSON AND SANFORD'S ADDITION TO THE TOWN (NOW CITY) OF PEORIA, BEING A SUBDIVISION IN PART OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP-8-NORTH, RANGE-8-EAST OF THE FOURTH PRINCIPAL MERIDIAN, CITY OF PEORIA, PEORIA COUNTY, ILLINOIS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 1 IN SAID BLOCK 73, AS THE POINT OF BEGINNING OF THE TRACT TO BE DESCRIBED:

FROM THE POINT OF BEGINNING, THENCE SOUTH $89^{\circ}-59'-45''$ WEST (BEARINGS ARE FOR DESCRIPTIVE PURPOSES ONLY), ALONG THE SOUTH LINE OF SAID BLOCK 73, A DISTANCE OF 299.99 FEET TO THE SOUTHWEST CORNER LOT 6 IN SAID BLOCK 73; THENCE NORTH $00^{\circ}-11'-22''$ EAST, ALONG THE WEST LINE OF SAID LOT 6, A DISTANCE OF 14.97 FEET; THENCE NORTH $89^{\circ}-58'-14''$ WEST, PARALLEL WITH THE SOUTH LINE OF SAID BLOCKS 80 AND 89, A DISTANCE OF 602.63 FEET; THENCE NORTH $00^{\circ}-26'-11''$ EAST, A DISTANCE OF 128.08 FEET; THENCE SOUTH $89^{\circ}-59'-45''$ WEST, PARALLEL WITH THE NORTH LINE OF LOTS 3, 4, 5, AND 6 IN SAID BLOCK 89, A DISTANCE OF 144.87 FEET TO A POINT ON THE WEST LINE OF SAID LOT 6, SAID POINT ALSO BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF RICHARD PRYOR PLACE; THENCE NORTH $00^{\circ}-26'-11''$ EAST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 24.10 FEET; THENCE NORTH $89^{\circ}-59'-45''$ EAST, PARALLEL WITH THE SOUTH LINE OF LOTS 7, 8, 9, 10 AND 11 IN SAID BLOCK 89, A DISTANCE OF 222.54 FEET; THENCE NORTH $00^{\circ}-16'-02''$ EAST, A DISTANCE OF 138.20 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF R.B. GARRETT AVENUE; THENCE SOUTH $89^{\circ}-49'-31''$ EAST, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 824.11 FEET TO A POINT ON THE EAST LINE OF LOT 12 IN SAID BLOCK 73, SAID POINT BEING ON THE EAST LINE OF SAID BLOCK 73; THENCE SOUTH $00^{\circ}-11'-22''$ WEST, ALONG SAID EAST LINE BLOCK 73, A DISTANCE OF 303.13 FEET TO THE POINT OF BEGINNING, CONTAINING 5.931 ACRES, MORE OR LESS, SUBJECT TO ANY EASEMENTS, RESTRICTIONS AND RIGHT-OF-WAY OF RECORD.

EXHIBIT B**LIST OF PERMITTED EXCEPTIONS**

1. Rights or claims of parties in possession not shown by the public records.
2. Any encroachment, encumbrance, violation variation, or adverse circumstance affecting title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Easements, or claims of easements, not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes or special assessments that are not shown as existing liens by the public records.
6. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the public records, or attaching subsequent to the Effective Date hereof but prior to the date the Landlord acquires for value of record the estate.
7. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
8. Standby fees, taxes and assessments by any taxing authority for calendar year 2006 and all subsequent years, which taxes are not yet due and payable.
9. Reservation of easements and rights and restrictions as contained in Ordinance No. 16,028, to Vacate Shipman Street and Goodwin Street, between R.B. Garrett Avenue and Fourth Avenue; Fourth Avenue, between Hightower Street and Goodwin Street; and the alleys located in Blocks 73, 80 and 89 of Aiken, Monson and Sanford's Addition to the Town (now City) of Peoria, dated November 21, 2006, and recorded December 11, 2006, as Document No. 06-39913.
10. Ordinance No. 16,034, to amend Ordinance No. 11,051 as adopted on December 28, 1982, expanding the boundaries of the Enterprise Zone, dated November 28, 2006, and recorded April 26, 2007, as Document No. 07-12415.
11. Mutual Easement and Agreement dated February 5, 1945, and recorded February 8, 1945, in Book 626, at Page 126. (affects Lot 12, Block 80).
12. Mutual Easement and Agreement dated February 5, 1945, and recorded February 8, 1945, in Book 626, at Page 126. (affects Lot 12, Block 80).

13. General Easement granted to Illinois Bell Telephone Company a/k/a Ameritech Illinois, dated April 13, 1998, and recorded May 19, 1998, as Document No. 98-18102. (affects Lot 1, Block 73).
14. In order for the company to insure title coming through the sale or transfer of land from the municipality in title, we should be furnished a certified copy of the ordinance or resolution authorizing the conveyance, together with the number of ayes and nays for its passage, and evidence of any required publication. If said municipality is a "home rule unit" pursuant to Article 7, Section 6 of the Illinois Constitution, we should be furnished evidence of compliance with the municipality's ordinance(s) which relate to the sale or transfer of municipal property. This commitment is subject to such additional exceptions, if any, as may be deemed necessary after our review of these materials.
15. Easement reserved in Warranty Deed dated December 26, 1959, and recorded January 6, 1960, in Book 1170, at Page 139.
16. Rights of the public and quasi-public utilities, if any, in said vacated Goodwin Street, Shipman Street, Fourth Avenue and Alleys in Block 73, 80 and 89 in Monson and Sanford's Addition to the City of Peoria for maintenance therein of poles, conduits, sewers and other facilities.
17. Agreement dated May 2, 1984, and recorded May 22, 1984, as Document No. 84-08956.
18. Ordinance No. 11,489 recorded May 9, 1986, as Document No. 86-07992 and amended by document recorded June 26, 1991 as Document No. 91-14538.
19. Ordinances of the City of Peoria, Illinois.
20. The Facility Mortgage.

EXHIBIT C**MINIMUM RENT SCHEDULE**

This Exhibit designates the Minimum Rent per Net Rentable Square Foot of space within the Leased Improvements for each Lease Year of the Initial Lease Term.

<u>Lease Years</u>	<u>RENT P.S.F</u>	<u>Sq. Ft.</u>	<u>Annual Rent</u>
1 – 5	\$33.44	56,345	\$1,884,393.00
6-10	\$36.79	56,345	\$2,072,832.00
11-15	\$40.47	56,345	\$2,280,115.00

The exact Net Rentable Square Footage of the Leased Improvements shall be determined by the Project Architect in accordance with the Measurement Standard set forth in the Work Letter after the completion of construction of the Leased Improvements. The certificate of the Project Architect as to the exact Net Rentable Square Feet in the Leased Improvements shall be binding upon Landlord and Tenant. Once the Final Project Plans and Final Project Budget have been finally approved by both Landlord and Tenant in accordance with the terms of the Work Letter at Exhibit D, then the annual Minimum Rent for Year One of the Lease Term shall be calculated and adjusted as follows: the approved Final Project Budget multiplied by a rental factor of ten percent (10%).

EXHIBIT D

WORK LETTER

ARTICLE 1.

Definitions

1.1. Defined Terms. The capitalized terms listed below shall have the following meanings when used in this Work Letter (including in the recitals above):

“Building Standards” means the standards for construction of the Leased Improvements as set forth on Exhibit G of the Lease.

“Construction Drawings and Specifications” means the construction level detailed and coordinated drawings and specifications for Landlord’s Work prepared by or on behalf of the Project Architect pursuant and in compliance with Paragraphs 3.3 and 3.7 of this Work Letter.

“Contract Documents” means, collectively, this Work Letter and the Construction Drawings and Specifications.

“Design Documents” means any iteration of progress drawings and specifications for Landlord’s Work prepared by or on behalf of the Project Architect pursuant to Paragraph 3.6 of this Work Letter that are prepared prior to the preparation of the final Construction Drawings and Specifications.

“Final Construction Documents” is defined in Section 3.7 of this Work Letter.

“Force Majeure” means each of the following occurrences, in each case to the extent (but only to the extent) that each such occurrence actually delays performance by Landlord or Tenant (provided, in each case, that the party affected by Force Majeure notifies the other party in writing within ten (10) days of the occurrence causing the delay): (i) unusual and unavoidable delay in deliveries which cannot be reasonably anticipated, (ii) fire or other unavoidable casualty, (iii) adverse weather conditions significantly in excess of those which have historically been encountered, or may reasonably be expected to be encountered, at the Project site, (iv) strikes or lockouts not directed at Landlord, its contractors or anyone for whom such parties are responsible; (v) acts of public enemies of the state or the United States, riots, insurrection, terrorism, war, (vi) failures or refusals to perform in accordance with their contractual obligations by suppliers or contractors for the Project, (vii) delays caused by the actions or failures to act of governmental authorities, (viii) failure of a bonding or surety company to perform its obligations under any bonds or insurance policies issued with respect to contractors or subcontractors for the Project, or (ix) any other cause (other than financial) beyond the reasonable control of the party whose performance is so prevented, delayed or stopped which the non delayed party reasonably agrees justifies such delay.

“Landlord Representative” shall mean Michael C. Owens; provided, however, that Landlord can change or replace any Landlord Representative by delivering written notice to Tenant.

"Landlord's Work" means all labor, materials, tools, equipment, machinery, utilities, facilities and services necessary for proper construction, execution and completion of the Project in accordance with the final Construction Drawings and Specifications prepared in accordance with this Work Letter, but not including Tenant furnished and/or required fixtures, furniture or equipment.

"Legal Requirements" means all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting the Leased Property or the construction, use or alteration thereof (including zoning ordinances), whether now or hereafter enacted and in force, including any which may (a) require repairs, modifications or alterations of or to the Leased Property, or (b) in any way adversely affect the use and enjoyment thereof, and all permits, licenses, authorizations and regulations relating thereto, and all covenants, agreements, actions and encumbrances contained in any instruments, either of record or known to Tenant (other than encumbrances created by Landlord without the consent of Tenant), at any time in force affecting the Leased Property.

"Measurement Method" means the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-1966, published by the Building Owners and Manager's Association International, excluding covered canopy and patio areas (which said Leased Property covered canopy and patio areas approximate 2,728 square feet in the Design Documents as of the date of this instrument) and without regard to the 2% variance factor referenced in the preface of said Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-1966.

"Project" means the facility including the Land and the Leased Improvements, Fixtures and Landlord provided Personal Property comprising Landlord's Work.

"Project Architect" means Davis Stokes Collaborative P.C. Architects, or other such architectural firm selected by Landlord, and approved by Tenant.

"Project Contractor" means the general contractor selected by Landlord and approved by Tenant to perform Landlord's Work.

"Substantial Completion of Landlord's Work" shall be achieved when (a) Landlord's Work is sufficiently complete in accordance with the Contract Documents so that Tenant can commence beneficial use and occupancy of the Project as intended, (b) Landlord delivers the Leased Property to Tenant in such condition that the Leased Improvements shall not encroach upon any property, street or right-of-way adjacent to the Leased Property, and shall not violate the agreements or conditions contained in any applicable Legal Requirement, and the Permitted Exceptions, and shall not impair the rights of others under any easement or right-of-way to which the Leased Property is subject, (c) Landlord delivers the Leased Property and installs the Fixtures any other improvements, fixtures or personal property or other work or matters to be completed that are necessary for Tenant to obtain any required license(s), approvals(s), permit(s), certification(s) or accreditation(s) to operate the Leased Property for its Primary Intended Use, (d) all Project systems included in Landlord's Work are operational as designed and specified, (e) all governmental inspections designated or required for Landlord's Work have been successfully completed, and a certificate of occupancy and other municipal permits or approvals issued by the City of Peoria and (if applicable) Peoria County for Landlord's Work have been

obtained, in each case to the extent required to occupy and use the Project for its Primary Intended Use, (f) all final finishes required by the Contract Documents are in place (except for minor Punchlist Items which do not materially detract from the appearance and utility of the Project for the Primary Intended Use), (g) all remaining Landlord Work is reasonably estimated to be completed within thirty (30) consecutive calendar days (or as otherwise agreed to by Tenant) following the date of Substantial Completion of Landlord's Work, and (h) Landlord has (1) delivered to Tenant binders containing complete sets of all manufacturer's catalogs, instructions and other similar data covering all mechanical and manually operated devices furnished and/or installed as part of Landlord's Work, and (2) provided Tenant's property management and operations personnel with the opportunity to be trained in the operation and maintenance of building systems and controls installed as part of Landlord's Work.

"Tenant Representative" shall mean the duly authorized Manager of Greater Peoria Specialty Hospital, LLC, an Illinois limited liability company provided, however, that Tenant can change or replace any Tenant Representative by delivering written notice to Landlord.

1.2 Other. Other capitalized terms used but not defined in this Work Letter shall have the meanings assigned to them in the Lease.

ARTICLE 2.

REPRESENTATIVES

2.1 Representatives. Tenant Representative shall perform certain services for and on behalf of Tenant during the design and construction phases of the Project and shall receive copies of all notices to which reference is made in this Work Letter given by Landlord to Tenant and shall further make all notices from Tenant to Landlord to which reference is made in this Work Letter. Tenant Representative shall have full authority to act on behalf of, make decisions on behalf of and otherwise bind Tenant in connection with the Project (subject to any limitations set forth in the definition of Tenant Representative). Landlord Representative shall perform certain services for and on behalf of Landlord during the design and construction phases of the Project and shall receive copies of all notices to which reference is made in this Work Letter given by Tenant to Landlord and shall further make all notices from Landlord to Tenant to which reference is made in this Work Letter. Landlord Representative shall have full authority to act on behalf of, make decisions on behalf of and otherwise bind Landlord in connection with the Project.

ARTICLE 3.

PROJECT DESIGN AND CONSTRUCTION

3.1 General. The Project shall be designed, and Landlord's Work shall be performed, by Landlord in accordance with (a) the Contract Documents, (b) all laws, codes, ordinances, rules and regulations of governmental authorities having jurisdiction over the Project, Landlord's Work and/or the Primary Intended Use, and (c) all covenants, conditions and restrictions affecting or relating to the Leased Property, the Building and/or the Project. The location, design and construction of the Project shall not ultimately restrict the Project from

being licensed by the State of Illinois and receiving classification as an LTACH for payment for all Medicare discharges under the Prospective Payment System for facilities of this type as provided under 42 CFR § 412.500 *et seq.* (the “**LTACH License**”), although Landlord and Tenant both recognize that the Project may not receive immediate approval and classification as an LTACH and may be required to operate as a general hospital for some period of time. Upon any revocation or denial of issuance of the LTACH License resulting from Landlord’s failure to deliver Leased Property in such physical condition as is required by the Contract Documents, and following Landlord’s failure to cure such defect or breach after written notice thereof from Tenant, Tenant shall (i) abate Minimum Rent for such period that defect or breach causes the revocation or denial of issuance of the LTACH License; and (ii) receive reimbursement from Landlord for payment of any Minimum Rent previously paid during such period that such defect or breach existed; and (iii) receive payment from Landlord of the sum of Nine Thousand Five Hundred Eighty Two and 00/100 Dollars (\$9,582.00) (the “**Operating Cost Penalty**”) for each and every day that Tenant is unable to obtain such LTACH Licenses due to such defect or breach. However, the parties agree that the Minimum Rent Reimbursement and Operating Cost Penalty shall not accrue during that period following the Commencement Date during which Tenant shall be operating the Leased Property as a general hospital in order to qualify the Facility for the LTACH license (the “**Trial Period**”), so long as Landlord delivers the Leased Property in such physical condition to allow Tenant to obtain its occupancy letter from the Illinois Department of Public Health to operate the facility during the Trial Period. The Trial Period shall be deemed to have expired (i) upon the Facility qualifying for the LTACH license (of which event Tenant shall provide Landlord with prompt written notice), or (ii) upon Tenant’s written notice to Landlord of any denial of issuance of the LTACH License resulting from Landlord’s failure to deliver Leased Property in such physical condition as is required to obtain and hold the LTACH License. Landlord shall be liable for the Minimum Rent Reimbursement and Operating Cost Penalty due to any defect or breach that prohibits Tenant from receiving or maintaining such LTACH License following the expiration of the Trial Period, provided that written notice of any such defect or breach must be provided by Tenant to Landlord within one year of the expiration of the Trial Period. Any defect or breach by Landlord in delivery of Leased Property in such physical condition that prohibits Tenant from receiving its LTACH license shall be deemed cured upon acquisition and delivery by Landlord of written evidence from appropriate licensing authorities that such defect or breach has been remedied and is no longer a cause prohibiting the issuance of such LTACH License. All (i) materials and equipment furnished under the Contract Documents will be of good quality and new and (ii) Landlord’s Work will be performed in a good and workmanlike manner and in substantial accordance with the requirements of the Contract Documents. Subject and pursuant to Sections 3.3, 3.6, 3.7, 3.10, and Article 9 below, and the other provisions of this Work Letter, Tenant will have input regarding the design and quality of such Project, materials and equipment and Tenant shall have the right to approve the Project Contractor and Project Architect, and any replacements thereto; and as of the effective date of the Lease Tenant agrees and approves the Project Architect.

3.2 Project Schedule. Landlord, working with Tenant and the Project Architect, shall use its best efforts to design the Project in accordance with the schedule set forth in Article 9 of this Work Letter (the “**Design Schedule**”). Subject to any Tenant Delays and Force Majeure Events, Landlord shall commence Landlord’s Work within 30 calendar days after: (i) completion and approval of the final Construction Drawings and Specifications, (ii) closing on the purchase of the Land; (iii) closing on the Project Financing; and (iv) receipt of all required

local governmental permits necessary to commence construction of the Leased Improvements (the "**Construction Commencement Date**"). Dependent upon the successful completion of final Construction Drawings and Specifications within the Design Schedule, no Tenant Delays and subject to Landlord's discretionary right to terminate the Project Architect (pursuant to Section 3.4 below), Landlord anticipates a target commencement date for construction of December 17, 2007 (the "**Target Commencement Date**"), however, Landlord does NOT hereby guarantee that actual commencement of construction of Landlord's Work will in fact occur by the Target Commencement Date due to a failure of any Article 37 Contingency set forth in the Lease.

Landlord shall use its best efforts to perform each phase of Landlord's Work within the time schedule set forth on the attached Exhibit "H" (the "**Project Construction Schedule**") and shall use its best efforts to achieve Substantial Completion of the Project on or before that date which is sixteen (16) months from the date of the issuance of the building permit from the City of Peoria for the construction of the Leased Improvements (the "**Target Substantial Completion Date**"); however, the Target Substantial Completion Date is NOT a guarantee that Landlord's Work will in fact be Substantially Complete by such date. The Project Construction Schedule and the Target Substantial Completion Date shall each be subject to extension for Force Majeure; Tenant Change Requests, any delays caused by weather and material shortages, and the satisfaction of the Article 37 Contingencies set forth in the Lease. The Project Construction Schedule sets forth dates that are critical in ensuring the timely and orderly completion of Landlord's Work in accordance with the requirements of the Contract Documents.

Notwithstanding anything to the contrary contained in the immediately preceding paragraphs, in the event that Landlord fails to reach Substantial Completion of the Project on or before the Target Substantial Completion Date, then Tenant may elect to impose against Landlord the sum of Six Hundred Sixty Seven and 00/100 Dollars (\$667.00) for each day accruing between the Target Substantial Completion Date and actual Substantial Completion of the Project (the "**Non-Delivery Daily Penalty**"), provided that the Target Substantial Completion Date shall be extended by one day for each day of Tenant Delay. The Non-Delivery Daily Penalty shall be a one-time penalty against Landlord, shall be paid by Landlord to Tenant on demand.

Conversely, if Landlord reaches Substantial Completion of the Project before the Target Substantial Completion Date, then Tenant agrees to pay a premium to Landlord in an amount equal to thirty percent (30%) of the difference between the Final Project Budget less the actual costs of the Project ("Project Premium"). Payment of the Project Premium (if any) shall be effected by the addition of the Project Premium to the approved Final Project Budget, and realized in the calculation of Minimum Rent under Section 2.1 of the Lease. By way of example, if the Final Project Budget is "x", and the Project Premium is "y", then the adjusted Final Project Budget shall be "x + y". "x + y" shall be multiplied by a rental factor of ten percent (10%) to arrive at the annual Minimum Rent for Year One of the Lease Term under Section 2.1(a) of the Lease.

If at any time the performance of Landlord's Work is more than an estimated thirty (30) days behind such projected completion deadlines set forth in the Project Construction Schedule, due to reason of Landlord Delays and after adjustment for Force Majeure, Tenant Change Requests, delays caused by weather or material shortages and satisfaction of the Article 37 Contingencies,

Tenant shall have the right to order Landlord by written notice to take corrective measures necessary to expedite the progress of the construction (the "**Construction Default Notice**"). Upon receipt of a Construction Default Notice from Tenant, Landlord shall have forty-five (45) business days to cause the progress of Landlord's Work to comply with the Project Construction Schedule, without cost to Tenant. Following such forty-five (45) business day period for cure, if Landlord is not substantially in conformance with the Project Construction Schedule, as confirmed by an independent architect selected by Landlord and Tenant, Tenant shall have the right to take any and all actions or corrective measures to expedite the progress of the construction at the expense of Landlord.

The term "commencement of construction" as used herein shall mean that Landlord has contracted with the Project Contractor and given the Project Contractor a notice to proceed with the construction of the Project and the Project Contractor has mobilized and begun preliminary site work.

3.3 Project Design. Landlord shall ultimately cause the Project Architect to prepare, and deliver to Tenant (and Landlord) final Construction Drawings and Specifications for the construction of Landlord's Work and to comply with any applicable Permitted Exceptions, applicable City of Peoria building codes and other ordinances (the "**Construction Drawings and Specifications**"). After the preparation and review of progress Design Documents as set forth in Paragraph 3.6 hereof, Landlord shall cause the Project Architect to finalize the Construction Drawings and Specifications, which Construction Drawings and Specifications shall be subject to Tenant input and review in accordance with Paragraph 3.6 of this Work Letter.

3.4 Project Architect / Project Contractor. Landlord reserves the right to terminate the Project Architect at any time during the Term of this Work Letter. Landlord's right to terminate the Project Architect may be exercised by Landlord at its sole discretion, for cause or not for cause. In the event that Landlord elects to terminate the Project Architect, Landlord shall promptly engage other qualified architect(s) or architectural firm licensed in the State of Illinois to serve as the Project Architect, subject to the approval of Tenant. In the event that the Project Architect is terminated for cause by Landlord, then any delays in either the Design Schedule or the Project Schedule resulting from their termination, shall not be deemed a Landlord Delay under this Work Letter. Landlord's contract with the Project Architect shall specify that Landlord shall have a License (as defined in Section 8.6 of this Work Letter) to use any Design Documents or final Construction Drawings and Specifications (and any iteration thereof) even after removal of the Project Architect from this Project, in order that Landlord's substituted Project Architect may move forward with the Project commencing with the Design Documents or final Construction Drawings and Specifications developed to the date of the Project Architect's removal from the Project.

"For cause" as used in this Section 3.4 shall mean Project Architect's failure to meet the Design Schedule set forth in Article 9 or the Project Schedule not due to an Tenant Delay or Landlord Delay, or a material error in either the Design Documents or the Final Construction Drawings and Specifications, Project Architect's failure to deliver creative and effective ideas for reducing the Project cost and for meeting the Preliminary Project Budget, or other material breach of Project Architect's contract with Landlord relating to this Project or any other Project which Landlord may have engaged Project Architect's services.

After completion of the Construction Drawings and Specifications, Landlord shall bid the construction of the Project to such number of general contractor(s) as it deems reasonable on a fixed sum basis (as opposed to cost-plus). The selection of the Project Contractor shall be the right of Landlord, subject to the approval of Tenant, which approval shall not be unreasonably withheld.

3.5 Preliminary Project Budget. Landlord has prepared and presented to Tenant a Preliminary Project Budget for the Project. The Preliminary Project Budget is attached to the Lease as Exhibit F (the "**Preliminary Project Budget**") and is the target level budget for the Project desired by Tenant (the "**Target Level**"). Landlord and Tenant acknowledge and agree that the Preliminary Project Budget is only a guideline and target for the Project cost and Landlord does not guarantee that the final price of Landlord's Work shall be equal to or less than the Preliminary Project Budget. Paragraph 3.7 of this Work Letter shall set forth the development of a Final Project Budget.

3.6 Review / Approval Procedures - Design Documents. The parties agree that time is of the essence with respect to the response times set forth in the following sentences and that the deemed approval provisions set forth herein in the event of a failure of either party to timely respond to any request for review and comment or additional information shall be deemed approval. Landlord shall use its best efforts to cause the Project Architect to deliver to Tenant the Design Documents and the Construction Drawings and Specifications in accordance with the Design Schedule set forth in Article 9 of this Work Letter and as set forth in this Paragraph 3.6 and 3.7 in order to allow Tenant an opportunity to review and provide any comments thereon and cause the Project Architect to mark any revision draft of the Design Documents and Construction Drawings and Specifications by clouding and/or other reasonable technique to show changes made to such revision draft as compared to the previous progress draft delivered to Tenant. Tenant shall deliver written notice of any objection to or comments on any revised progress draft of the Design Documents to Landlord within five (5) business days of delivery of each such revision of the Design Documents to Tenant. For purposes of this Work Letter, any iteration of a progress draft of the drawings and specifications shall be referred to herein as the "Design Documents." Tenant shall deliver written notice to Landlord and the Project Architect of any objection to or comments to the Design Documents within five (5) business days of delivery of the Design Documents to Tenant.

3.7 Final Construction Documents and Specifications. Upon completion of review and approval of the Design Documents which have been reviewed and approved by both Tenant and Landlord, Landlord shall, within thirty (30) business days after completion of Design Document approval, prepare for Tenant a final revised estimated Project Budget based on the final version of the Design Documents (the "**Final Design Budget**"). Within five (5) business days after receipt of the Final Design Budget from Landlord, Tenant shall notify Landlord in writing of its approval or rejection of the Final Design Budget. In the event that Tenant shall reject the Final Design Budget, then Landlord and Tenant shall make commercially reasonable efforts to negotiate a revised Final Design Budget acceptable to both Landlord and Tenant. If the parties cannot agree upon a revised Final Design Budget within ninety (90) days of Landlord's receipt of Tenant's rejection notice, the Landlord shall have the right but not the obligation to terminate the Project. In the event that Landlord elects to terminate the Project, then: (a) Landlord and Tenant shall execute a termination of this Work Letter and the Lease

Agreement as well as any other agreements executed between them with respect to the Project; and (b) Tenant shall pay to Landlord Landlord's Approved Development Costs incurred by Landlord commencing as of June 2006. Tenant's failure to timely approve or reject the Final Design Budget shall be deemed Tenant's approval of same. If both the progress Design Documents and the Final Progress Design Budget are approved or deemed approved by Tenant and Landlord hereunder, then in accordance with the provisions of Article 9 of this Work Letter, Landlord shall instruct the Project Architect to finalize Construction Documents and Specifications for the Project, based upon the final progress Design Documents, which drawings, documents and specifications shall be complete architectural, structural, mechanical, electrical and plumbing drawings ready for permit submission and general construction in such form and detail as reasonably required by Landlord (the "**Final Construction Documents**"), and the Final Design Budget shall be deemed to be the approved final Project Budget (the "**Final Project Budget**") for the purposes herein. Notwithstanding the foregoing, the parties acknowledge that the Final Project Budget shall be revised to allow for increased costs of construction associated with unforeseen soil conditions related to the Land, including issues related to second generation site (e.g., foundation fill) and vacated streets and alleyways.

3.8 Tenant's Liability for Construction Drawings and Budgets. Tenant's review or approval of Design Documents and Construction Drawings and Specifications or any other documents relating to Landlord's Work shall create no responsibility or liability on the part of Tenant for their completeness, design, sufficiency, or compliance with any laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authorities.

3.9 Permits and Approvals. Landlord shall: (i) obtain all federal, state, and local licenses, permits and approvals (whether governmental or non-governmental), required to perform, occupy and use Landlord's Work for the Primary Intended Use of the Project, and (ii) work together with Tenant to assist Tenant in obtaining any approval from the Illinois Department of Public Health (if applicable), the Department of Health and Senior Services (if applicable) or other approvals that are not related to the construction of Landlord's Work, but required by Tenant to inhabit and operate the Project for its Primary Intended Use.

3.10 Tenant Change Requests. Tenant may from time to time request changes in previously approved Design Documents or Construction Drawings and Specifications (including the Building Standards) (herein, a "**Tenant Change Request**"), subject to the terms and conditions of this paragraph. Each Tenant Change Request shall (a) be in writing delivered to Landlord and (b) be subject to Landlord's consent. Landlord shall not unreasonably withhold, condition or delay its consent to any Tenant Change Request; however, Landlord shall have no obligation to implement any Tenant Change Request which requires the approval of any municipal authority unless and until Landlord receives such approval and Tenant has paid to Landlord the Additional Costs for such Tenant Change Request as provided herein below. Substantial Completion of the Project and the Target Substantial Completion Date shall be extended to the extent of any delay caused by a Tenant Change Request. Any direct, out-of-pocket Approved Development Costs (as hereinafter defined) incurred by Landlord in implementing any Tenant Change Request ("**Tenant Change Costs**") shall be paid by Tenant within five (5) days of Landlord approval of a Tenant Change Request. Any Additional Costs incurred or anticipated to be incurred by Landlord relating to a Landlord approved Tenant

Change Request shall be paid in the manner provided for in Paragraph 9.2 of this Work Letter. As used herein, the term Tenant Change Request excludes any objections or comments to substitutions and/or changes to the Project made or proposed by or on behalf of Landlord that constitute (x) a change in the quantity, quality, programmatic requirements or other substantial deviation between the Space Program and the progress Design Documents, except to the extent that requirements of Tenant's Space Program have been waived or modified by Tenant during the Design Document review process, or any subsequent progress draft of the Construction Drawings and Specifications approved by Tenant or (y) any failure of the iteration of the Construction Drawings and Specifications to comply with applicable legal requirements, Project approvals or other requirements of the Contract Documents, or (z) any errors, omissions or internal inconsistencies contained within the Construction Drawings and Specifications.

3.11 Substantial Completion / Final Completion of Landlord's Work. Landlord shall provide Tenant with written notice when Landlord believes that Substantial Completion of Landlord's Work has been achieved. Such notice shall be accompanied by a list of items (the "**Punchlist Items**") to be completed or corrected. Promptly following delivery of such notice of Substantial Completion of Landlord's Work, duly authorized representatives of Landlord and Tenant shall jointly inspect the Landlord's Work. The Punchlist shall be subject to review and approval by Tenant following such joint inspection. In the event that the parties shall disagree on whether any item is properly included as part of the Punchlist Items, and the parties are unable to reach agreement thereon within five (5) days after such joint inspection, either party may submit such disagreement to the Project Architect for final determination, which determination of the Project Architect shall be binding upon Landlord and Tenant. The failure to include an item on the Punchlist does not alter the responsibility of Landlord to complete all of Landlord's Work in accordance with the Contract Documents. Landlord shall complete the Punchlist Items on or before the date that is thirty (30) days after achieving Substantial Completion of Landlord's Work; provided, however, that Landlord shall have such additional time as may reasonably be required with diligent efforts to complete Punchlist Items of a seasonal nature (such as landscaping) which cannot or should not be performed until a later date. If Landlord shall not complete all required Punchlist Items (excluding the foregoing seasonal related items, however) within such thirty (30) day period, the date of Substantial Completion of Landlord's Work shall be deemed extended by the number of days of such delay, except to the extent that Tenant wrongfully interferes with Landlord in completing such Punchlist Items and Landlord shall continue to diligently pursue the completion of Landlord's Work to Final Completion of the Work without material interruption. Landlord shall cause Project Architect to issue a Certificate of Final Completion of Landlord's Work after the completion of the Punchlist Items and such certificate date shall be the date of "Final Completion" hereunder.

3.12 Assignment of Correction Obligations and Warranties. Following Final Completion of the Project, Landlord shall assign to Tenant, on a non-exclusive basis, (a) any correction obligations or warranties provided by the Project Contractor or any other party on Landlord's Work (including, without limitation, Project Contractor's obligation to timely and diligently correct any defective or non-conforming work) and (b) all extended warranties for the components and equipment included within Landlord's Work. Landlord shall furthermore assist Tenant, at no cost to Landlord, however, in pursuing any available remedies against the design and/or construction professionals engaged to design and/or perform Landlord's Work. Nothing set forth in this Section 3.12 shall affect or limit Landlord's obligations to correct defective or

nonconforming design or work, at the expense of Landlord, as set forth in Article 8.5 of this Work Letter.

3.13 Entry by Tenant Prior to Space Delivery. Tenant and Tenant's agents, employees and/or representatives shall have the right to enter onto the Project site from time to time for the purpose of inspecting the Project and performing the installations of furniture, fixtures and equipment to prepare the Project for Tenant's use and occupancy, provided that such entry shall not unreasonably interfere with the completion by Landlord or its Project Contractor of Landlord's Work at the Project. Tenant and its representatives shall comply with all reasonable requirements of the Contractor regarding such entry by Tenant prior to Final Completion of Landlord's Work.

3.14 Excluded Costs. The following costs (collectively the "Excluded Costs") are currently excluded from the Preliminary Project Budget: (i) costs to construct, re-construct, re-surface, widen or otherwise improve any public or private roadway abutting the Land that may be required by the City of Peoria or other applicable authority in order to obtain either a building permit or a certificate of occupancy for the Project; (ii) any costs to construct, expand the capacity of or otherwise improve any water lines, sanitary sewer lines, lift stations, private sanitary sewer plants, off-site or regional detention facilities necessary to serve the Land and the to-be-constructed Leased Improvements; and (iii) Tenant's Work (as defined in Paragraph 9.1 hereof). Excluded Costs denoted in Paragraph 3.14(i) and (ii) shall be included in the Final Design Budget and the Final Project Budget (upon which the Minimum Rent shall be calculated as set forth in the Lease), if applicable; however, Excluded Costs denoted in Paragraph 3.14(iii) shall be borne and paid for by Tenant in the same manner as Additional Costs as set forth in Paragraph 9.2 of this Work Letter. Landlord and Tenant anticipate that they will be able to further define and ascertain the impact of any of the Excluded Costs during the design phase of the Project. Landlord agrees and acknowledges that Landlord shall not approve or incur any obligations in regards to items identified as Excluded Costs without the express written approval of Tenant. Landlord further agrees that Landlord shall provide Tenant all information, documents, or materials in regards to negotiations for any items identified as an Excluded Cost and shall provide Tenant the opportunity to materially participate in any negotiations in regards to any Excluded Cost item.

3.15 Landlord Duty to Deliver. Landlord shall deliver the Leased Property to Tenant pursuant to the requirements noted in Article 6 of the Lease.

ARTICLE 4.

TENANT OVERSIGHT

4.1 Tenant Oversight. Landlord hereby acknowledges and agrees that, notwithstanding anything to the contrary: (1) Landlord shall make the site of Landlord's Work available at reasonable times for inspection by Tenant Representative; (2) Landlord shall cause the Project Architect and/or the Project Contractor to promptly furnish Tenant with any information, documents and/or materials relating to the Project that Tenant may reasonably request and respond in a timely manner to all reasonable inquiries by Tenant Representative; (3) Landlord shall provide that a monthly project update meeting be held at which the Project

Architect, Project Contractor, Landlord Representative and Tenant Representative are required to be present; (4) Tenant shall have the right to actively participate in the decision-making process in regards to any and all material decisions affecting the design and construction of the Leased Property; and (5) Landlord shall provide Tenant with reasonable prior notice of, and allow Tenant or its representatives a reasonable opportunity to attend and participate in, all project meetings, in addition to the required monthly meetings.

ARTICLE 5

INDEMNIFICATION

To the fullest extent permitted by law, Landlord shall defend, indemnify and hold harmless Tenant, Tenant's representative(s), their respective subsidiary, affiliated and associated companies, and the directors, officers, shareholders, employees and agents of any of them, and their respective agents and servants (collectively, "**Indemnified Parties**" and singly, an "**Indemnified Party**"), and each of them, of and from any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind and nature whatsoever ("**Claims**"), including without limitation, costs of defense, settlement and attorneys' fees, attributable to: (a) injury to or death of any person and injury to or destruction of or loss of use of property in whole or in part arising out of or resulting from or related to performance of Landlord's Work prior to the date of Final Completion, which are caused by the acts or omissions of Landlord, the Project Contractor, its subcontractor, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, except to the extent such death, injury or loss is caused by an Indemnified Party; (b) any and all penalties imposed on or alleged against any Indemnified Party or Landlord's Work on account of the violation of any law, order, or regulation by Landlord, the Project Contractor or subcontractor of Project Contractor except to the extent any such penalty is caused by an Indemnified Party; and/or (c) any and all Claims arising out of or resulting from alleged infringement by the Project design or any means and methods used by Landlord of copyrights, patents or other intellectual property rights held by others.

To the fullest extent permitted by law, Tenant shall defend, indemnify and hold harmless Landlord, Landlord's representative(s), their respective subsidiaries, affiliated and associated companies, and the directors, officers, shareholders, employees and agents of any of them, and their respective agents and servants (collectively, "**Indemnified Parties**" and singly, an "**Indemnified Party**"), and each of them, of and from any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind and nature whatsoever ("**Claims**"), including without limitation, costs of defense, settlement and attorneys' fees, attributable to: (a) injury to or death of any person and injury to or destruction of or loss of use of property in whole or in part arising out of or resulting from or related to performance of Tenant's Work prior to the date of Final Completion, which are caused by the acts or omissions of Tenant, Tenant's contractor, its subcontractors, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, except to the extent such death, injury or loss is caused by an Indemnified Party; (b) any and all penalties imposed on or alleged against any Indemnified Party or Tenant's Work on account of the violation of any law, order, or regulation by Tenant, Tenant's contractor or subcontractor of Tenant's contractor except to the extent any such penalty is caused by an Indemnified Party; and/or (c) any and all

Claims arising out of or resulting from alleged infringement by that portion of the Project design related to Tenant's Work or any means and methods used by Tenant of copyrights, patents or other intellectual property rights held by others.

ARTICLE 6

REQUIRED INSURANCE

Landlord shall carry and maintain at all times during the design and construction of the Project, and shall cause the Project Architect and the Project Contractor to maintain at all times during the design and construction of the Project, and for such longer periods as may be required below, the following types of insurance and minimum coverage amounts written by insurers rated by A.M. Best & Co., with a minimum rating of (or equivalent to) "A," a financial size category of not less than "VIII," and are qualified to do business in the State of Illinois:

6.1 Landlord's Required Insurance.

- (a) Workers' compensation insurance in statutory amounts;
- (b) Motor vehicle insurance covering owned, non-owned and hired vehicles for personal injury in the amount of \$1,000,000.00 combined single limit for bodily injury and for property damage;
- (c) Commercial general liability coverage for bodily injury, personal injury and property damage in the amount of \$1,000,000.00 per occurrence and \$1,000,000.00 aggregate limit;
- (d) Property insurance written on a builder's risk "all-risk" or equivalent policy form in the total value for the entire Project at the site on a replacement cost basis without optional deductibles; and
- (e) Umbrella Liability Coverage over Commercial General Liability and Motor Vehicle Insurance in the amount of \$1,000,000.00.

6.2 Project Architect's Required Insurance.

- (a) Workers' compensation insurance in statutory amounts and employer's liability insurance in the minimum amount of \$100,000.00 each accident, \$100,000.00 disease each employee, and \$500,000.00 aggregate disease;
- (b) Commercial general liability coverage for bodily injury, personal injury and property damage in the amount of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate limit; and

(c) Professional liability coverage for all professional services relating to the Project in the minimum amount of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate limit.

6.3 Project Contractor's Required Insurance.

(a) Workers' compensation insurance in statutory amounts and employer's liability insurance in the amount of \$100,000.00 each accident, \$100,000.00 disease each employee, and \$500,000.00 aggregate disease;

(b) Motor vehicle insurance covering owned, non-owned and hired vehicles for personal injury in the amount of \$1,000,000.00 combined single limit for bodily injury and for property damage;

(c) Commercial general liability coverage for bodily injury, personal injury and property damage in the amount of \$2,000,000.00 per occurrence and \$2,000,000.00 aggregate limit; and

(d) Umbrella Liability Coverage over Commercial General Liability and Motor Vehicle Insurance in the amount of \$5,000,000.00.

6.4 Other Requirements Regarding Required Insurance. The liability policies required by this Article 6 shall include a contractual liability endorsement covering the indemnification obligations under the Contract Documents. The "other insurance" clause shall be deleted from each policy of insurance carried by Landlord, Project Architect and Project Contractor so as to make it clear that the coverage of each such party's policy is primary and any coverage under any policy or policies of insurance held by Tenant or any other additional insured is secondary. All of the insurance required shall be written on an occurrence basis, except that professional liability and umbrella liability can be written on a claims made basis provided that such coverages are maintained for six years following final payment. Tenant, any lender(s) of Tenant and such other persons designated by Tenant from time to time shall be named as additional insureds on all insurance policies required hereunder except workers' compensation and professional liability policies. Landlord shall, upon demand, provide Tenant with proof that the insurance requirements have been met, which shall be in the form of certificates of insurance (or, at Tenant's request, insurance policies) reasonably acceptable to Tenant. Renewal certificates for all policies that expire during the term of the Contract Documents must also be provided at least thirty (30) days prior to each policy's respective expiration. Nothing in this clause, or any failure of Landlord to secure the above required coverages or otherwise comply with the insurance provisions of the Contract Documents, shall modify, limit or expand Landlord's liability or other obligations under the Contract Documents.

ARTICLE 7.

DEVELOPMENT COSTS

7.1 Approved Development Costs.

(a) A portion of the Final Project Budget (and also included in the Preliminary Project Budget and Final Design Budget submitted to Tenant under Article 3 of this Work

Letter) shall include Landlord's predevelopment costs, some of which have been incurred by Landlord prior to the execution of this Work Letter and others which will be incurred by Landlord after the execution of this Work Letter.

As used herein, the term "**Approved Development Costs**" shall collectively include the pre-execution development costs and the following expenses incurred after the Effective Date of the Lease:

(i) the actual out-of-pocket costs and expenses actually incurred and paid by Landlord to unaffiliated third parties in acquiring, designing, obtaining required permits and approvals for and constructing the Project and otherwise complying with this Work Letter, including, but not limited to costs incurred with the Project Architect, civil engineers, mechanical engineers, surveyors, and counsel;

(ii) the actual out-of-pocket costs and expenses actually incurred and paid by Landlord in connection with the acquisition and closing on the Land, including but not limited to non-refundable and earned earnest money or other non-refundable and earned monies (whether applicable to the purchase price or not) required to be expended by Landlord in connection with the closing on such Land, surveying costs, costs of environmental reports acquired in connection with the closing on the Land, costs of owner's policy of title insurance and any endorsements thereto required by Landlord or the Facility Mortgagee, costs of a mortgagee policy of title insurance and any endorsements thereto required by the Facility Mortgagee, escrow fees, preparation of tax certificates, costs of counsel related to the acquisition of the Land, and other closing costs related to the acquisition of the Land;

(iii) copy charges, telephone charges, reasonable travel expenditures of Landlord and Landlord's Representative to the Project and other similar charges that are directly attributable to this Project and the performance by Landlord of Landlord's Work hereunder;

(iv) any loan commitment fees, points and other charges incurred by Landlord in connection with the financing of the Project, such fees to be justified by current market conditions and the quality of the underlying credit, other than interest charges on any principal balance outstanding on any loan or loans entered into by Landlord in order to finance the acquisition of the Land and Landlord's Work hereunder, but only to the extent that such charges have been earned and are owed to its Facility Mortgagee;

(v) amounts (including without limitation salaries, benefits or fees) paid to or incurred by Landlord (any affiliate of Landlord or any director, officer, member, shareholder or employees of Landlord or any affiliate of Landlord) that are directly attributable to the Project and/or relate to pay periods occurring since June of 2006.

(vi) Landlord's construction principal and interest payments to finance the Project, but only to the extent such charges have been earned by and are owed to the Facility Mortgagee.

(b) Notwithstanding anything to the contrary, the term Approved Development Costs shall not include:

(i) Costs resulting from the negligence, willful misconduct or breach of this Work Letter by Landlord or its design and/or construction professionals (including, without limitation, costs of correcting defective or nonconforming work, disposal and replacement of materials and equipment incorrectly ordered or supplied, and correcting damage to property not forming part of the work);

(ii) Costs of self-insured losses (e.g., losses within the deductible limits).

(iii) Any and all development fees or lost profits of Landlord, any affiliate of Landlord or any director, officer, member, shareholder or employee of Landlord or any affiliate of Landlord resulting from the cancellation of the Lease.

ARTICLE 8.

MISCELLANEOUS

8.1 Permits, Fees and Compliance with Law. Landlord shall secure all permits, licenses and inspections necessary for the execution and completion of Landlord's Work. Landlord shall comply with the terms of all such permits and licenses and with all federal, state and municipal laws, statutes, ordinances, building codes, rules and regulations applicable to Landlord's Work.

8.2 As-Built Documents. Landlord shall provide to Tenant at the conclusion of Landlord's Work As-Built drawings of the Project.

8.3 Construction Procedures. As between Landlord and Tenant, Landlord shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of Landlord's Work.

8.4 Liens. In the event that any direct or indirect contractor, subcontractor, supplier or any other party providing labor or materials related to Landlord's Work establishes a lien against the Project and/or the Project site, Landlord shall, within ninety (90) days of receipt of notice from Tenant regarding such lien, cause the lien to be discharged (either by obtaining and recording a lien discharge bond from a surety and in a form acceptable to Tenant or otherwise) at no cost to Tenant. Landlord agrees to indemnify and hold harmless Tenant from all costs and expenses incurred by Tenant in connection with such liens. Tenant likewise agrees to hold Landlord harmless from and against any mechanics or materialmen's liens imposed upon the Leased Property, or Tenant's interests in the Leased Property relating to any work performed by Tenant in connection with the Project, such as the matters set forth in Paragraph 9.2 of the Lease.

8.5 Landlord's Duty to Correct Defective Work. Landlord shall promptly correct defective or nonconforming design or work after written request from Tenant delivered to Landlord no later than twelve (12) months after the date of Final Completion. Landlord shall also bear the cost of correcting destroyed or damaged property caused by defective or nonconforming design or work. Nothing contained in this paragraph shall be construed to

establish a period of limitation with respect to obligations which Landlord may have under the Lease other than the specific obligation of Landlord to promptly correct defective or nonconforming design or Work contained in this Paragraph. After such twelve (12) month warranty period, Landlord agrees to use commercially reasonable efforts to pursue any claim for defective or nonconforming design or work.

8.6 License for Design Documents. Tenant is hereby granted an irrevocable, duty-free license (the "**License**") to obtain and retain copies, including reproducible copies and copies of computer disks or other computer memory storage devices (e.g., CADD files), of all Design Documents, Construction Drawings and Specifications and other design documents prepared by Project Architect for information and reference in connection with the construction, reconstruction, renovation, repair, maintenance, marketing, use and occupancy of the Project. The License shall be transferable to any Permitted Assignee or Permitted Transferee of Tenant under Article 22 of the Lease. At or prior to Substantial Completion of the Project, Landlord shall cause the Project Architect and any other party providing design services to deliver instruments in form and substance satisfactory to Tenant confirming the grant to Tenant of the License. The Project Architect shall not be responsible for changes made in the final Contract Documents or other documents prepared by the Project Architect by anyone other than the Project Architect or its consultants, or for Tenant's use of the final Contract Documents or other documents prepared by the Project Architect without the participation of the Project Architect. Project Architect's contract or agreement with Landlord shall specifically contemplate the granting to both Tenant and Landlord of the License set forth above in connection with the Project.

8.7 Scope of Project Architect's Work. The Project Architect shall, with Landlord's and Tenant's cooperation and assistance as set forth in this Work Letter, furnish all services necessary for the preparation of the Design Documents and the Construction Drawings and Specifications relating to Landlord's Work and secure such approvals as may, by reason of the nature of the Leased Improvements required to be constructed by Landlord hereunder, be required from any governmental authority having jurisdiction.

8.8 Capitalized Terms. All capitalized terms used, but not defined herein, shall have the meaning given them in the Lease Agreement to which this Work Letter is attached as Exhibit D.

ARTICLE 9.

SCHEDULE

9.1 Design Development Schedule. Pursuant to the schedule set forth in this Article 9, all plans and drawings for the Leased Improvements shall be prepared as follows:

(a) Tenant shall furnish to Project Architect, Tenant's space, equipment, and other special requirements known as ("**Space Program**"). Tenant shall meet with Project Architect and Landlord's Representative to create the Space Program design. The Project Architect shall prepare the written Space Program and submit the same to Landlord and Tenant for review. Tenant shall make any objections, comments or revisions to said written Space Program.

(b) Landlord shall cause the Project Architect to prepare from the approved Space Program draft Design Documents sufficient to convey the architectural design and intended use of the to-be-constructed Leased Improvements within ten (10) business days after finalization of the Tenant Space Program in 9.1(a) above. Tenant and Landlord shall review and provide comments to the Design Documents within ten (10) business days of receipt from the Project Architect and/or Landlord's Representative. Tenant and Landlord shall, at either of their request, meet with the Project Architect to review the Design Documents and provide informal input regarding such Design Document's impact upon the Preliminary Project Budget. Landlord shall approve the Design Documents on or before the conclusion of said ten (10) business day period.

(c) Tenant shall cause any and all of Tenant's special consultants to consult with the Project Architect and engineers within ten (10) business days after the date on which the Design Documents are approved by Landlord in order to prepare Tenant's complete architectural, structural, electrical, mechanical and plumbing drawings necessary for any and all portions of the completed Project.

It shall be Tenant's sole responsibility and work to contract with independent companies or consultants to provide interior design services and to provide and install any and all internal data, telecommunications (television, wireless, satellite, etc.) and/or security systems or other special utility facilities for the Leased Property, all furniture, trade fixtures and equipment related to the operation of the Project for its Primary Intended Use (including, but not limited to medical, food service, exercise and rehabilitation equipment, cubicle partitions and/or curtains and the like), exterior and interior identification or directional signage or graphics relating to the Project's Primary Intended Use, and cleaning equipment, supplies or chemicals related to any pool, spa and/or sauna to be constructed as part of Landlord's Work (collectively "**Tenant's Work**"). To the extent that any portion of Tenant's Work requires specific design or construction features in Landlord's Work, then Tenant shall provide such information to Landlord and the Project Architect for incorporation into the Design Documents.

The Construction Drawings and Specifications shall be in such form and in such detail as may be reasonably required by Landlord and provided to Tenant within thirty (30) business days from finally approved Design Documents. The Construction Drawings and Specifications shall be reviewed by Tenant and Tenant shall provide any objections and/or comments thereto within five (5) business days of receipt. If Tenant disapproves of any portion of the Construction Drawings and Specifications, Tenant shall advise Landlord in writing of such necessary revisions and the reasons therefor. Tenant's failure, if any, to respond with any comments to the submitted Construction Drawings and Specifications within said five (5) business day period shall constitute Tenant's approval of same. For any Tenant Change Requests that Tenant desires to make to the Construction Drawings and Specifications issued by the Project Architect, Tenant will assume all Additional Costs (as defined in Paragraph 9.2 of this Work Letter) therefor. With respect to corrections to the Construction Drawings and Specifications that do not constitute a Tenant Change Request as defined in Paragraph 3.10 hereof, or a Landlord required change to the Construction Drawings and Specifications, Landlord shall then cause the Project Architect to revise the Construction Drawings and Specifications accordingly within five (5) business days and then to resubmit the revised Construction Drawings and Specifications to Landlord, Tenant and, if instructed to do so, to Tenant's special consultants for their review and comment. Tenant, its consultants (if applicable) and Landlord, shall review such revised Construction Drawings

and Specifications and provide any objections, corrections or comments to same within five (5) business days after revised Construction Drawings and Specifications are delivered to them.

9.2 Changes in the Final Construction Documents and Tenant Required Changes. Subject to the limitations on Tenant regarding changes set forth in Paragraph 9.4 below, if a Tenant Change Request requires any changes to the Construction Drawings and Specifications (or any previously approved revision thereto or supplement thereof), then the increased costs (if any) of Landlord's Work caused by such changes shall be borne by Tenant. Any increased costs shall include, without limitation, all architectural, engineering and consulting design fees and expenses in connection therewith in addition to any governmental fees, which may be additionally imposed and costs associated with delays in construction of the Leased Improvements and Landlord's Work caused by such change(s), and the incremental additional hard construction costs associated with the performance and implementation of such change into Landlord's Work ("**Additional Costs**").

9.3 Changes in the Final Construction Documents and Required Landlord Approval. Subject to the limitations on Tenant regarding changes set forth in Paragraph 9.4 below, any Tenant Change Request to the Construction Drawings and Specifications requested by Tenant shall require Landlord's approval, which may be conditioned or withheld, but not delayed. Such decision shall be provided within five (5) business days of such request.

(a) All Additional Costs associated with a Tenant Change Request to the Construction Drawings and Specifications, (herein "**Tenant Change Costs**") shall be paid by Tenant to Landlord in cash within ten (10) business days of Tenant's demand for such change to the Construction Drawings and Specifications. Tenant's failure to pay the Tenant Change Costs within the foregoing required period shall permit Landlord to stop the design process and/or Landlord's Work, as applicable until such amount is paid to Landlord in full, and such cessation of the design process or Landlord's Work shall be deemed a Tenant Delay. Landlord shall not be required to "finance" any of the Tenant Change Costs or to roll such Tenant Change Costs into the calculation of Minimum Rent set forth in the Lease, but Landlord and Tenant may mutually agree that Landlord shall finance certain Tenant Change Costs. If, pursuant to such mutual agreement, Landlord does finance certain Tenant Change Costs, the Final Project Budget shall be altered as agreed upon by the parties to include such Landlord financed Tenant Change Costs, with due revision to the Minimum Rent.

9.4 Certain Limitations. Tenant shall not include in its Tenant Change Requests to the final Construction Drawings and Specifications, and Landlord shall have no obligation to agree to any Tenant Change Request that will:

- (i) be incompatible with the design, construction or equipment of the building and/or with the Project Improvements;
- (ii) are of inferior quality than that of the Building Standards;
- (iii) violate any applicable laws, ordinances and/or the rules and regulations of any governmental authority having jurisdiction; or

(iv) violate any applicable insurance regulations, including but not limited to any such regulation for a fire resistive Class A building.

9.5 Construction

(a) The Project Contractor will competitively bid each construction trade activity.

(b) The following schedule summarizes the time periods for response and review which may also be set forth in other provision of this Work Letter. To the extent there is any conflict between the periods set forth in this Paragraph 9.5(b) and other review and response periods set forth in this Work Letter, then such other provisions shall control over this Paragraph 9.5. This subparagraph is set forth purely for the convenience of the parties hereto, and is not binding upon the parties hereto. Reference to days herein is to Business Days.

(c)

<u>Action</u>	<u>Responsibility</u>	<u>Time for Review and Response</u>
Tenant Required Additional Information	<u>Tenant</u>	5 days
Incorporated Tenant Additional Information	<u>Landlord/Architect</u>	5 days
Tenant review of Incorporated Tenant additional Information	<u>Tenant</u>	5 days
Tenant Signoff Approval of Schematic Floor Plan & Elevation	<u>Tenant</u>	5 days
Tenants Special Consultant Analysis (Medical, Food Service, IT/Data)	<u>Tenant</u>	5 days
Delivery of Final Construction Documents	<u>Landlord/Architect</u>	5 days
Delivery of written notice review/ comments to receipt of Final the Final Construction Documents	<u>Tenant</u>	5 days

Re-delivery of final Construction Documents (if necessary)	<u>Landlord/Architect</u>	5 days
Delivery of written notice of Change or corrections approved after review of any revised final Construction Documents	<u>Tenant</u>	5 days
Submit Documents to the City of Peoria for approval	<u>Landlord/Architect</u>	5 days

Total design period: 50 Business Days

9.6 Tenant Delay. The term “**Tenant Delay**,” as used herein, shall mean and be defined as any actual delay experienced by Landlord, the Project Architect or the Project Contractor and its subcontractors in substantially completing any Landlord’s Work; including but not limited to:

- (a) Tenant’s failure to complete any action or item on or before the due date which is the responsibility of Tenant;
- (b) Tenant’s changes to Construction Drawings and Specifications after Landlord’s approval of same;
- (c) Tenant’s request for materials, finishes, or installations other than Building Standard items which require lead times greater than required for Building Standard items, which requests Landlord has approved under Paragraph 3.10 hereof;
- (d) Any delay of Tenant in making payment to Landlord pursuant to Paragraph 9.2 for Tenant’s Change Cost;
- (e) Any act, or failure to act by Tenant, Tenant’s Representative and/or any other person performing or required to perform services on behalf of Tenant causing delay beyond the originally scheduled time periods agreed in this Work Letter or between Landlord and Tenant;

(f) Any delay due to Tenant Change Requests to the Construction Drawings and Specifications;

(g) Any delay due to untimely responses to Design Documents or the Construction Drawings and Specifications by Tenant's special consultants causing delay beyond the originally scheduled time periods agreed in this Work Letter or between Landlord and Tenant.

9.7 Landlord Delay. The term "**Landlord Delay**" shall mean and be defined as delay in the completion of Landlord's Work that is caused by Landlord, its agents or contractors, including without limitation:

(a) Failure to furnish any approval in a timely manner, per the agreed-to schedule in Article 3 hereof not caused by Tenant;

(b) Interference with access or work of Tenant or Tenant's contractors after Tenant has received Landlord's approval for access to the Project premises;

(c) Failure to cooperate with Tenant's contractors, or governmental permitting and inspecting authorities; or

(d) Failure to perform any work or take any action upon which Tenant's work is dependent.

9.8 Effect of Tenant and Landlord Delays on Substantial Completion and Commencement of Rent. Each day of Landlord Delay shall delay the date by which Substantial Completion of Landlord's Work is reached by the number of days of Landlord Delay and thus delays the Commencement Date of the Lease (and thus the commencement of Rent thereunder). Each day of Tenant Delay shall have no effect on the date of scheduled or projected substantial completion of Landlord's Work (as set forth in the Project Construction Schedule attached hereto as Exhibit "H") and shall not effect a delay of the Commencement Date of the Lease (and the commencement of Rent thereunder).

[End of Work Letter]

EXHIBIT E**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

This SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("*Agreement*") is made and entered into as of the 21st day of December, 2007, by and among National City Bank, a national banking association ("*Beneficiary*"), Cullinan Medical 1, LLC, an Illinois limited liability company ("*Landlord*"), and Greater Peoria Specialty Hospital, LLC, a Delaware limited liability company ("*Tenant*").

WITNESSETH:

WHEREAS, Beneficiary is now the owner and holder of that certain Promissory Note ("*Note*") dated December 14, 2007, in the principal sum of EIGHTEEN MILLION NINE HUNDRED THOUSAND AND 00/100 DOLLARS (\$18,900,000.00), secured by a first priority Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement ("*Mortgage*"), dated as of December 14, 2007, to or for the benefit of Beneficiary, recorded on December 21, 2007 as Document 07-40824 (Mortgage and Security Agreement), Document 07-40825 (Assignment of Rents and Leases), and Document 16997 (UCC Financing Statement) of the Real Property Records, County of Peoria, State of Illinois, which Mortgage constitutes a lien or encumbrance on the real property described in Exhibit A attached hereto and incorporated herein for all purposes, together with all improvements, appurtenances, other properties (whether real or personal), rights and interests described in the Mortgage ("*Property*"); and

WHEREAS, Tenant is the holder of a leasehold estate in and to a the Property (the property which is the subject of such leasehold estate, together with Tenant's appurtenant easements in the Property, being referred to as the "*Demised Premises*"), pursuant to the terms of that certain [Lease] ("*Lease*") dated December 21, 2007, and executed by Tenant and Landlord; and

WHEREAS, Tenant, Landlord and Beneficiary desire to confirm their understandings with respect to the Lease and the Mortgage.

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

1. *Non-Disturbance by Beneficiary.* So long as Tenant is not in default (beyond any period given Tenant to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed as would entitle Landlord to terminate the Lease, Tenant's possession and occupancy of the Demised Premises shall not be interfered with or disturbed by Beneficiary during the term of the Lease or any extension thereof duly exercised by Tenant. Beneficiary shall not include Tenant in any foreclosure proceeding involving the Demised Premises, unless required by applicable state law for Beneficiary to accomplish the foreclosure and then not to interfere with or diminish Tenant's rights under said Lease or disturb Tenant's possession.

2. *Attornment by Tenant.* If the interests of Landlord in and to the Demised Premises are owned by Beneficiary by reason of judicial foreclosure, private trustee sale or other

proceedings brought by it or by any other manner, including, but not limited to, Beneficiary's exercise of its rights under any collateral assignment(s) of leases and rents, and Beneficiary succeeds to the interest of the Landlord under the Lease, Tenant shall be bound to Beneficiary under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extension thereof duly exercised by Tenant with the same force and effect as if Beneficiary were the Landlord under the Lease. Tenant does hereby attorn to Beneficiary, as its Landlord, said attornment to be effective and self-operative, without the execution of any further instruments on the part of any of the parties hereto, immediately upon Beneficiary's succeeding to the interest of the Landlord under the Lease. Landlord hereby authorizes and directs Tenant to deliver payment to Beneficiary upon receipt of written notice and shall indemnify and hold Tenant harmless from any loss, cost, expense or claim incurred by Tenant in connection with its compliance with this provision. The respective rights and obligations of Tenant and Beneficiary upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extension, shall be and are the same as now set forth therein, it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference, with the same force and effect as if set forth at length herein.

3. *Beneficiary Bound by Terms of Lease.* If Beneficiary shall succeed to the interest of Landlord under the Lease, Beneficiary shall be bound to Tenant under all of the terms, covenants and conditions of the Lease. Notwithstanding the foregoing, Beneficiary shall not in any event have any liability for any default by Landlord under the Lease occurring prior to the date on which Beneficiary shall have succeeded to the rights of Landlord under the Lease.

4. *Subordination of Lease.* Subject to the terms of this Agreement (including, but not limited to, those in Paragraph 2), the Lease and all of Tenant's right, title and interest in and to the Demised Premises, are and shall be subject and subordinate to the Mortgage and the lien thereof, to all the terms, conditions and provisions of the Mortgage and to each and every advance made or hereafter made under the Mortgage, and to all renewals, modifications, consolidations, replacements, substitutions and extensions of the Mortgage, so that at all times the Mortgage shall be and remain a lien on the Demised Premises prior and superior to the Lease for all purposes.

5. *Notice.* Notwithstanding anything to the contrary contained in the Lease, Tenant hereby agrees that in the event of any act, omission or default by Landlord or Landlord's agents, employees, contractors, licensees or invitees which would give Tenant the right, either immediately or after the lapse of a period of time, to terminate the Lease, or to claim a partial or total eviction, or to reduce the rent payable thereunder or credit or offset any amounts against future rents payable thereunder, Tenant will not exercise any such right until it has given written notice of such act, omission or default to Beneficiary by delivering notice of such act, omission or default, by certified or registered mail, addressed to Beneficiary at Beneficiary's address as given hereby or at the last address of Beneficiary furnished to Tenant in writing, and (i) in the case of any such act, omission or default that can be cured by the payment of money, until sixty (60) days shall have elapsed following the giving of such notice or (ii) in the case of any other such act, omission or default, until a reasonable period for remedying such act, omission or default shall have elapsed following the giving of such notice and following the time when Beneficiary shall have become entitled under the Mortgage to remedy the same, including such time as may be necessary to acquire possession of the Demised Premises if possession is

necessary to effect such cure, provided Beneficiary, with reasonable diligence, shall (a) pursue such remedies as are available to it under the Mortgage so as to be able to remedy the act, omission or default, and (b) thereafter shall have commenced and continued to remedy such act, omission or default or cause the same to be remedied. Tenant shall also give a copy of any such notice hereunder to any successor to Beneficiary's interest under the Mortgage, provided that Beneficiary or such successor notifies Tenant of the name and address of the party Tenant is to notify. Beneficiary's cure of Landlord's default shall not be considered an assumption by Beneficiary of Landlord's other obligations under the Lease. If in curing any such act, omission or default, Beneficiary requires access to the Demised Premises to effect such cure, Tenant shall provide access to the Demised Premises to Beneficiary as required by Beneficiary to effect such cure at all reasonable times. Unless Beneficiary otherwise agrees in writing, Landlord shall remain solely liable to perform Landlord's obligations under the Lease (but only to the extent required by and subject to the limitation included with the Lease), both before and after Beneficiary's exercise of any right or remedy under this Agreement. If Beneficiary or any successor or assign becomes obligated to perform as Landlord under the Lease, such person or entity shall be released from those obligations when such person or entity assigns, sells or otherwise transfers its interest in the Demised Premises.

6. *Successors of Beneficiary Also Included.* The term "Beneficiary" shall be deemed to include the Beneficiary stated hereinabove and any of its successors and assigns, including anyone who shall have succeeded to Landlord's interest by, through or under judicial foreclosure or private trustee's sale or other proceedings brought pursuant to the Mortgage, or deed in lieu of such foreclosure or proceedings, or otherwise.

7. *Beneficiary Not Liable.* Tenant agrees that no prepayment of rent or additional rent due under the Lease of more than one month in advance, and no amendment, modification, surrender or cancellation of the Lease, and no waiver or consent by Landlord under the terms of the Lease, shall be binding upon or as against Beneficiary, as holder of the Mortgage and as Landlord under the Lease if it succeeds to that position, unless consented to in writing by Beneficiary.

8. *Beneficiary Consent.* Tenant agrees that (a) the Lease cannot be amended or modified nor shall have any of its terms been waived or consented to by the Landlord, (b) Tenant and Landlord may not terminate, cancel or surrender the term of the Lease, except as expressly permitted by the provisions of the Lease, and (c) Tenant shall not pay any rent for more than the month in advance of the date when due, unless in each case Beneficiary's prior written consent shall have been obtained.

9. *No Modification.* This Agreement may not be modified orally or in any manner other than by an agreement, in writing, signed by the parties hereto and their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

10. *Counterparts.* To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall

collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages.

11. *Notices.* All notices or other communications required or permitted to be given pursuant to the provisions hereof shall be in writing and shall be deemed served and given at the time of (i) deposit in a depository receptacle under the care and custody of the United States Postal Service, properly addressed to the designated address of the addressee as set forth below, postage prepaid, registered or certified mail with return receipt requested or (ii) delivery to the designated address of the addressee set forth below by a third party commercial delivery service. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notices, the addresses of the parties shall be as follows:

If to the Beneficiary:	National City Bank Attn: Michael Zeller 301 S.W. Adams Street Peoria, IL 61602-1500
Tenant:	Greater Peoria Specialty Hospital, LLC Attention: Terry Waters 221 Northeast Glen Oak Avenue Peoria, Illinois 61636-0002
Landlord:	Cullinan Medical 1, LLC 211 Fulton Street, Suite 700 Peoria, IL 61602

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by notice to the other parties of such new address at least thirty (30) days prior to the effective date of such new address.

12. *No Merger of Estates.* It is the express intention of Landlord and Tenant that the acquisition by either party of the right, title, interest and estate of the other party in and to the Leased Premises shall not result in termination or cancellation of the Lease by operation of the principle of merger of estates or otherwise, notwithstanding any applicable law to the contrary; provided, however, that in the event Tenant acquires the right, title, interest and estate of Landlord in and to the Demised Premises, whether pursuant to any purchase option or right of first refusal granted in the Lease or otherwise, if either (i) the indebtedness secured by the Mortgage is satisfied or (ii) Tenant assumes or unconditionally guarantees the indebtedness secured by the Mortgage (on a recourse basis), then in such event the estates of Landlord and Tenant in and to the Demised Premises shall merge and the Lease will be extinguished.

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

BENEFICIARY:

NATIONAL CITY BANK, a national banking association

By: 
Name: Michael A. Zeller
Title: Senior Vice President

LANDLORD:

Cullinan Medical 1, LLC, an Illinois limited liability company

By: Cullinan Companies L.L.C., an Illinois limited liability company
Its Manager

By: 
Name: Michael C. Owens
Title: Manager

TENANT:

Greater Peoria Specialty Hospital, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

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

BENEFICIARY:

NATIONAL CITY BANK, a national banking association

By: _____

Name: _____

Title: _____

LANDLORD:

Cullinan Medical 1, LLC, an Illinois limited liability company

By: Cullinan Companies L.L.C., an Illinois limited liability company
Its Manager

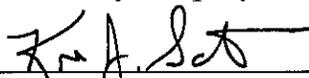
By: _____

Name: _____

Title: Manager

TENANT:

Greater Peoria Specialty Hospital, LLC, a Delaware limited liability company

By:  _____

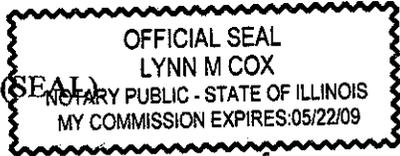
Name: KURT J. SCHULTE

Title: CHAIRPERSON

STATE OF Illinois)
)
COUNTY OF Peoria)

This instrument was acknowledged before me on the 21 day of December, 2007, by Michael A. Zeller, the Sr. Vice President of National City Bank, a national banking association, on behalf of said National City Bank.

Jean M. Cox
Notary Public, State of _____



STATE OF Illinois)
)
COUNTY OF Tazewell)

This instrument was acknowledged before me on the 20 day of December, 2007 by Michael C. Owens the Manager of Cullinan Companies L.L.C., an Illinois limited liability company, on behalf of said Cullinan Companies L.L.C.

Patricia Martin
Notary Public, State of ILLINOIS



STATE OF Missouri)
COUNTY OF St. Louis)

I, Betty D. Cammarata, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Kurt J. Schully, personally known to me to be the same person whose name is subscribed to the foregoing instrument as the Chairperson of Greater Peoria Specialty Hospital, a Delaware limited liability company, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the same instrument as his/her free and voluntary act, for the uses and purposes therein set forth

Betty D. Cammarata
Notary Public, State of Missouri
My commission expires: 2/23/08

(SEAL)



BETTY D. CAMMARATA
St. Louis County
My Commission Expires
February 23, 2008

EXHIBIT F-PRELIMINARY PROJECT BUDGET

	A	B	C	D	E	W
1						
2						
3		LTACH				
4		Southtown				
5		12/5/2007				
6		Square Feet	56,345			
7						
8						
9		Description/Month				Amount
10		Land (6 acres at \$4.00 psf)				\$ 1,045,440
11		Loan Fee				\$ 37,800
12		Reimbursement of RHB				\$ 168,404
13		Legal, Title, Closing & Misc.				\$ 150,000
14		Development Overhead				\$ 250,000
15		RCC Contingency				\$ -
16		A/E				\$ 1,200,000
17		Brick Exterior - Modular				\$ -
18		AT&T Cable Relocation				\$ 60,000
19		Pad Prep				\$ -
20		Utilities, Including San Sewr Relo				\$ -
21		Paving/Landcaping				\$ -
22		Building Shell				\$ -
23		RCC 50% Drawings Submittal				\$ 13,655,000
24		Owner Contingency				\$ 1,250,000
25		Totals				\$ 17,816,644
26						100.00%
27						
28		Interest				\$ 881,036
29		And Additional Carrying Costs				\$ 146,250
30						
31		Cumulative Debt Bal				
32		Equity/Mezz				
33						\$ 18,843,930
34						
35						
36		Rent Calculation				10%
37		Annual Rent				\$ 1,884,393
38		Annual Rent PSF 1 - 5				\$ 33.44
39		Years 6 - 10				\$ 36.79
40		Years 11 - 15				\$ 40.47
41		Option 16 - 20				\$ 44.51
42		Option 21 - 25				\$ 48.97
43		Option 26 - 30				\$ 53.86
44		Option 31 - 35				\$ 59.25
45						

EXHIBIT G

BUILDING STANDARDS

Because an accurate and complete set of Building Standards relating to the Leased Improvements, Fixtures and Personal Property cannot be completed until the completion of the design process and preparation of the final Construction Drawings and Specifications, Landlord and Tenant agree that after the completion of the final Construction Drawings and Specifications, they shall amend this Lease to attach a new Exhibit G, Building Standards. Such Building Standards shall be subject to the approval of Landlord and Tenant. The form of the Buildings Standards will be similar to that which is noted below:

Project Architect:

NAME

ADDRESS.

CITY, STATE ZIP

Plans and Specifications for:

TENANT

Project #

Issued for Construction Drawings and Specifications Dated _____ and other such future addendums and modifications as approved by Landlord from time to time prior to and after commencement of construction.

Fixed Equipment or Personal Property to be provided by Landlord:

[list items]

EXHIBIT H

PROJECT SCHEDULE

Because an accurate Project Schedule relating to achieving various completion of various portions of the construction and installation, Leased Improvements and Fixtures cannot be completed until the completion of the design process and preparation of the final Construction Drawings and Specifications, Landlord and Tenant agree that after the completion of the final Construction Drawings and Specifications, they shall amend this Lease to attach a new Exhibit H, Project Schedule to be provided by Landlord. The form of the Project Schedule will be similar to that which is noted below:

<u>Description / Item</u>	<u>Time Frame to Complete Item</u>
1. Contractor Notice to Proceed	___ Business Days following closing on Project Financing
2. Civil Work	___ Business Days following Notice to Proceed
3. Structural Steel	___ Business Days following completion of Civil Work
4. Exterior Finishes	___ Business Days following completion of Structural Steel
5. Interior Finishes	___ Business Days following completion of Exterior Finish
6. Project Close-Out	___ Business Days following completion of Interior Finishes

The Project Schedule is an estimated time to complete various segments of the Project Improvements and does not constitute a guarantee that the entire Project, or any particular portion of the Project will in fact be complete within the Time Frame to Complete an Item set forth above.

EXHIBIT I
GUARANTY

The undersigned, being THE METHODIST MEDICAL CENTER OF ILLINOIS, , an Illinois not for profit corporation, and REHABCARE GROUP, INC., a Delaware corporation ("Guarantors"), for themselves and their legal representatives and assigns, hereby guarantee to Landlord and Landlord's successors and assigns the prompt performance by GREATER PEORIA SPECIALTY HOSPITAL, LLC, a Delaware limited liability company ("Tenant") of all terms, covenants and obligations to be performed by Tenant under the foregoing lease agreement dated the 21st day of December, 2007 ("Lease"), as between Tenant and CULLINAN MEDICAL 1, LLC, an Illinois limited liability company ("Landlord") for the construction and lease of certain facilities and other site improvements located upon that real property described on Schedule A hereto, agreeing as follows:

1. Coverage of Guaranty. This Guaranty extends to any and all liability which the Tenant or any successor Tenant has or may have to the Landlord by reason of any obligation set forth under the Lease, whether arising before the signing of the Lease or the commencement of the term of the Lease or during the term of the Lease;

2. Performance. In the event that the Tenant or any of its successors or assigns, and, without limitation, this includes such as shall become Tenant by operation of law, fails to perform, satisfy or observe the terms and conditions of the Lease and any rules and regulations promulgated under the terms of the Lease required to be performed, satisfied or observed by the Tenant, the Guarantors will promptly and fully perform, satisfy and observe the obligation or obligations in place of the Tenant. The Guarantors shall pay, reimburse and indemnify the Landlord for any and all damages, costs, expenses, reasonable attorneys' fees, losses and other liabilities arising or resulting from the failure of the Tenant to perform, satisfy or observe any of the terms and conditions of the Lease or any rules and regulations promulgated under the terms of the Lease.

3. Unconditional Obligations. Guarantors represent and warrant to Landlord that the Tenant's initial members are RehabCare Hospital Holdings, LLC ("RehabCare Hospital Holdings"), a Delaware limited liability company, owning a 51% membership interest in Tenant, and The Methodist Medical Center of Illinois ("Methodist"), an Illinois not for profit corporation owning a 49% membership in Tenant. Methodist and RehabCare Group, Inc ("RehabCare Group"), a Delaware corporation (a related entity to RehabCare Hospital Holdings) shall each guaranty the following: (i) Methodist shall guaranty 49% of all Tenant monetary obligations arising under the terms, covenants and obligations of the Lease, and (ii) RehabCare Group shall guaranty 51% of all Tenant monetary obligations arising under the terms, covenants and obligations of the Lease. The liability of the Guarantors is direct, immediate, absolute, unconditional, and continuing. The Landlord shall not be required to pursue any remedies it may have against the Tenant or other Guarantors as a condition to enforcement of this Guaranty, nor shall the Guarantors be discharged or released by reason of the terms and conditions of any agreement or document the Landlord is required to execute under the terms of the Lease, or by reason of the discharge or release of the Tenant for any reason (other than a written mutual release as between Landlord and Guarantors, or either Guarantor), including a discharge in bankruptcy, receivership, foreclosure or other proceedings, a disaffirmation or rejection of the Lease by a trustee, custodian or other representative in bankruptcy, a stay or other enforcement

restriction, or any other reduction, modification, impairment or limitations of the liability of the Tenant or any remedy of the Landlord.

4. **Binding Effect.** This Guaranty is binding upon the Guarantors, their legal representatives and assigns, and shall inure to the benefit of the Landlord, its successors and assigns. No assignment or delegation by the Guarantors shall release the Guarantors of their obligations under this Guaranty. The term "Tenant" used in this Guaranty includes also the first and any successive assignee or sublessee of the Tenant.

5. **Modification or Amendment of Lease.** Tenant or Tenant's successors and assigns may agree to the modification, amendment, or extension of or to the terms of the Lease, without the written consent of the Guarantors being first obtained.

IN WITNESS WHEREOF, the Guarantors have duly signed this Guaranty as of the date provided above.

The Methodist Medical Center of Illinois, an Illinois not-for-profit corporation

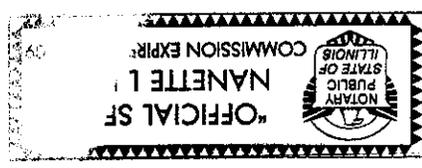
By: Calvin Mackey
Name: Calvin Mackey
Title: SR VP CFO

STATE OF Illinois)
)
COUNTY OF Peoria)

This instrument was acknowledged before me on the 21 day of December, 2007, by Calvin Mackey, the Senior VP CFO of The Methodist Medical Center of Illinois, an Illinois not-for-profit corporation, on behalf of said corporation.

Nanette L Hall
Notary Public, State of Ill

(SEAL)

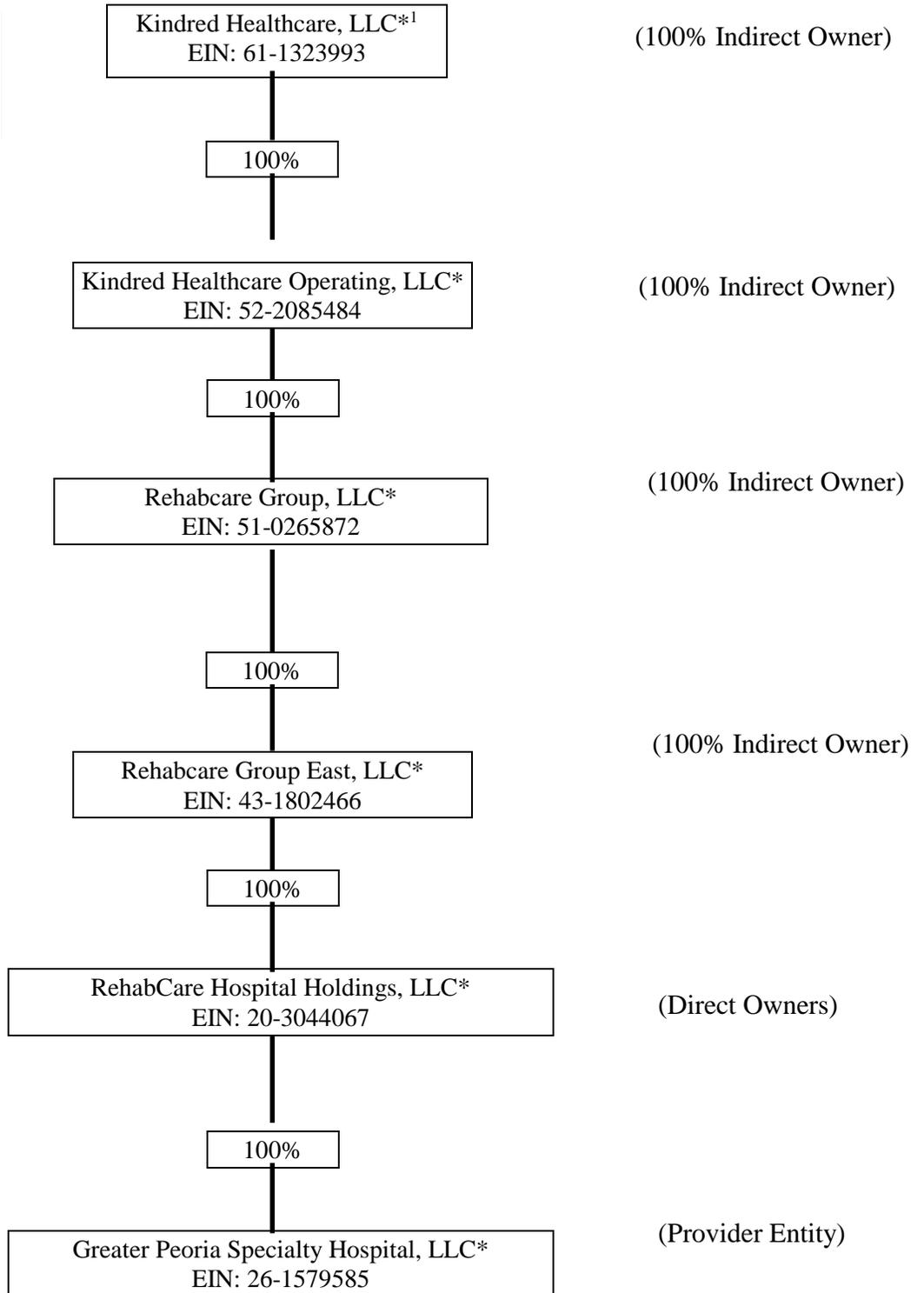


ATTACHMENT 4

CURRENT OWNERSHIP DIAGRAM

#E-045-20

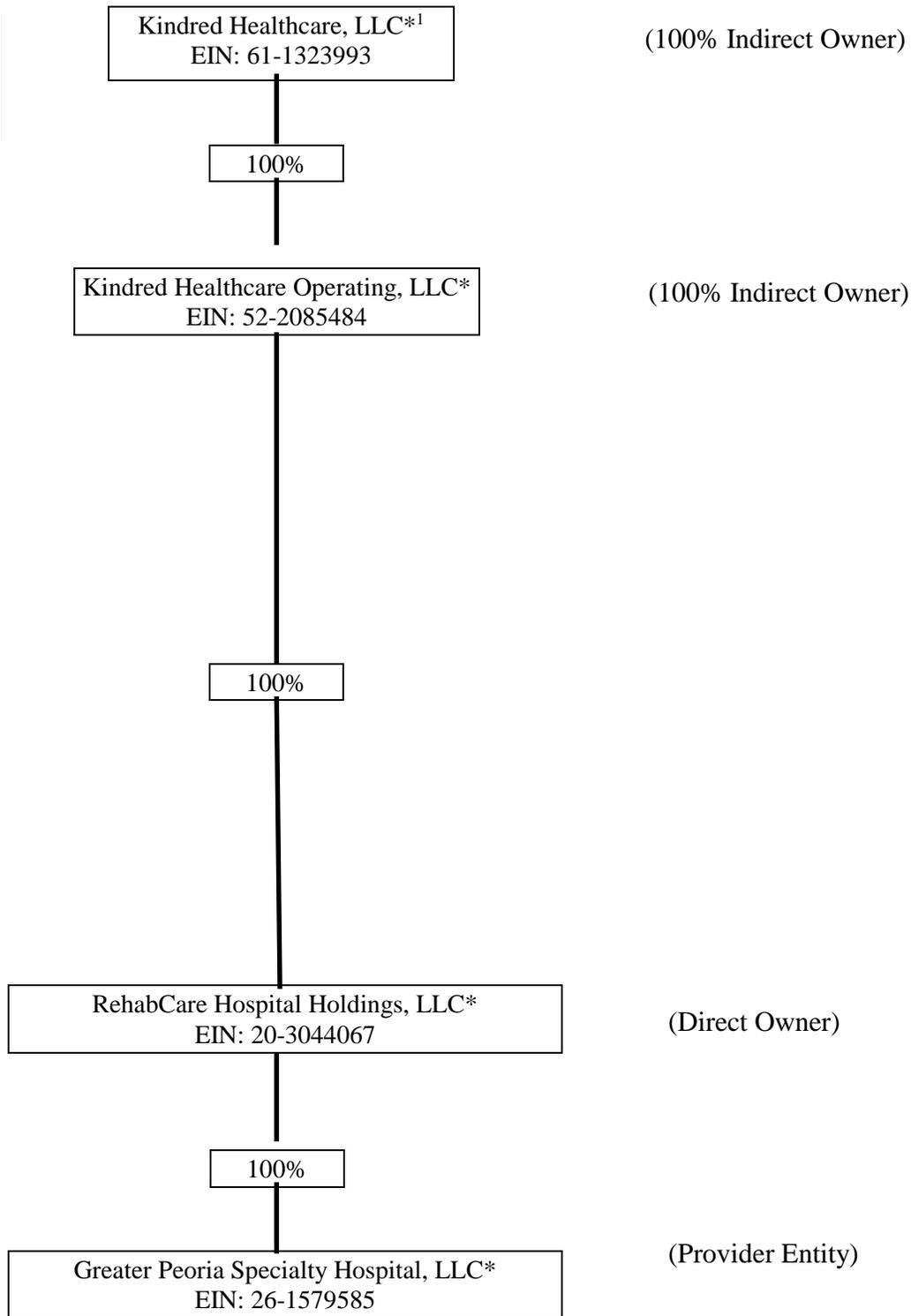
*Address for all entities is:
680 South Fourth Street
Louisville, KY 40202-2407



¹ Additional indirect ownership information available upon request. The ownership of Kindred Healthcare, LLC will not change as a result of the reorganization.

PROPOSED OWNERSHIP DIAGRAM

*Address for all entities is:
680 South Fourth Street
Louisville, KY 40202-2407



¹ Additional indirect ownership information available upon request. The ownership of Kindred Healthcare, LLC will not change as a result of the reorganization.

ATTACHMENT 5

Healthcare Facility Listing in Illinois:

Subsidiaries of Kindred Healthcare, LLC own and operate the following health care facilities in Illinois:

Kindred THC Chicago, LLC d/b/a Kindred Hospital – Sycamore
225 Edward Street
Sycamore, Illinois 60178

Kindred THC Chicago, LLC d/b/a Kindred Chicago Central Hospital
4058 West Melrose Street
Chicago, Illinois 60641

Kindred THC North Shore, LLC d/b/a Kindred Chicago Lakeshore Hospital
6130 North Sheridan Road
Chicago, Illinois 60660

Kindred THC Chicago, LLC d/b/a Kindred Hospital Chicago North
2544 West Montrose Avenue
Chicago, Illinois 60618

Kindred THC Chicago, LLC d/b/a Kindred Hospital Chicago Northlake
365 East North Avenue
Northlake, Illinois 60164

Greater Peoria Specialty Hospital, LLC d/b/a Kindred Hospital Peoria
500 West Romeo B Garrett Avenue
Peoria, Illinois 61605



September 30, 2020

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

Re: Adverse Actions / Authorized Access to Information

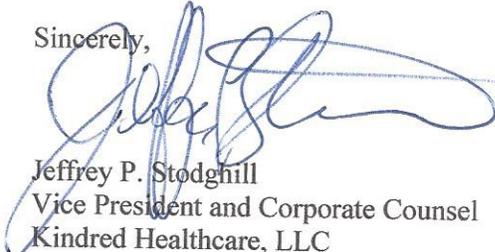
Dear Ms. Avery,

In accordance with Review Criterion 1110.110.a, Background of the Applicant, I am submitting this letter assuring the Illinois Health Facilities and Services Review Board of the following:

- 1) Kindred Hospital Chicago Central received survey citations in April 2019 and September 2019. The April citation was cleared in May 2019. The September citation was cleared in February, 2020.
- 2) I hereby certify that no other adverse actions have been taken against any health care facility owned or operated by Kindred Healthcare, LLC in the State of Illinois, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

Additionally, pursuant to 77 Ill. Admin Code 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify any information submitted as part of this application for exemption. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for exemption.

Sincerely,



Jeffrey P. Stodghill
Vice President and Corporate Counsel
Kindred Healthcare, LLC



November 29, 2018

Christopher Curry
CEO
Greater Peoria Specialty Hospital, LLC
500 W. Romeo B. Garrett Avenue
Peoria , IL 61605

Joint Commission ID #: 484161
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards
Compliance
Accreditation Activity Completed : 11/28/2018

Dear Mr. Curry:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Hospital**

This accreditation cycle is effective beginning August 31, 2018 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

A handwritten signature in black ink that reads "Mark Pelletier".

Mark G. Pelletier, RN, MS
Chief Operating Officer and Chief Nurse Executive
Division of Accreditation and Certification Operations



#E-045-20

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

Christopher Curry, CEO/Administrator
Greater Peoria Specialty Hospital LLC
Kindred Hospital Peoria
500 W Romeo B Garrett Ave
Peoria, IL 61605-2301

License #0005777
14-2013

Enclosed is the renewal license for the hospital. We are continually updating our records to reflect the current administrative information regarding the hospitals. Please review the information below for accuracy and make the appropriate changes where necessary. If there is a blank, please fill in the appropriate information. When the information is completed and correct, please indicate by signing and return of the information to the address indicated.

General Hospital Phone:	(309) 680-1500
Administrator:	Christopher Curry, CEO/Administrator
Admin Phone Number:	
Fax Number:	(309) 680-1486
E-mail Address:	christopher.curry@kindred.com
Accrediting Organization:	
Accreditation Effective Date:	
Accreditation Expiration Date:	

If you have any questions regarding the renewal license, please contact the Illinois Department of Public Health, Division of Health Care Facilities & Programs, 525 West Jefferson Street, 4th Floor, Springfield, Illinois 62761-0001, or feel free to call us at 217-782-7412. The Department's TTY number, for the hearing impaired only, is 1-800-547-0466.

Sincerely,

Karen Senger, RN, BSN
Division Chief, Health Care Facilities and Programs
Illinois Department of Public Health

Enclosure

ATTACHMENT 5

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Illinois Department of PUBLIC HEALTH HF 120279



LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.Q. NUMBER
05/31/2021	Long Term Acute Care Hospital	0005777
Effective: 06/01/2020		

Greater Peoria Specialty Hospital LLC
dba Kindred Hospital Peoria
500 W Romeo B Garrett Ave
Peoria, IL 61605

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M1918

Exp. Date 05/31/2021
Lic Number 0005777

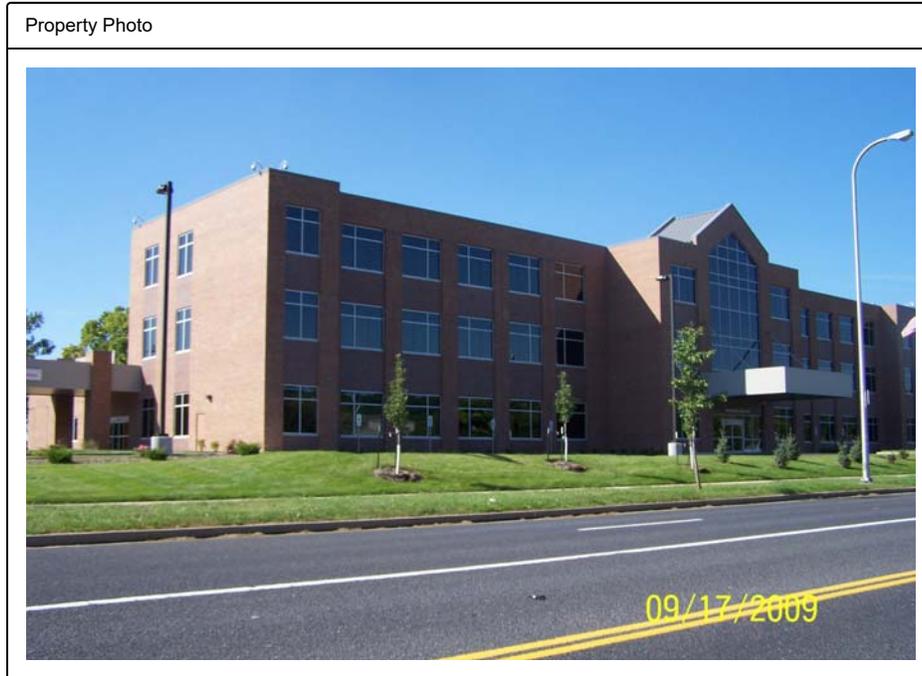
Date Printed 03/19/2020

Greater Peoria Specialty Hospital LLC
dba Kindred Hospital Peoria
500 W Romeo B Garrett Ave
Peoria, IL 61605

FEE RECEIPT NO.

Property Information		
Parcel Number 18-09-110-029	Township City of Peoria	Site Address 500 W ROMEO B GARRETT AVE PEORIA, IL 61605
Tax Year 2019 (Payable 2020) ▼	Land Use Commercial	
Property Class 0060 - Improved Commercial	Tax Code 001	Tax Status Taxable
Net Taxable Value 4,523,330	Tax Rate 9.962200	Total Tax \$450,623.18 Pay Taxes
Legal Description SOUTHTOWN MEDICAL SUB NW 1/4 SEC 9-8N-8E LOT 1B		

Parcel Owner Information		
Name	Tax Bill	Address
RI WASCO LLC	N	7600 NE 41ST ST SUITE 330 VANCOUVER, WA, 98662-



Billing			
	1st Installment (Due 06/09/2020)	2nd Installment (Due 09/09/2020)	Totals
Tax Billed	\$225,311.59	\$225,311.59	\$450,623.18
Penalty Billed	\$0.00	\$0.00	\$0.00
Cost Billed	\$0.00	\$0.00	\$0.00
Fees/Liens/SSA	\$0.00	\$0.00	\$0.00
Total Billed	\$225,311.59	\$225,311.59	\$450,623.18
Amount Paid	\$225,311.59	\$225,311.59	\$450,623.18
Total Unpaid	\$0.00	\$0.00	\$0.00
Paid By	KINDRED HEALTHCARE OPERATING, LLC on 6/4/2020	RI WASCO LLC on 8/28/2020	

Assessment Details						
Level	Homesite	Dwelling	Farm Land	Farm Building	Mineral	Total
DOR Equalized	312,190	4,211,140	0	0	0	4,523,330
Department of Revenue	312,190	4,211,140	0	0	0	4,523,330
Board of Review Equalized	312,190	4,211,140	0	0	0	4,523,330
Board of Review	312,190	4,211,140	0	0	0	4,523,330
Informal Hearing	312,190	4,902,430	0	0	0	5,214,620
S of A Equalized	312,190	4,902,430	0	0	0	5,214,620
Supervisor of Assessments	312,190	4,902,430	0	0	0	5,214,620
Township Assessor	312,190	4,902,430	0	0	0	5,214,620
Prior Year Equalized	312,100	4,981,780	0	0	0	5,293,880

No Exemptions

No Farmland Information

No Forfeiture Information

Parcel Genealogy					
Relationship	Parcel Number	Action	Year	Change Effective Year	Completed
Parent Parcel	1809110027	Split	2014	2015	Yes

District	Tax Rate	Extension
CITY OF PEORIA	1.12581	\$50,924.10
GREATER METRO AIRPORT AUTH	0.21617	\$9,778.08
GREATER PEO SAN DIST	0.00000	\$0.00
GREATER PEORIA M T D	0.27992	\$12,661.71
I C C J C #514	0.48714	\$22,034.95
PEORIA COUNTY	0.82410	\$37,276.77
PEORIA COUNTY SOIL & WATER	0.00039	\$17.64
PEORIA LIBRARY	0.44065	\$19,932.05
PEORIA TWP	0.11916	\$5,390.00
PEORIA USD #150	5.63191	\$254,749.87
PLEASURE DRIVEWY PKD	0.83695	\$37,858.01

- CITY OF PEORIA
- GREATER METRO AIRPORT AUTH
- GREATER PEORIA...
- I C C J C #514
- PEORIA COUNTY
- PEORIA LIBRARY
- PEORIA TWP
- PEORIA USD #150
- PLEASURE DRIVE...
- Other

Payment History			
Tax Year	Total Due	Total Paid	Amount Unpaid
2018	\$515,574.68	\$515,574.68	\$0.00
2017	\$515,503.80	\$515,503.80	\$0.00
2016	\$511,666.00	\$511,666.00	\$0.00

[Show 1 More](#)

No Redemptions

Sales History						
Year	Document #	Sale Type	Sale Date	Sold By	Sold To	Price
2015	1501880		2/3/2015	LITY COMPANY CULLINAN MEDICAL 1, LLC, AN ILLINOIS LIMITED LIABI	PANY RI WASCO, LLC, A WASHINGTONO LIMITED LIABILITY COM	\$30,200,000.00

Disclaimers

Please make check payable to "Peoria County Collector" and mail payment to:

Peoria County Collector
 PO Box 1925
 Peoria, IL 61656-1925

1st Installment Due: 6/9/2020
2nd Installment Due: 9/9/2020
Last day to pay to avoid Tax Sale: 11/6/2020
Tax Sale: 11/9/2020

Please make sure the Supervisor of Assessments has your most current address on file.

Failure to receive a real estate tax bill or receiving it late for any reason does not relieve the taxpayer of penalties accruing if taxes are not paid by their respective due dates.

Downloadable Forms

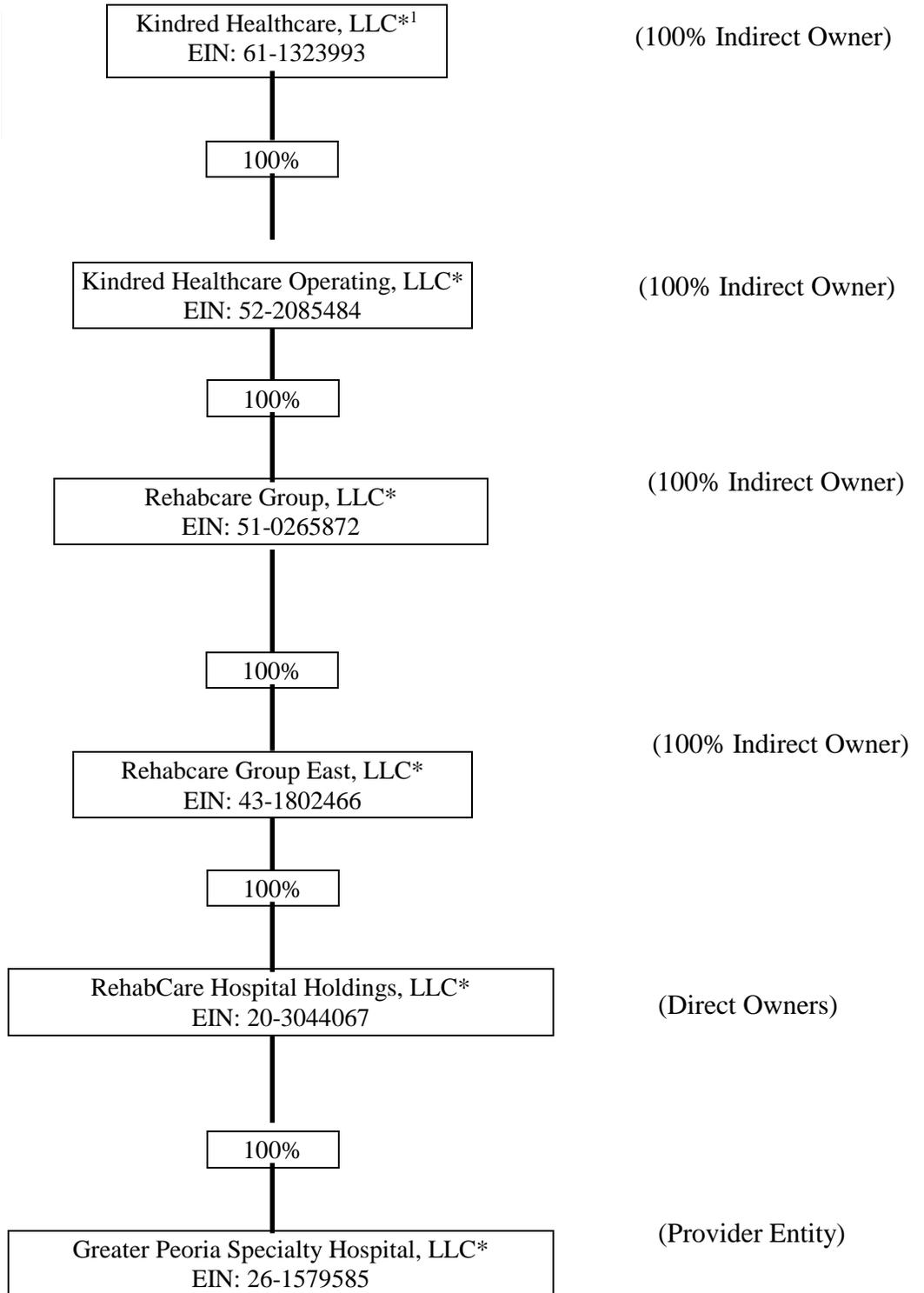
© 2020 DEVNET, Inc
 Data updated:
 wEdge Version 4.0.7426.17958
 Assembly Date: 2020/05/01

ATTACHMENT 6

CURRENT OWNERSHIP DIAGRAM

#E-045-20

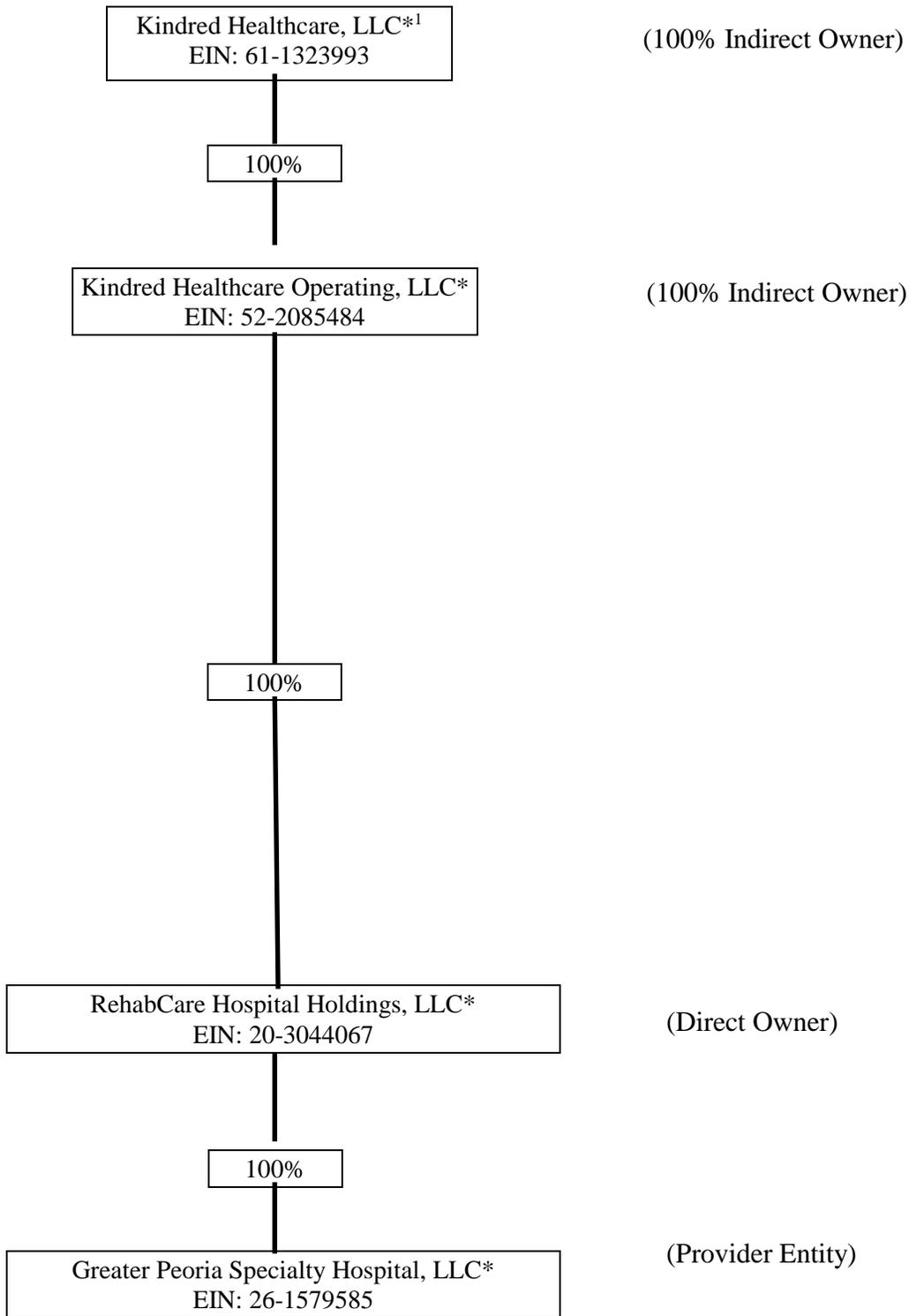
*Address for all entities is:
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¹ Additional indirect ownership information available upon request. The ownership of Kindred Healthcare, LLC will not change as a result of the reorganization.

PROPOSED OWNERSHIP DIAGRAM

*Address for all entities is:
680 South Fourth Street
Louisville, KY 40202-2407



¹ Additional indirect ownership information available upon request. The ownership of Kindred Healthcare, LLC will not change as a result of the reorganization.

ATTACHMENT 6

Applicable Review Criteria

- **Purchase price or other forms of consideration:**

There is no purchase price or consideration for the Restructuring, because the proposed changes in ownership are purely the result of an internal restructuring.

- **Affirmation that the facility will not adopt a more restrictive charity care policy that the policy that was in effect one year prior to the transaction:**

The facility will not adopt a more restrictive charity care policy as a result of the Restructuring.

- **A statement as to the anticipated benefits of the proposed changes in ownership to the community:**

Kindred Healthcare, LLC ("Kindred"), which operates a variety of inpatient and outpatient facilities and services through its subsidiaries, nation-wide, is undergoing an internal restructuring (the "Restructuring").

One Illinois long-term acute care hospital is impacted by Kindred's proposed Restructuring. This Certificate of Exemption ("COE") application addresses the impact of the Restructuring on Kindred Hospital Peoria, which is located at 500 West Romero B. Garrett Avenue in Peoria, Illinois.

There will be no change to the facility's indirect ownership as a result of the Restructuring. The applicants do not anticipate any changes to the day-to-day operation of the facility, resulting from Restructuring, that would be apparent to patients or the population traditionally served.

Following the Restructuring, and as of the date of the filing of this COE application, it is anticipated that:

- Kindred will continue to manage the above-referenced facility's operations;
- The legal entity and name of the facility will not change;
- The services provided in and through the facility will not change in any appreciable fashion;
- The number of beds provided will not change;
- Employees will retain full credit for Kindred employment, retain current positions, and maintain seniority.

- **The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership:**

There are no specific cost savings related to the Restructuring, because the proposed changes in ownership are purely the result of an internal restructuring.

- **A description of the facility's quality improvement program mechanism that will be utilized to assure quality control:**

The existing quality improvement program mechanism will not change due to the Restructuring, because the proposed changes in ownership are purely the result of an internal restructuring.

- **A description of the selection process that the acquiring entity will use to select the facility's governing body:**

The facility's existing governing body and the existing selection process for the facility's governing body will not change due to the Restructuring, because the proposed changes in ownership are purely the result of an internal restructuring.

ATTACHMENT 6

Applicable Review Criteria

- **A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition:**

There will be no changes to the scope of services or levels of care currently provided and no changes are anticipated to occur within 24 months after the Restructuring, because the proposed changes in ownership are purely the result of an internal restructuring.

ATTACHMENT 7

ATTACHMENT 7
CHARITY CARE INFORMATION

	Net Revenue			Charity		
	2017	2018	2019	2017	2018	2019
Central	\$ 26,025,902	\$ 19,147,441	\$ 10,238,140	\$ -	\$ -	\$ -
Northlake	\$ 31,003,277	\$ 25,187,606	\$ 23,380,029	\$ -	\$ -	\$ -
Peoria	\$ 13,286,052	\$ 13,890,595	\$ 17,120,433	\$ -	\$ -	\$ -
Sycamore	\$ 25,299,881	\$ 21,126,604	\$ 18,603,982	\$ -	\$ -	\$ -
Chicago North	\$ 52,843,785	\$ 50,270,246	\$ 33,446,289	*	\$ -	\$ -

* Chicago North 2017 Charity

Charges \$ 3,084,482

Costs \$ 882,162

Atlanta Office
171 17th Street NW, Suite 2100
Atlanta, GA 30363-1031
Direct phone: 404.873.7018
Direct fax: 404.873.7019
E-mail: Charmaine.Mech@agg.com

October 1, 2020

VIA EMAIL (MIKE.CONSTANTINO@ILLINOIS.GOV)

ATTN: Mr. Mike Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Illinois Certificate of Need / Change of Ownership Exemption Application
Greater Peoria Specialty Hospital, LLC D/B/A Kindred Hospital Peoria

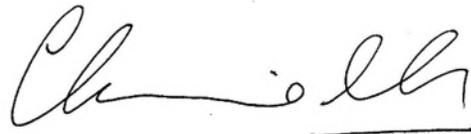
Mr. Constantino:

Enclosed please find a Change of Ownership Exemption Application regarding the proposed internal restructuring of Kindred Healthcare, LLC, which impacts one Illinois long-term acute care hospital, Kindred Hospital Peoria, which is located at 500 West Romero B. Garrett Avenue in Peoria, Illinois. The corresponding application fee will be sent to your attention by overnight mail.

Thank you for your attention to this matter. If you need any additional information or have questions, please do not hesitate to contact me at charmaine.mech@agg.com or 404.873.7018.

Sincerely,

ARNALL GOLDEN GREGORY LLP



Charmaine A. Mech

cc: Mr. Terrance Dillon
Donna Thiel, Esq.
Jessica Grozine, Esq.

INSTRUCTIONS**GENERAL**

- The application for change of ownership (Application) must be completed for all change of ownership transactions.
 - The persons preparing the application for exemption are advised to refer to the Illinois Health Facilities Planning Act, as well as the rules promulgated there under (77 Ill. Adm. Code 1130) for more information.
 - Applicants should refer to 77 IAC 1130.140 for definitions of a change of ownership and control of a health care facility. Applicants should also refer to 77 IAC 1130.220(a) for information on who the applicant(s) should be.
 - 77 IAC 1130.520(a) prohibits any person from acquiring or entering into an agreement to acquire an existing health care facility prior to receiving approval from the State Board.
 - All applications for exemption for the change of ownership of a health care facility are subject to the opportunity for a public hearing and public hearing requirements (77 IAC 1130.520(c)).
 - **The Application does not supersede any of the above-cited rules and requirements.**
 - The Application is organized into several sections. Questions concerning completion of this form may be directed to Health Facilities and Services Review Board staff at (217) 782-3516.
 - Copies of the Application form are available on the Health Facilities and Services Review Board website www.illinois.gov/sites/hfsrb.
-

SPECIFIC

- Use the Application as written and formatted.
- Complete and submit **ONLY** those Sections along with the required attachments that are applicable to the type of project proposed.
- **ALL APPLICABLE CRITERIA** for each applicable section must be addressed. **If a criterion is NOT APPLICABLE, label it as such and state the reason why.**
- **ALL PAGES ARE TO BE NUMBERED CONSECUTIVELY BEGINNING WITH PAGE 1 OF THE APPLICATION. DO NOT INCLUDE INSTRUCTIONS AS PART OF THE APPLICATION OR IN NUMBERING THE PAGES IN THE APPLICATION.**
- Unless otherwise stated, attachments for each Section should be appended after the last page of the Application.
- Begin each attachment on a separate 8 1/2" x 11" sheet of paper and print or type the attachment identification in the lower right-hand corner of each attached page.
- Information to be considered must be included with the applicable Section attachments. References to appended material not included within the appropriate Section will **NOT** be considered.
- The Application must be signed by the authorized representative(s) of each applicant entity.
- Provide an original Application and one copy, both **unbound**. **Label the copy** that contains the original signatures **original (put the label on the Application)**.

Failure to follow these requirements WILL result in the Application being declared incomplete. In addition, failure to provide certain required information (e.g., not providing a site for the

proposed project or having an invalid entity listed as the applicant) may result in the Application being declared null and void.

ADDITIONAL REQUIREMENTS

CHARITY CARE INFORMATION

CHARITY CARE INFORMATION must be provided for **ALL** projects. **SEE SECTION IV** OF THE APPLICATION.

FEE

An application-processing fee of \$2,500 **MUST** be submitted with the application. **The application will not be deemed complete and review will not be initiated until the entire processing fee is submitted. Payment may be made by check or money order and must be made payable to the Illinois Department of Public Health.**

APPLICATION SUBMISSION

Submit an original and one copy of all Sections of the application, including all necessary attachments. **The original must contain original signatures in the certification portions of this form.** Submit all copies to:

**Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761**