

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

- Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))
 Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))
 Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

SHPDA ID Number: 073-S3704
 (This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Mount Royal Tower SCALF
 (ADPH Licensure Name)

Physical Address: 300 Royal Tower Drive
Birmingham, Alabama 35209

County of Location: JEFFERSON

Number of Beds/ESRD Stations: 113

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. _____

Part II: Current Authority (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I: Vestavia Hills, LTD

Mailing Address: 300 Royal Tower Drive
Birmingham, Alabama 35209

Operator (Entity Name): Vestavia Hills, LTD

Part III: Acquiring Entity Information

Name of Entity: TEC Freedom Management, LLC

Mailing Address: 6171 Tucker Mountain Road
Remlap, Alabama 35133

Operator (Entity Name): TEC Freedom Management, LLC

Proposed Date of Transaction is on or after: 12/14/2018

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 0.00

Type of Beds: SCALF

Number of Beds/ESRD Stations: 113

Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 803,018.00

Projected Total Cost: \$ 803,018.00

On an Attached Sheet Please Address the Following:

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Brenée Barnard

Operator(s): Brenée Barnard

Title/Date: President 12/11/18

SWORN to and subscribed before me, this 11 day of December, 2018.

(Seal)



Misti Morris
Notary Public

My Commission Expires: 10/27/21

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

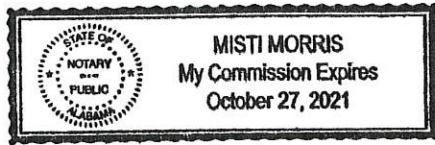
Purchaser(s): Thomas E. Currip _____

Operator(s): Thomas E. Currip _____

Title/Date: PRESIDENT/CEO 12-11-2018 _____

SWORN to and subscribed before me, this 11 day of December, 2018.

(Seal)



Misti Morris
Notary Public

My Commission Expires: 10/27/21

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule

**Attachment for
Notice of Change of Ownership/Control**

PART IV: Terms of Purchase

Monetary Value of Purchase is entered as 0.00 due the change being a Lease Agreement. Annual amount of Lease not to exceed \$60,000.00

Projected Equipment Cost is included in Lease amount.

1. The services to be offered by the proposal.

The Applicant has not offered this service in Jefferson County Alabama; however this will be a continuance of the existing CON beds under the direction of the Applicant.

2. Whether the proposal will include the addition of any new beds.

This proposal will not add any new beds.

3. Whether the proposal will involve the conversion of beds.

This proposal will not involve the conversion of beds.

4. Whether the assets and stock (if any) will be acquired.

There will be no assets and stocks acquired related to the proposal.

LEASE

This Lease (the "Lease") is made and entered into as of the 14 day of December, 2018, by and between **VESTAVIA HILLS, LTD.**, an Alabama limited partnership ("Landlord"), and **TEC Freedom Management, LLC**, an Alabama limited liability company ("Tenant").

RECITALS

WHEREAS, Landlord is owner of that certain real property (the "Real Property") and all buildings, structures, erections, improvements, appurtenances, easements and fixtures, including fixed machinery and fixed equipment situated thereon or forming a part thereof and other improvements located on and/or attached to the Real Property (the "Improvements"), including but not limited to that certain building containing a 98-bed licensed assisted living facility (the "ALF"), a 113-bed licensed specialty care assisted living facility for memory care (the "SCALF"), collectively known as "Mount Royal Towers" (and also described herein as the "Facility") located at 300 Royal Tower Drive, Birmingham, Alabama 35209 (the "Mount Royal Campus");

WHEREAS, the ALF, SCALF, adequate office space and the portion of the "Common Areas" located within the buildings.

WHEREAS, to accommodate certain regulatory compliance matters concerning the ALF and SCALF, Landlord has asked Tenant, subject to the terms and conditions set forth in this Lease, to enter into this Lease, and subject to the terms and conditions set forth in this Lease, Tenant is willing to enter into this Lease under which Tenant would lease the Real Property, Improvements, and certain tangible and intangible personal property comprising the ALF and SCALF portions of Mount Royal campus (being more particularly defined below as the "Leased Premises"), which Leased Premises shall be less and except the following: (i) that portion of the Mount Royal Campus currently occupied by the IL and SNF; and

WHEREAS, Tenant agrees to operate ALF and SCALF in Compliance with Alabama State Board of Health rules, provide new Policies and procedures, write and submit a Plan of Correction on or before February 1, 2019, and provide and/or be the Administrator of record for the term of the Lease.

WHEREAS, the parties desire to enter into this Lease to provide for the lease of the Leased Premises from Landlord to Tenant, according to the terms and conditions of this Lease.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DESCRIPTION OF LEASED PROPERTY

1.1 Leased Premises. Landlord hereby leases to Tenant and Tenant leases from Landlord, for the terms, at the rental described herein, and upon all of the conditions set forth herein, the herein described "Leased Premises," namely: The Mount Royal Campus, less and

of the ALF, and SCALF a "Facility" and collectively the "Facilities"), (iv) areas within the Facilities used for the sole purpose of operating the Facilities, (v) the nonexclusive right to use the Common Areas for the Benefit of the Facilities, the Real Property and other Improvements located on the Real Property, including but not limited to any common areas which, immediately prior to the effectiveness of this Lease, were used by residents, occupants and/or operators of the facilities described in (i)-(ii) (iii)) and (vi) the right to use all furnishings, fixtures and equipment ("Furnishings, Fixtures, and Equipment") located within the Facilities and Common Areas.

1.2 Furnishings, Fixtures and Equipment. As used in 1.1 above, "Furnishings, Fixtures, and Equipment" means all machinery, trade equipment, trade fixtures, furniture, furnishings, beds, linens, utensils, medical equipment, and accessories of all kinds used and useful in connection with the operation of the ALF, and SCALF, including all personal property, whether tangible or intangible; and all rights, if any, to be licensed and operate the ALF and SCALF respectively as a 98-bed licensed assisted living facility and a 113-bed licensed specialty care assisted living facility for memory care, respectively, in the State of Alabama. Landlord hereby leases the Furnishings, Fixtures, and Equipment to Tenant and Tenant hereby leases the Furnishings, Fixtures, and Equipment from Landlord, for the terms, at the rental, and upon the terms and conditions set forth herein.

1.3 Leased Property. The Leased Premises and Furnishings, Fixtures, and Equipment are hereinafter collectively referred to as the "Leased Property."

2. TENANT'S ACCEPTANCE OF LEASED PREMISES AND LEASED PROPERTY

2.1 Acceptance of Condition. Tenant accepts the Leased Premises and Leased Property and each and every part thereof in their state and condition as of the date hereof and without any representation or warranty by Landlord as to the condition of such property or as to the use which may be made thereof except as may otherwise be set forth herein.

2.2 Required Repairs. In the event any repair or improvement is required for any part of the Leased Property by an appropriate governmental or quasi-governmental authority at any time after the Commencement Date (as hereinafter defined) of the Lease, said repairs or improvements shall be made by Tenant at Landlord's sole cost and expense.

3. TERM.

3.1 Term. The term (the "Term") of this Lease shall commence on ADPH approval of CHOW (the "Commencement Date") shall terminate upon the (i) Twelve months thereafter. The parties may by mutual consent extend the Term.

4. RENT

4.1 Rent. Tenant shall pay to Landlord lease payments ("Rent"), an amount equal to 5% of the resident rent revenue, but in no case greater than \$5,000.00 per month. Beginning with Resident rent revenue received for January 2019 and payable by the 20th day of the following month in which the resident rent revenue received.

4.2 Landlord to provide at no cost to Tenant shared services of housekeeping, maintenance, and accounting/payroll/human resources. Landlord shall have Accounting to transfer all revenue associated with the Facilities (ALF and SCALF) transferred to Tenants bank account.

4.3 Landlord to provide Dining Services support for a charge (to Tenant) of \$10 Per Resident Day. Certain dining service support to include oversight and preparation of meals, plus the cost of the food, paper products, cleaning supplies, and related items (the "Dining Services").

5. TAXES

5.1 Real Property Taxes. Landlord shall pay all real property taxes and general and special assessments levied or assessed against Leased Premises or Leased Property during the term of this Lease in the following manner:

6. LANDLORD'S NAME

6.1 Landlord acknowledges that the name Vestavia Hills, LTD dba Mount Royal Towers Specialty Care Assisted Living Facility and dba Mount Royal Towers Assisted Living Facilities, will be used in connection with the operation of the Facilities.

7. USE

7.1 Landlord is leasing the Leased Property to Tenant for the purpose of operating the Leased Property as (i) a licensed 98-bed assisted living facility ("ALF") (ii) a licensed 113-bed specialty care assisted living facility ("SCALF") Tenant shall not use or permit the Leased Property or any part thereof, to be used for any purpose or purposes other than the purpose for which the Leased Property is hereby leased, as aforesaid. Tenant shall not change or convert the use of the Leased Property to any other use without the prior written consent of Landlord, which Landlord may withhold in its absolute discretion.

7.2 Landlord is the holder of the certificate of need issued by the Alabama State Health Planning and Development Agency ("SHPDA") with respect to the operation of 113 SCALF beds at the ALF/SCALF Facility (the "Certificate of Need"), and Landlord hereby leases the Certificate of Need to Tenant during the term of the Lease. Upon the termination of the Lease, the Certificate of Need shall revert to Landlord upon the expiration of the term of the Lease free and clear of any claims of the Tenant, and Tenant shall cooperate with Landlord or its assign, to ensure the Certificate of Need is properly vested from Tenant to Landlord or its assign. Notwithstanding the foregoing, it is acknowledged by the parties that Tenant's and/or Tenant's manager's filing for and receiving from SHPDA of a change of ownership determination that permits tenant or its manager to be licensee of the SCALF is not a violation of any provision of this Lease. To the extent that further filings are necessary to effect the SCALF or ALF licenses in Tenant or Tenant's manager upon the Commencement Date, Landlord shall timely cooperate with Tenant or Tenant's manager in any and all such filings. Likewise, upon the termination of the Lease, Tenant shall timely cooperate or cause its manager to timely cooperate with Landlord in any and all such filings to enable Landlord or its designee to be licensed to operate the ALF and SCALF.

7.3 Tenant shall not undertake any act nor suffer or permit any licensing change which would alter, change or reduce any use of the Leased Property permitted hereunder, nor shall Tenant undertake any act nor suffer or permit any change in the configuration of the Leased Property which would alter, change or reduce the licensed capacity of the ALF or SCALF, without the prior consent of Landlord.

7.4 Tenant acknowledges that a separate license is required for each of the assisted living portion and the specialty care assisted living portion of the ALF and SCALF and that Tenant or its manager has or will have approval to hold its own licenses to operate the ALF and SCALF Facility. Landlord acknowledges that Tenant will be the manager to operate the ALF and SCALF, and that the manager will be licensee of the ALF and SCALF.

7.5 Tenant shall not remove the Furnishings, Fixtures, and Equipment, any part thereof, or any improvement, alteration, addition or replacement thereof during the term of this Lease or any renewal or extension of this Lease; provided Tenant may remove particular items of Furnishings, Fixtures, and Equipment with the consent in writing of Landlord.,

7.6 Compliance with Law.

7.6.1 Tenant shall not use the Leased Property or permit anything to be done in or about the Leased Property which will in any way conflict with any law, statute, zoning restriction, ordinance or governmental rule or regulation including, without limitation, the Americans With Disabilities Act of 1990, 42 U.S.C. Section 12801, et seq. (collectively, the "Regulations") or requirements of duly constituted public authorities now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use, or occupancy of the Leased Premises (collectively, the "Requirements"). The judgment of any authority with competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any Regulation or Requirement, shall be conclusive as between Landlord and Tenant. Tenant shall not do or permit anything to be done in or about the Leased Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Leased Premises or of property of which the Leased Premises may be a part, or injure or annoy them or use or allow the Leased Property to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain, or permit any nuisance in, on, or about the Leased Premises. Tenant shall not commit or suffer to be committed in any waste in or upon the Leased Premises nor shall Tenant conduct any auction at the Leased Premises.

7.7 Insurance Hazards. No use shall be made or permitted to be made of the Leased Property or any part thereof, nor acts done, which will cause the cancellation of any insurance policy covering said Leased Property, or any part thereof, nor shall Tenant sell, or permit to be kept, used, or sold, in or about the Leased Property any article which may be prohibited by the standard form of fire insurance policies. Landlord shall, at its sole cost and expense, comply with any and all requirements pertaining to the Leased Property, or any insurance organization or company necessary for the maintenance of reasonable fire and extended coverage, public liability or other insurance required to be provided hereunder covering said Leased Property or the operations thereof.

7.8 Landlord Use of Common Areas. The Common Area is included as a part of the Leased Premises subject only to Landlord's nonexclusive right to use such Common Areas as necessary for the operation of the IL and SNF.

8. MAINTENANCE, REPAIRS AND ALTERATIONS

8.1 Tenant's Obligations.

8.1.1 Landlord shall, at its own cost and expense, make all necessary repairs and replacements to the Leased Property and to the pipes, heating or cooling system, plumbing system, window glass, fixtures and other appliances and appurtenances belonging thereto, all equipment used in connection with the Leased Property, and appurtenant to the Leased Property to the extent any such repairs and replacement result from neglect or intentional misuse. All repairs and replacements shall be in quality and class at least equal to the original work.

8.2 Alterations and Additions.

8.2.1 Tenant shall not, without Landlord's prior written consent, make any alterations, improvements, additions, or Utility Installations (as hereinafter defined) in, on or about the Leased Property (including but not limited to any Common Areas).

8.2.2 Any alterations, improvements, additions or Utility Installations in, or about the Leased Property that Tenant shall desire to make and which requires the consent of the Landlord shall be presented to Landlord in written form, with proposed detailed plans.

8.2.3 Tenant's personal property and/or equipment (other than that which is affixed to the Leased Property so that it cannot be removed without material damages to the Leased Property) shall remain the property of the Tenant and may be removed by Tenant.

9. SURRENDER ON TERMINATION

9.1 Vacation of Leased Property. Tenant shall vacate and surrender the Leased Property and any additions to or replacements thereof in good order and repair, ordinary wear and tear excepted, in a condition acceptable to all governing or licensing authorities and the Tenant shall remove all of its personal property and/or equipment therefrom so that Landlord can take possession of the Leased Property not later than noon on the day upon which this Lease or any extension thereof expires, or any sooner termination of this Lease.

9.2 Removal of Tenant's Property. Subject to the provisions of Paragraph 8.2.4, Tenant may at any time prior to or upon the termination of this Lease or any renewal or extension thereof, remove from the Leased Property (including but not limited to any Common Areas), Tenant's own personal property and/or equipment excepting any and all alterations, improvements, additions and replacements of and/or to the Leased Property, and all Utility Installations, provided, however, that such property owned by Tenant is removed without substantial injury to the Leased Property. No injury shall be considered substantial if it is properly corrected at Tenant's expense by restoration to the condition prior to the installation of such property, if so requested by Landlord. Any such property not removed shall become the property of Landlord.

10. UTILITIES

From and after the Commencement Date, Landlord shall pay for any Utilities used by Tenant in the operation of the Leased Property during the Term. Any such failure or interruption of the Utilities shall entitle Tenant to terminate this Lease or withhold rent or other sums due hereunder.

11. INDEMNITY

11.1 Indemnification by Tenant. Tenant shall indemnify and hold Landlord (including its officers, directors and employees) harmless from and against any loss, damages or other liability by reason of any claim or legal proceeding by a third party relating to or arising out of any grossly negligent act or omission or willful misconduct of Tenant in the performance of its obligations hereunder. This indemnification shall include the payment of reasonable attorney's fees and other expenses incurred in settling or defending any claim, threatened action or finally adjudicated proceeding. This indemnification obligation shall survive the expiration or termination of this Agreement.

11.2 Indemnification by Landlord. Landlord shall indemnify and hold Tenant (including its officers, directors and employees) harmless from and against any and all losses, damages or other liability by reason of any claim or legal proceeding by a third party relating to the Facility not occasioned by any grossly negligent act or omission or willful misconduct of Tenant. This indemnification shall include the payment of reasonable attorney fees and other expenses incurred in settling or defending any claim, threatened action, or finally adjudicated proceedings. This indemnification obligation shall survive the expiration or termination of this Agreement.

12. INSURANCE

12.1 Required Coverage.

12.1.1 Landlord shall ensure that the Leased Property and each and every part thereof remains insured throughout the term of this Lease against the following:

(a) Loss or damage by fire, vandalism, malicious mischief, special extended perils (all risk), and such other risks as may be included in the broadest form of extended coverage insurance, from time to time available in amounts sufficient to prevent Landlord or Tenant from becoming a co-insurer within the terms of the applicable policies, and in any event, in an amount not less than one hundred percent (100%) of the then full insurable value. Such insurance shall include coverage of any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of any undamaged sections of the Leased Premises required to be demolished or removed by reason of the enforcement of any building, zoning, safety or land use laws as a result of a covered cause of loss.

(b) Loss or damage by explosion of steam boilers, pressure vessels, or similar apparatus, now or hereafter installed in the Improvements, including but not limited to

the Leased Premises, in such limits with respect to any one accident as may be reasonably requested by Tenant from time to time.

(c) Loss of rental, under a business interruption insurance policy covering risk of loss due to the occurrence of any on the hazards described in the preceding subparagraphs of this Paragraph 12.1, in an amount sufficient to prevent the Landlord or Tenant from becoming a co-insurer, but in any event, in an amount not less than one hundred percent (100%) of the then full basic rental income of twelve (12) months, including all other charges to be paid hereunder, such policy or policies to be obtained and paid for by Landlord as frequently as required.

(d) Claims for personal injury and/or property damage, under a policy of liability insurance and against any liability arising out of the ownership, use, occupancy, operation or maintenance of the Leased Property, including but not limited to the Leased Premises, and all areas appurtenant thereto, with such limits as are then customary for an ALF and SCALF and ILF in Alabama and as may reasonably be approved by Tenant from time to time.

(e) Against such other hazards and in such amounts as the holder of any security interest, mortgage or deed of trust to which this Lease is subordinate may reasonably require from time to time pursuant to the provisions of said security interest, mortgages and deeds of trust.

(f) Any and all risks covered by a full coverage policy of workman's or worker's compensation insurance under the laws of the State of Alabama.

(g) Against all risks under a full coverage policy of malpractice insurance or other such insurance covering the operation of the Facility, with such limits as may reasonably be requested by Tenant from time to time.

12.2 Full Insurable Value. The term "full insurable value" shall mean the actual replacement cost as reasonably determined by Tenant.

12.3 Named Insured. All policies of insurance (other than any policies obtained by Tenant at its sole cost and expense and insuring only Tenant's interest in the Leased Property and/or obtained by Tenant at its sole cost and expense and insuring against liability in the operation of the Leased Premises) shall name Landlord and Tenant as the insureds, as their respective interests may appear. At the request of Landlord, any insurance policy shall be made payable to the holders of any security interest, mortgage or deeds of trust to which this Lease is at any time subordinate, as the interest of such holders may appear. Any payments actually received by Landlord under the rental value insurance or business interruption insurance policy or policies, shall be applied by Landlord toward the rentals or other sums due or payable by Tenant in the order determined by Landlord

13. DAMAGE OR DESTRUCTION

13.1 Damage-Insured. Subject to the provisions of Paragraphs 13.3 and 13.4, if any Leased Property is damaged and such damage was caused by a casualty fully covered under an

insurance policy required to be maintained pursuant to Paragraph 12.1, Landlord shall at Landlord's expense repair such damage as soon as reasonably possible, each of Tenant and Landlord shall direct the insurance company to remit payment under the policy for payment of such damage under terms mutually and reasonable acceptable to Landlord and Tenant and this Lease shall continue in full force and effect.

13.2 Damage-Uninsured. Subject to the provisions of Paragraphs 13.3 and 13.4, if at any time during the term hereof the Leased Premises is damaged, except by a negligent or willful act of Tenant and such damage was caused by a casualty not fully covered under an insurance policy required to be maintained pursuant to Paragraph 12.1 or otherwise covered by an insurance policy maintained by Tenant, Landlord shall repair such damage as soon as reasonably possible at Landlord's expense, in which event this Lease shall continue to be in full force and effect.

13.3 Substantial Damage. If at any time during the term hereof the Leased Premises is damaged from any cause whether or not covered by the insurance required to be maintained pursuant to Paragraph 12.1 and Tenant cannot operate at least 50% of the beds or units as a result thereof Tenant may, at its option, terminate this Lease as of the date of such destruction by giving Landlord written notice within ninety (90) days of the occurrence of such destruction.

13.4 If the Leased Premises is partially destroyed or damaged and Landlord repairs or restores them pursuant to the provisions of this Paragraph 13, the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant's use of the Leased Property is impaired.

13.5 Abatement of Rent; Tenant's Remedies. If Landlord shall be obligated to repair or restore the Leased Premises under the provisions of this Paragraph 13 and shall not commence such repair or restoration within thirty (30) days after such obligations shall accrue, Tenant may at Tenant's option (i) either repair and restore such Leased Premises in which case any and all costs and expenses incurred in connection therewith shall be payable within ten (10) days after a demand by Tenant or (ii) cancel and terminate this Lease by giving Landlord written notice of Tenant's election to do so at any time prior to the commencement of such repair or restoration in which case this Lease shall terminate as of the date of such notice..

13.6 Termination-Advance Payments. Upon termination of this Lease pursuant to this Paragraph 13, an equitable adjustment shall be made concerning any advance rent and/or payments made by Tenant to Landlord. Landlord shall, in addition, return to Tenant so much of Tenant's security deposit as has not theretofore been applied by Landlord.

14. CONDEMNATION

14.1 Partial Condemnation. If any part of the Leased Premises shall be taken or condemned for a public or quasi-public use, and a part thereof remains which is susceptible of occupation hereunder, this Lease shall, as to the part so taken, terminate as of the date title shall vest in the condemnor.

14.2 Total Condemnation. If all of the Leased Premises, or such part thereof be taken or condemned so that there does not remain a portion susceptible for occupation hereunder, as above-described, this Lease shall thereupon terminate.

15. DEFAULT

15.1 Tenant's Default. The occurrence of any one or more of the following shall constitute a material default and breach of this Lease by Tenant:

15.1.1 Failure to pay rent, additional rent or any other sum or sums payable by Tenant hereunder when due, if the failure continues for thirty (30) days after notice has been given to Tenant.

15.1.2 Abandonment and vacation of the Leased Premises or the Equipment.

15.1.3 Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after notice has been given to Tenant.

15.1.4 Notwithstanding any other provisions of this Lease to the contrary, the failure of Tenant to comply with any of the provisions of this Lease, or Tenant's failure to operate the Leased Property in accordance with all applicable laws, rules and regulations applicable thereto and the operation thereon of an ALF, and SCALF. Notwithstanding any other provisions of this Lease, a release, generation or disposal of hazardous substances and/or contaminants, as defined in any Federal or State laws relating to hazardous substances and/or the environment, from the Leased Premises, except as otherwise permitted by law.

15.2 Termination. Landlord may terminate this Lease and Tenant's right to possession of the Leased Property, or any part thereof, at any time after the occurrence of a default by Tenant. No act by Landlord other than giving written notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Leased Property, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

15.3 Default by Landlord.

15.3.1 Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than ten (10) days after written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than ten (10) days are required for performance then Landlord shall not be in default if Landlord commences performance within such ten (10) day period and thereafter diligently prosecutes the same to completion; provided, further, that in the event Landlord's failure to perform could be deemed to put any occupant of the Leased Premises in danger or render Tenant in violation of such occupants residency agreement, Landlord shall be deemed in immediate default with no requirement for notice or cure or grace period.

16. BOOKS AND RECORDS

16.1 Tenant's Records. Tenant shall keep and maintain at the Leased Premises full and complete medical records covering all occupants in the Leased Premises, including a daily census of all patients and beds occupied at the Leased Premises, and all records required to be maintained by or provided under ADPH or any other governmental authority, for a period of at least three(3) years, and Tenant shall cause all its assignees, subtenants, licensees and agents to do the same.

16.2 Landlord's Inspection. Landlord shall have the right to review the operating records of Tenant in any month. .

17. ABANDONMENT OF LEASED PROPERTY

18. GENERAL PROVISIONS

18.1 Notices. Any notice required or desired to be given under this Lease shall be in writing and shall be addressed to the address of the party to be served, at the address provided below.

To Landlord: **VESTAVIA HILLS, LTD.**
300 Royal Drive
Birmingham, Alabama 35209
Attn: B. Renee Barnard

To Tenant: **TEC Freedom Management, LLC**

6171 Tucker Mountain Road
Remlap, Alabama 35133
Attn: TE Cummings

18.2 Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach of Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant. The acceptance of any payments hereunder shall not be a waiver of any preceding breach by the paying party of any provision

hereof, other than the failure of such payor to pay the particular amount so accepted, regardless of recipient's knowledge of such preceding breach at the time of acceptance of such payment.

18.3 Recording. Neither party shall record this Lease without the other party's prior written consent.

18.4 Covenants and Conditions. Each provision of this Lease performable by either party hereunder shall be deemed both a covenant and condition.

18.5 Subordination.

18.5.1 Except as expressly set forth herein, this Lease is subordinated to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the real property of which the Leased Premises is a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof.

18.5.2 In the event of foreclosure or the exercise of the power of sale under any deed of trust made by Landlord covering the Leased Premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease, provided such purchaser expressly agrees in writing to be bound by the terms of this Lease.

18.6 Landlord's Access. Landlord and Landlord's agents shall have the right to enter the Leased Premises at reasonable times and upon reasonable advance written notice for the purpose of inspecting the same to confirm compliance with the terms of this Lease and making such alterations, repairs, improvements or additions to the Leased Premises or to the building of which they are a part as Landlord may deem necessary or desirable.

18.7 Consents. Wherever in this Lease the consent of one party is required to an act of the other party such consent shall not be unreasonably withheld.


18.8 Quiet Possession. Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Leased Premises for the entire term hereof subject to all of the provisions of this Lease.

Signatures Contained on Following Page

IN WITNESS WHEREOF, the parties hereto have executed this lease on the date first set forth above.

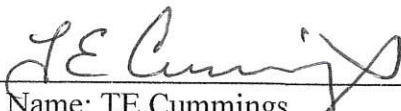
LANDLORD:

VESTAVIA HILLS, LTD., an Alabama limited partnership

By: 
Name: B. Renee Barnard
Title: President

TENANT:

TEC Freedom Management, LLC

By: 
Name: TE Cummings
Its: President/CEO