

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

FORM S-4

REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933

OMEGA HEALTHCARE INVESTORS, INC.  
AND THE SUBSIDIARY GUARANTORS LISTED ON SCHEDULE A  
(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**6798**  
(Primary Standard Industrial  
Classification Code Number)

**38-3041398**  
(I.R.S. Employer Identification No.)

**200 International Circle, Suite 3500  
Hunt Valley, Maryland 21030  
(410) 427-1700**  
(Address, including zip code, and telephone number, including area  
code, of registrant's principal executive offices)

**C. Taylor Pickett  
Chief Executive Officer  
Omega Healthcare Investors, Inc.  
200 International Circle, Suite 3500  
Hunt Valley, Maryland 21030  
(410) 427-1700**  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of communications to:

**Eliot W. Robinson, Esq.  
Bryan Cave LLP  
One Atlantic Center, Fourteenth Floor  
1201 West Peachtree Street, NW  
Atlanta, Georgia 30309-3488  
(404) 572-6600**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e04(i) (Cross-Border Issuer Tender Offer)   
Exchange Act Rule 14d-1(d) (Cross-Boarder Third Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed maximum offering price per unit (1)</b>	<b>Proposed maximum offering price (1)</b>	<b>Amount of registration fee</b>
7½% Senior Notes due 2020	\$200,000,000	100%	\$200,000,000	\$14,260
Guarantees of the 7½% Senior Notes due 2020	\$200,000,000	--	--	(2)

- (1) The registration fee has been calculated in accordance with Rule 457 under the Securities Act. The proposed maximum offering price is estimated solely for the purpose of calculating the registration fee.
- (2) Pursuant to Rule 457(n) of the Securities Act, no additional registration fee is being paid for the guarantees. The guarantees are not traded separately.

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The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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**Schedule A****Subsidiary Guarantors**

<b>Exact name of registrant as specified in its charter (1)</b>	<b>State or other jurisdiction of formation</b>	<b>Primary Standard Industrial Classification Code No.</b>	<b>I.R.S. Employer Identification No.</b>
Arizona Lessor - Infinia, Inc.	Maryland	6798	32-0008074
Baldwin Health Center, Inc.	Pennsylvania	6798	25-1495708
Bayside Alabama Healthcare Second, Inc.	Alabama	6798	38-3517839
Bayside Arizona Healthcare Associates, Inc.	Arizona	6798	38-3518309
Bayside Arizona Healthcare Second, Inc.	Arizona	6798	38-3520329
Bayside Colorado Healthcare Associates, Inc.	Colorado	6798	38-3517837
Bayside Colorado Healthcare Second, Inc.	Colorado	6798	38-3520325
Bayside Indiana Healthcare Associates, Inc.	Indiana	6798	38-3517842
Bayside Street II, Inc.	Delaware	6798	38-3519969
Bayside Street, Inc.	Maryland	6798	38-3160026
Canton Health Care Land, Inc.	Ohio	6798	20-1914579
Carnegie Gardens LLC	Delaware	6798	20-2442381
Center Healthcare Associates, Inc.	Texas	6798	38-3517844
Cherry Street – Skilled Nursing, Inc.	Texas	6798	38-3592148
Colonial Gardens, LLC	Ohio	6798	26-0110549
Colorado Lessor - Conifer, Inc.	Maryland	6798	32-0008069
Copley Health Center, Inc.	Ohio	6798	34-1473010
CSE Albany LLC	Delaware	6798	20-5885886
CSE Amarillo LLC	Delaware	6798	20-5862752
CSE Anchorage LLC	Delaware	6798	26-1866499
CSE Arden L.P.	Delaware	6798	20-5888680
CSE Augusta LLC	Delaware	6798	20-5885921
CSE Bedford LLC	Delaware	6798	20-5886082
CSE Blountville LLC	Delaware	6798	20-8295288
CSE Bolivar LLC	Delaware	6798	20-8295024
CSE Cambridge LLC	Delaware	6798	20-5886976
CSE Cambridge Realty LLC	Delaware	6798	20-5959318
CSE Camden LLC	Delaware	6798	20-8295066
CSE Canton LLC	Delaware	6798	20-5887312
CSE Casablanca Holdings II LLC	Delaware	6798	26-0595183
CSE Casablanca Holdings LLC	Delaware	6798	20-8724466
CSE Cedar Rapids LLC	Delaware	6798	20-5884941
CSE Centennial Village	Delaware	6798	20-6974959
CSE Chelmsford LLC	Delaware	6798	20-5920451
CSE Chesterton LLC	Delaware	6798	20-5885195
CSE Claremont LLC	Delaware	6798	20-5883891
CSE Corpus North LLC	Delaware	6798	20-5186415
CSE Crane LLC	Delaware	6798	20-8684704
CSE Denver Iliff LLC	Delaware	6798	20-8037772
CSE Denver LLC	Delaware	6798	20-5884311
CSE Douglas LLC	Delaware	6798	20-5883761
CSE Dumas LLC	Delaware	6798	20-5883692
CSE Elkton LLC	Delaware	6798	20-5887006
CSE Elkton Realty LLC	Delaware	6798	20-5959253
CSE Fairhaven LLC	Delaware	6798	20-8281491
CSE Fort Wayne LLC	Delaware	6798	20-5885125
CSE Frankston LLC	Delaware	6798	20-5862947
CSE Georgetown LLC	Delaware	6798	20-5886126
CSE Green Bay LLC	Delaware	6798	20-5888029
CSE Hilliard LLC	Delaware	6798	20-5887347
CSE Huntingdon LLC	Delaware	6798	20-8295191
CSE Huntsville LLC	Delaware	6798	20-5887764
CSE Indianapolis-Continental LLC	Delaware	6798	20-5885046
CSE Indianapolis-Greenbriar LLC	Delaware	6798	20-5885096

<b>Exact name of registrant as specified in its charter (1)</b>	<b>State or other jurisdiction of formation</b>	<b>Primary Standard Industrial Classification Code No.</b>	<b>I.R.S. Employer Identification No.</b>
CSE Jacinto City LLC	Delaware	6798	20-5186519
CSE Jefferson City LLC	Delaware	6798	20-8295101
CSE Jeffersonville-Hillcrest Center LLC	Delaware	6798	20-5885261
CSE Jeffersonville-Jennings House LLC	Delaware	6798	20-5885346
CSE Kerrville LLC	Delaware	6798	20-8684872
CSE King L.P.	Delaware	6798	20-5888725
CSE Kingsport LLC	Delaware	6798	20-5887736
CSE Knightdale L.P.	Delaware	6798	20-5888653
CSE Lake City LLC	Delaware	6798	20-5863259
CSE Lake Worth LLC	Delaware	6798	20-5863173
CSE Lakewood LLC	Delaware	6798	20-5884352
CSE Las Vegas LLC	Delaware	6798	20-5887216
CSE Lawrenceburg LLC	Delaware	6798	20-5887802
CSE Lenoir L.P.	Delaware	6798	20-5888528
CSE Lexington Park LLC	Delaware	6798	20-5886951
CSE Lexington Park Realty LLC	Delaware	6798	20-5959280
CSE Ligonier LLC	Delaware	6798	20-5885484
CSE Live Oak LLC	Delaware	6798	20-5863086
CSE Logansport LLC	Delaware	6798	20-5885583
CSE Lowell LLC	Delaware	6798	20-5885381
CSE Marianna Holdings LLC	Delaware	6798	20-1411422
CSE Memphis LLC	Delaware	6798	20-8295130
CSE Mobile LLC	Delaware	6798	20-5883572
CSE Moore LLC	Delaware	6798	20-5887574
CSE North Carolina Holdings I LLC	Delaware	6798	20-5888397
CSE North Carolina Holdings II LLC	Delaware	6798	20-5888430
CSE Omro LLC	Delaware	6798	20-5887998
CSE Orange Park LLC	Delaware	6798	20-5863371
CSE Orlando-Pinar Terrace Manor LLC	Delaware	6798	20-5863043
CSE Orlando-Terra Vista Rehab LLC	Delaware	6798	20-5863223
CSE Pennsylvania Holdings	Delaware	6798	20-6974946
CSE Piggott LLC	Delaware	6798	20-5883659
CSE Pilot Point LLC	Delaware	6798	20-5862827
CSE Ponca City LLC	Delaware	6798	20-5887495
CSE Port St. Lucie LLC	Delaware	6798	20-5863294
CSE Richmond LLC	Delaware	6798	20-5885427
CSE Ripley LLC	Delaware	6798	20-8295238
CSE Ripon LLC	Delaware	6798	26-0480886
CSE Safford LLC	Delaware	6798	20-5883807
CSE Salina LLC	Delaware	6798	20-5885669
CSE Seminole LLC	Delaware	6798	20-5887615
CSE Shawnee LLC	Delaware	6798	20-5887524
CSE Spring Branch LLC	Delaware	6798	20-5186484
CSE Stillwater LLC	Delaware	6798	20-5887548
CSE Taylorsville LLC	Delaware	6798	20-5886196
CSE Texarkana LLC	Delaware	6798	20-5862880
CSE Texas City LLC	Delaware	6798	20-5862791
CSE The Village LLC	Delaware	6798	20-5186550
CSE Upland LLC	Delaware	6798	20-5891148
CSE Walnut Cove L.P.	Delaware	6798	20-5888502
CSE West Point LLC	Delaware	6798	20-5887119
CSE Whitehouse LLC	Delaware	6798	20-8294979
CSE Williamsport LLC	Delaware	6798	26-0480953
CSE Winter Haven LLC	Delaware	6798	20-5863327
CSE Woodfin L.P.	Delaware	6798	20-5888619
CSE Yorktown LLC	Delaware	6798	20-5885163
Dallas – Skilled Nursing, Inc.	Texas	6798	38-3592151

<b>Exact name of registrant as specified in its charter (1)</b>	<b>State or other jurisdiction of formation</b>	<b>Primary Standard Industrial Classification Code No.</b>	<b>I.R.S. Employer Identification No.</b>
Delta Investors I, LLC	Maryland	6798	54-2112455
Delta Investors II, LLC	Maryland	6798	54-2112456
Desert Lane LLC	Delaware	6798	20-3098022
Dixon Health Care Center, Inc.	Ohio	6798	34-1509772
Florida Lessor – Crystal Springs, Inc.	Maryland	6798	75-3116533
Florida Lessor – Emerald, Inc.	Maryland	6798	22-3872569
Florida Lessor – Lakeland, Inc.	Maryland	6798	22-3872564
Florida Lessor – Meadowview, Inc.	Maryland	6798	56-2398721
Florida Real Estate Company, LLC	Florida	6798	20-1458431
Georgia Lessor - Bonterra/Parkview, Inc.	Maryland	6798	16-1650494
Greenbough, LLC	Delaware	6798	27-0258266
Hanover House, Inc.	Ohio	6798	34-1125264
Heritage Texarkana Healthcare Associates, Inc.	Texas	6798	38-3517861
House of Hanover, Ltd	Ohio	6798	34-6691713
Hutton I Land, Inc.	Ohio	6798	20-1914403
Hutton II Land, Inc.	Ohio	6798	20-1914470
Hutton III Land, Inc.	Ohio	6798	20-1914529
Indiana Lessor – Jeffersonville, Inc.	Maryland	6798	22-3872575
Indiana Lessor – Wellington Manor, Inc.	Maryland	6798	32-0008064
Jefferson Clark, Inc.	Maryland	6798	38-3433390
LAD I Real Estate Company, LLC	Delaware	6798	20-1454154
Lake Park – Skilled Nursing, Inc.	Texas	6798	38-3592152
Leatherman 90-1, Inc.	Ohio	6798	20-1914625
Leatherman Partnership 89-1, Inc.	Ohio	6798	34-1656489
Leatherman Partnership 89-2, Inc.	Ohio	6798	34-1656491
Long Term Care – Michigan, Inc.	Michigan	6798	04-3833330
Long Term Care – North Carolina, Inc.	North Carolina	6798	04-3833335
Long Term Care Associates – Illinois, Inc.	Illinois	6798	38-3592159
Long Term Care Associates – Indiana, Inc.	Indiana	6798	38-3592160
Long Term Care Associates – Texas, Inc.	Texas	6798	38-3592142
Meridian Arms Land, Inc.	Ohio	6798	20-1914864
North Las Vegas LLC	Delaware	6798	20-3098036
NRS Ventures, L.L.C.	Delaware	6798	38-4236118
OHI (Connecticut), Inc.	Connecticut	6798	06-1552120
OHI (Florida), Inc.	Florida	6798	65-0523484
OHI (Illinois), Inc.	Illinois	6798	37-1332375
OHI (Indiana), Inc.	Indiana	6798	38-3568359
OHI (Iowa), Inc.	Iowa	6798	38-3377918
OHI (Kansas), Inc.	Kansas	6798	48-1156047
OHI Asset (CA), LLC	Delaware	6798	04-3759925
OHI Asset (CO), LLC	Delaware	6798	84-1706510
OHI Asset (CT) Lender, LLC	Delaware	6798	75-3205111
OHI Asset (FL), LLC	Delaware	6798	13-4225158
OHI Asset (ID), LLC	Delaware	6798	04-3759931
OHI Asset (IL), LLC	Delaware	6798	14-1951802
OHI Asset (IN), LLC	Delaware	6798	04-3759933
OHI Asset (LA), LLC	Delaware	6798	04-3759935
OHI Asset (MI/NC), LLC	Delaware	6798	04-3759928
OHI Asset (MO), LLC	Delaware	6798	04-3759939
OHI Asset (OH) Lender, LLC	Delaware	6798	51-0529744
OHI Asset (OH) New Philadelphia, LLC	Delaware	6798	51-0529741
OHI Asset (OH), LLC	Delaware	6798	04-3759938
OHI Asset (PA) Trust	Maryland	6798	54-6643405
OHI Asset (PA), LLC	Delaware	6798	90-0137715
OHI Asset (SMS) Lender, Inc.	Maryland	6798	33-1067711
OHI Asset (TX), LLC	Delaware	6798	04-3759927
OHI Asset CSB LLC	Delaware	6798	27-2820083

<b>Exact name of registrant as specified in its charter (1)</b>	<b>State or other jurisdiction of formation</b>	<b>Primary Standard Industrial Classification Code No.</b>	<b>I.R.S. Employer Identification No.</b>
OHI Asset CSE – E, LLC	Delaware	6798	27-1675861
OHI Asset CSE – U, LLC	Delaware	6798	27-1675768
OHI Asset Essex (OH), LLC	Delaware	6798	83-0379722
OHI Asset II (CA), LLC	Delaware	6798	20-1000879
OHI Asset II (FL), LLC	Delaware	6798	27-1813906
OHI Asset II (PA) Trust	Maryland	6798	84-6390330
OHI Asset III (PA) Trust	Maryland	6798	84-6390331
OHI Asset IV (PA) Silver Lake Trust	Maryland	6798	80-6146794
OHI Asset, LLC	Delaware	6798	32-0079270
OHI of Texas, Inc.	Maryland	6798	38-3506136
OHI Sunshine, Inc.	Florida	6798	82-0558471
OHI Tennessee, Inc.	Maryland	6798	38-3509157
OHIMA, Inc.	Massachusetts	6798	06-1552118
Omega (Kansas), Inc.	Kansas	6798	32-0142534
Omega TRS I, Inc.	Maryland	6798	38-3587540
Orange Village Care Center, Inc.	Ohio	6798	34-1321728
OS Leasing Company	Kentucky	6798	38-3221641
Panama City Nursing Center LLC	Delaware	6798	20-2568041
Parkview – Skilled Nursing, Inc.	Texas	6798	38-3592157
Pavillion North Partners, Inc.	Pennsylvania	6798	20-2597892
Pavillion North, LLP	Pennsylvania	6798	75-3202956
Pavillion Nursing Center North, Inc.	Pennsylvania	6798	25-1222652
Pine Texarkana Healthcare Associates, Inc.	Texas	6798	38-3517864
Reunion Texarkana Healthcare Associates, Inc.	Texas	6798	38-3517865
San Augustine Healthcare Associates, Inc.	Texas	6798	38-3517866
Skilled Nursing – Gaston, Inc.	Indiana	6798	38-3592171
Skilled Nursing – Herrin, Inc.	Illinois	6798	38-3592162
Skilled Nursing – Hicksville, Inc.	Ohio	6798	38-3592172
Skilled Nursing – Paris, Inc.	Illinois	6798	38-3592165
Skyler Maitland LLC	Delaware	6798	20-3888672
South Athens Healthcare Associates, Inc.	Texas	6798	38-3517880
St. Mary's Properties, Inc.	Ohio	6798	20-1914905
Sterling Acquisition Corp.	Kentucky	6798	38-3207992
Sterling Acquisition Corp. II	Kentucky	6798	38-3207991
Suwanee, LLC	Delaware	6798	20-5223977
Texas Lessor – Stonegate GP, Inc.	Maryland	6798	32-0008071
Texas Lessor – Stonegate, Limited, Inc.	Maryland	6798	32-0008072
Texas Lessor – Stonegate, LP	Maryland	6798	32-0008073
Texas Lessor – Treemont, Inc.	Maryland	6798	16-1650495
The Suburban Pavilion, Inc.	Ohio	6798	34-1035431
Washington Lessor – Silverdale, Inc.	Maryland	6798	56-2386887
Waxahachie Healthcare Associates, Inc.	Texas	6798	38-3517884
West Athens Healthcare Associates, Inc.	Texas	6798	38-3517886
Wilcare, LLC	Ohio	6798	26-0110550

(1) Address, including zip code, and telephone number, including area code, of the principal executive offices of each subsidiary guarantor listed in Schedule A is c/o Omega Healthcare Investors, Inc., 200 International Circle, Suite 3500, Hunt Valley, Maryland, 21030 and the telephone number is (410) 427-1700.

The information in this prospectus is not complete and may be changed. We may not exchange these securities until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to exchange these securities and is not soliciting an offer to exchange these securities in any state where the offer or sale is not permitted.

**Subject to completion, dated August 9, 2010**



**Omega Healthcare Investors, Inc.  
Exchange Offer**

**\$200,000,000 7½% Senior Notes due 2020  
for \$200,000,000 7½% Senior Notes due 2020  
that have been registered under the Securities Act of 1933**

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We are offering, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, to exchange an aggregate principal amount of up to \$200,000,000 of our new 7½% Senior Notes due 2020, which we refer to as the exchange notes, for all of our outstanding unregistered 7½% Senior Notes due 2020, which we refer to as the initial notes, in a transaction registered under the Securities Act of 1933, as amended, or the Securities Act. We collectively refer to the initial notes and the exchange notes as the notes. We refer to the offer described in this prospectus to exchange the initial notes for the exchange notes as the exchange offer.

The notes are unconditionally guaranteed by our existing and future subsidiaries that guarantee our other existing senior notes, revolving credit facility or any other indebtedness of ours or of the subsidiary guarantors, which we refer to as the subsidiary guarantors. The guarantees of the notes are unsecured senior obligations of the subsidiary guarantors and rank equally with existing and future unsecured senior debt of the subsidiary guarantors and senior to existing and future subordinated debt of the subsidiary guarantors. The guarantees are effectively subordinated to existing and future secured debt of the subsidiary guarantors and structurally subordinated to existing and future debt of our non-guarantor subsidiaries.

Terms of the exchange offer:

- We will exchange all initial notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.
  - You may withdraw tenders of initial notes at any time prior to the expiration of the exchange offer.
  - We believe that the exchange of initial notes for exchange notes will not be a taxable event for U.S. federal income tax purposes.
  - The form and terms of the exchange notes are identical in all material respects to the form and terms of the initial notes.
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**The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2010, unless we extend the offer.** We will announce any extension by press release or other permitted means no later than 9:00 a.m. on the business day after the expiration of the exchange offer. If you fail to tender your initial notes, you will continue to hold unregistered securities and your ability to transfer your initial notes could be adversely affected.

No public market currently exists for the exchange notes. We do not intend to apply for listing of the exchange notes on the New York Stock Exchange or any other securities exchange.

**For a discussion of factors you should consider in determining whether to tender your initial notes, see the information under “Risk Factors” beginning on page 14 of this prospectus.**

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**Neither the Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities, or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

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The date of this prospectus is \_\_\_\_\_, 2010.

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We have not authorized anyone to give any information or to make any representations concerning this exchange offer except that which is in this prospectus, or which is referred to under "Where You Can Find More Information." If anyone gives or makes any other information or representation, you should not rely on it. This prospectus is not an offer to sell or a solicitation of an offer to buy securities in any circumstances in which the offer or solicitation is unlawful. You should not interpret the delivery of this prospectus, or any sale of securities, as an indication that there has been no change in our affairs since the date of this prospectus. You should also be aware that information in this prospectus may change after this date.

This prospectus incorporates by reference business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge upon written or oral request directed to:

Omega Healthcare Investors, Inc.  
200 International Circle  
Suite 3500  
Hunt Valley, MD 21030  
Attn: Chief Financial Officer  
(410) 427-1700

If you would like to request copies of these documents, please do so by \_\_\_\_\_, 2010 (which is five business days before the scheduled expiration of the exchange offer) in order to receive them before the expiration of the exchange offer.

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## CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included or incorporated by reference in this prospectus, including, without limitation, statements under “Risk Factors” and elsewhere in this prospectus regarding our future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe” or “continue” or the negative thereof or variations thereon or similar terminology. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these expectations may not prove to be correct. Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under “Risk Factors” and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included or incorporated in this prospectus. These forward-looking statements involve risks and uncertainties that may cause our actual future activities and results of operations to be materially different from those suggested or described in this prospectus.

There are a number of factors that could cause our actual results to differ materially from those projected in such forward-looking statements. These factors include, without limitation:

- those items discussed under “Risk Factors” herein and under “Risk Factors” in Item 1A to our annual reports on Form 10-K and as supplemented from time-to-time in Part II, Item 1A to our quarterly reports on Form 10-Q;
- uncertainties relating to the business operations of the operators of our assets, including those relating to reimbursement by third-party payors, regulatory matters and occupancy levels;
- the ability of any operators in bankruptcy to reject unexpired lease obligations, modify the terms of our mortgages and impede our ability to collect unpaid rent or interest during the process of a bankruptcy proceeding and retain security deposits for the debtors’ obligations;
- our ability to sell closed or foreclosed assets on a timely basis and on the terms that allow us to realize the carrying value of these assets;
- our ability to negotiate appropriate modifications to the terms of our credit facilities;
- our ability to manage, re-lease or sell any owned and operated facilities;
- the availability and cost of capital;
- changes in our credit ratings and the ratings of our debt and preferred securities;
- competition in the financing of healthcare facilities;
- regulatory and other changes in the healthcare sector;
- changes in the financial position of our operators;

- the effect of economic and market conditions generally and, particularly, in the healthcare industry;
- changes in interest rates;
- the amount and yield of any additional investments;
- changes in tax laws and regulations affecting real estate investment trusts, or REITs; and
- our ability to maintain our status as a REIT.

All subsequent written and oral forward-looking statements attributable to us, or persons acting on any of our behalf, are expressly qualified by the cautionary statements. We undertake no obligation to update forward-looking statements to reflect developments or information obtained after the date on the cover page of this prospectus.

## PROSPECTUS SUMMARY

*The following summary highlights certain information contained in this prospectus. Because it is only a summary, it does not contain all of the information you should consider before participating in the exchange offer. You should carefully read this entire prospectus before participating in the exchange offer. In particular, you should read the section entitled "Risk Factors," and our financial statements and the notes relating thereto presented herein and incorporated by reference into this prospectus. All references to "Omega," "the Company," "we," "our," "us," and similar terms in this prospectus refer to Omega Healthcare Investors, Inc. together with its subsidiaries through which it operates. Unless otherwise indicated, the non-financial information presented herein is as of the date of this prospectus.*

### Company Overview

We are a self-administered real estate investment trust, or REIT, investing in income-producing healthcare facilities, principally long-term care facilities, located in the United States. We provide lease or mortgage financing to qualified operators of skilled nursing facilities, which we refer to as SNFs, and, to a lesser extent, assisted living facilities, independent living facilities and rehabilitation and acute care facilities.

Our portfolio of investments at June 30, 2010, consisted of 398 healthcare facilities, located in 34 states and operated by 46 third-party operators. Our gross investment in these facilities totaled approximately \$2.4 billion at June 30, 2010, with approximately 99% of our real estate investments related to long-term healthcare facilities. This portfolio is made up of (i) 370 SNFs, (ii) 10 assisted living facilities, (iii) 5 specialty facilities, (iv) fixed rate mortgages on 10 SNFs, and (v) 3 SNFs that are currently held for sale. At June 30, 2010, we also held other investments of approximately \$33.4 million, consisting primarily of secured loans to third-party operators of our facilities.

### Recent Developments

#### *Acquisition of CapitalSource Subsidiaries*

On November 17, 2009, we entered into a purchase agreement with CapitalSource Inc., or CapitalSource, and certain of its subsidiaries, pursuant to which we agreed to purchase certain CapitalSource subsidiaries owning 80 long-term care facilities and an option to purchase certain other CapitalSource subsidiaries owning an additional 63 long-term care facilities.

Our acquisition of the CapitalSource subsidiaries pursuant to the purchase agreement was conducted in three separate closings: (i) on December 22, 2009, we acquired CapitalSource subsidiaries owning 40 long-term care facilities for an aggregate purchase price of approximately \$294 million; (ii) on June 9, 2010, we acquired CapitalSource subsidiaries owning 63 long-term care facilities for an aggregate purchase price of approximately \$293 million; and (iii) on June 29, 2010, we acquired CapitalSource subsidiaries owning 40 long-term care facilities for an aggregate purchase price of approximately \$270 million.

### Certain Other Indebtedness

#### *Revolving Credit Facility*

On April 13, 2010, we entered into a new \$320 million revolving senior secured credit facility, or the revolving credit facility. The revolving credit facility is being provided by Bank of America, N.A., Deutsche Bank Trust Company Americas, UBS Loan Finance LLC, General Electric Capital Corporation, Crédit Agricole Corporate and Investment Bank, Jefferies Group, Inc., RBS Citizens, N.A. and Stifel Bank & Trust, as lenders, pursuant to a credit agreement dated as of April 13, 2010, among the Omega subsidiaries named therein, as borrowers, the lenders named therein, and Bank of America, N.A., as administrative agent. The revolving credit facility replaced and refinanced our \$200 million revolving senior secured credit facility entered into on June 30, 2009. The revolving credit facility matures on April 13, 2014; provided, however, that if Omega has not refinanced or repaid its 7% Senior Notes due 2014 prior to December 31, 2013, the revolving credit facility will mature on December 31, 2013.

Omega and certain of its subsidiaries that are not borrowers under the revolving credit facility guarantee the obligations of our borrower subsidiaries under the revolving credit facility. The lenders under the revolving credit facility have agreed that unrestricted subsidiaries so designated pursuant to the indentures relating to the notes and our other existing senior notes, will not be required to guarantee the revolving credit facility. All obligations under the revolving credit facility are secured by a perfected first priority lien on certain real properties and all improvements, fixtures, equipment and other personal property relating thereto of the subsidiaries party to the revolving credit facility as borrowers, and by an assignment of leases, rents, sale/refinance proceeds and other proceeds flowing from the real properties securing the revolving credit facility.

#### *Term Loan*

On December 18, 2009, a wholly owned subsidiary of Omega entered into a secured credit agreement with General Electric Capital Corporation, as administrative agent and a lender, and the other financial institutions who are or may become parties thereto, as lenders, providing for a five-year \$100 million term loan.

Omega has guaranteed the obligations of the borrower under the term loan. No subsidiaries of Omega are guarantors of the term loan. All obligations under the term loan and the related guarantee are secured by a perfected first priority lien on 18 long term care facilities under a master lease with one of Omega's existing operators, and all improvements, fixtures, equipment and other personal property relating thereto, and an assignment of leases, rents, sale/refinance proceeds and other proceeds flowing from the real properties. Omega has also pledged its ownership interest in the borrower.

#### *7% Senior Notes Due 2014*

We have outstanding \$310 million of 7% Senior Notes due 2014 which were issued pursuant to an indenture dated as of March 22, 2004 between us and U.S. Bank National Association, as trustee, as supplemented by supplemental indentures dated as of July 20, 2004, November 5, 2004, December 1, 2005, January 7, 2010, January 29, 2010, February 2, 2010 and June 23, 2010.

#### *7% Senior Notes Due 2016*

We have outstanding \$175 million of 7% Senior Notes due 2016 which were issued pursuant to an indenture dated as of December 30, 2005 between us and U.S. Bank National Association as trustee, as supplemented by supplemental indentures dated as of January 7, 2010, January 29, 2010, February 2, 2010 and June 23, 2010.

#### *Assumed CapitalSource Debt*

In connection with the June 29, 2010 CapitalSource closing, we assumed approximately \$182 million in aggregate principal amount of long-term mortgage loans guaranteed by the U.S. Department of Housing and Urban Development, or HUD, maturing between 2036 and 2045. The subsidiaries acquired at the June 29, 2010 CapitalSource closing (and the acquisition subsidiaries of Omega acquiring the CapitalSource subsidiaries) were designated as unrestricted subsidiaries under the indenture governing the notes, as well as under the indentures governing our other existing senior notes. Accordingly, these subsidiaries are not subsidiary guarantors of the notes.

Neither Omega nor any of its restricted subsidiaries have guaranteed such indebtedness.

As part of the June 29, 2010 acquisition, one of our unrestricted subsidiaries also assumed \$20 million in outstanding unsecured indebtedness, or the Delta notes, maturing in 2021.

### **Corporate Information**

We were incorporated in the State of Maryland on March 31, 1992. Our principal executive offices are located at 200 International Circle, Suite 3500, Hunt Valley, Maryland 21030, and our telephone number is (410) 427-1700. Additional information regarding our company is set forth in documents on file with the SEC and incorporated by reference in this prospectus. See "Incorporation of Documents by Reference" and "Where You Can Find More Information."

Our filings with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports are accessible free of charge on our website at [www.omegahealthcare.com](http://www.omegahealthcare.com). Information on our website does not constitute part of this prospectus.

## The Exchange Offer

On February 9, 2010, we issued \$200,000,000 aggregate principal amount of 7½% Senior Notes due 2020 to a group of initial purchasers in reliance on exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable securities laws. In connection with the sale of the initial notes to the initial purchasers, we entered into a registration rights agreement pursuant to which we agreed, among other things, to deliver this prospectus to you, to commence this exchange offer and to use our commercially reasonable efforts to complete the exchange offer not later than 360 days after the issue date of the initial notes. The summary below describes the principal terms and conditions of the exchange offer. Some of the terms and conditions described below are subject to important limitations and exceptions. See "The Exchange Offer" for a more detailed description of the terms and conditions of the exchange offer and "Description of Notes" for a more detailed description of the terms of the exchange notes.

### The Exchange Offer

We are offering to exchange up to \$200,000,000 aggregate principal amount of our new 7½% Senior Notes due 2020, which have been registered under the Securities Act, in exchange for your initial notes. For each initial note surrendered to us pursuant to the exchange offer, the holder of such initial note will receive an exchange note having a principal amount equal to that of the surrendered initial note. Exchange notes will only be issued in denominations of \$1,000 and integral multiples of \$1,000. The form and terms of the exchange notes will be substantially the same as the form and terms of the surrendered initial notes. The exchange notes will evidence the same indebtedness as, and will replace the initial notes tendered in exchange therefor and will be issued pursuant to, and entitled to the benefits of, the indenture governing the initial notes. As of the date of this prospectus, initial notes representing \$200,000,000 aggregate principal amount are outstanding. See "The Exchange Offer."

### Resale of Exchange Notes

Based on interpretations by the staff of the SEC as detailed in a series of no-action letters issued to third parties, we believe that, as long as you are not a broker-dealer, the exchange notes offered in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as:

- you are acquiring the exchange notes in the ordinary course of your business;
- you are not participating, do not intend to participate in and have no arrangement or understanding with any person to participate in a "distribution" of the exchange notes; and
- you are not an "affiliate" of ours within the meaning of Rule 405 of the Securities Act.

If any of these conditions is not satisfied and you transfer any exchange notes issued to you in the exchange offer without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. Moreover, our belief that transfers of exchange notes would be permitted without registration or prospectus delivery under the conditions described above is based on SEC interpretations given to other, unrelated issuers in similar exchange offers. We cannot assure you that the SEC would make a similar interpretation with respect to our exchange offer. We will not be responsible for or indemnify you against any liability you may incur under the Securities Act.

Any broker-dealer that acquires exchange notes for its own account in exchange for initial notes must represent that the initial notes to be exchanged for the exchange notes were acquired by it as a result of market-making activities or other trading activities and acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any offer to resell, resale or other retransfer of the exchange notes. However, by so acknowledging and by delivering a prospectus, such participating broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. During the period ending 90 days after the consummation of the exchange offer, subject to extension in limited circumstances, a participating broker-dealer may use this prospectus for an offer to sell, a resale or other retransfer of exchange notes received in exchange for initial notes which it acquired through market-making activities or other trading activities. See "The Exchange Offer—Resales of Exchange Notes."

Registration Rights Agreement

We sold the initial notes in a private offering in reliance on Section 4(2) of the Securities Act. The initial notes were immediately resold by the initial purchasers in reliance on Rule 144A under the Securities Act. In connection with the sale, we entered into the registration rights agreement with the initial purchasers of the initial notes requiring us to make this exchange offer. See "The Exchange Offer—Purpose and Effect; Registration Rights."

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2010, unless we extend the expiration date. See "The Exchange Offer—Expiration Date; Extension; Amendments."

Withdrawal

You may withdraw your tender of initial notes at any time before the exchange offer expires. Any initial notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer. See "The Exchange Offer—Withdrawal Rights."

Interest on the Exchange Notes and the Initial Notes

We will pay interest on the notes twice a year, on each February 15 and August 15, commencing August 15, 2010. The exchange notes will bear interest from the most recent date to which interest has been paid on the initial notes. If your initial notes are accepted for exchange, then you will receive interest on the exchange notes and not on the initial notes. Any initial notes not tendered will remain outstanding and continue to accrue interest according to their terms.



Procedures for Tendering Initial Notes      Each holder of initial notes that wishes to tender their initial notes must either:

- complete, sign and date the accompanying letter of transmittal or a facsimile copy of the letter of transmittal, have the signatures on the letter of transmittal guaranteed, if required, and deliver the letter of transmittal, together with any other required documents (including the initial notes), to the exchange agent; or
- if initial notes are tendered pursuant to book-entry procedures, the tendering holder must deliver a completed and duly executed letter of transmittal or arrange with Depository Trust Company, or DTC, to cause an agent's message to be transmitted with the required information (including a book-entry confirmation) to the exchange agent; or
- comply with the procedures set forth below under “—Guaranteed Delivery Procedures.”

Holders of initial notes that tender initial notes in the exchange offer must represent that the following are true:

- the holder is acquiring the exchange notes in the ordinary course of its business;
- the holder is not participating in, does not intend to participate in, and has no arrangement or understanding with any person to participate in a “distribution” of the exchange notes within the meaning of the Securities Act; and
- the holder is not an “affiliate” of us within the meaning of Rule 405 of the Securities Act.

Do not send letters of transmittal, certificates representing initial notes or other documents to us or DTC. Send these documents only to the exchange agent at the appropriate address given in this prospectus and in the letter of transmittal. We may reject your tender of initial notes if you tender them in a manner that does not comply with the instructions provided in this prospectus and the accompanying letter of transmittal. See “Risk Factors—There are significant consequences if you fail to exchange your initial notes” and “The Exchange Offer—Procedures for Tendering Initial Notes.”

Special Procedures for Beneficial Owners

If:

- you beneficially own initial notes;
- those notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee; and
- you wish to tender your initial notes in the exchange offer,

please contact the registered holder as soon as possible and instruct it to tender on your behalf and comply with the instructions set forth in this prospectus and the letter of transmittal.

Guaranteed Delivery Procedures

If you hold initial notes in certificated form or if you own initial notes in the form of a book-entry interest in a global note deposited with the trustee, as custodian for DTC, and you wish to tender those initial notes but:

- your initial notes are not immediately available;
- time will not permit you to deliver the required documents to the exchange agent by the expiration date; or
- you cannot complete the procedure for book-entry transfer on time,

you may tender your initial notes pursuant to the procedures described in “The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery.”

Exchange Agent

U.S. Bank National Association is serving as exchange agent in connection with this exchange offer. The address, telephone number and facsimile number of the exchange agent is set forth under “The Exchange Offer—The Exchange Agent.”

U.S. Federal Income Tax Considerations

Generally, a holder of initial notes will not recognize taxable gain or loss on the exchange of initial notes for exchange notes pursuant to the exchange offer. See “Certain United States Federal Income Tax Consequences.”

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the initial notes, as reflected in our accounting records on the date of exchange. Accordingly, we will recognize no gain or loss for accounting purposes upon the closing of the exchange offer. The expenses of the exchange offer will be expensed as incurred. See “The Exchange Offer—Accounting Treatment.”

Use of Proceeds

We will not receive any proceeds from the exchange offer or the issuance of the exchange notes. See “Use of Proceeds.”

Effect on Holders of Initial Notes

As a result of making this exchange offer, and upon acceptance for exchange of all validly tendered initial notes, we will have fulfilled our obligations under the registration rights agreement.

If you do not tender your initial notes or we reject your tender, your initial notes will remain outstanding and will be entitled to the benefits of the indenture governing the initial notes. Under such circumstances, you would not be entitled to any further registration rights under the registration rights agreement, except under limited circumstances. For a more detailed description of our obligation to file a shelf registration statement, see “The Exchange Offer—Purpose and Effect; Registration Rights” and “The Exchange Offer—Consequences of Failure to Exchange.” Existing transfer restrictions would continue to apply to the initial notes.

Any trading market for the initial notes could be adversely affected if some but not all of the initial notes are tendered and accepted in the exchange offer.

## Description of Exchange Notes

The form and terms of the exchange notes will be identical in all material respects to the form and terms of the initial notes, except that the exchange notes:

- will have been registered under the Securities Act;
- will not bear restrictive legends restricting their transfer under the Securities Act;
- will not be entitled to the registration rights that apply to the initial notes; and
- will not contain provisions relating to an increase in the interest rate borne by the initial notes under circumstances related to the timing of the exchange offer.

The exchange notes represent the same debt as the initial notes and are governed by the same indenture, which is governed by New York law. A brief description of the material terms of the exchange notes follows. You should read the discussion under the heading "Description of Notes" for further information regarding the exchange notes.

Issuer	Omega Healthcare Investors, Inc.
Securities Offered	\$200,000,000 aggregate principal amount of 7½% Senior Notes due 2020.
Maturity	February 15, 2020.
Interest Rate	7½% per year (calculated using a 360-day year).
Interest Payment Dates	February 15 and August 15, beginning on August 15, 2010. Interest accrues from the issue date of the initial notes.
Ranking	<p>The notes are our unsecured senior obligations and rank equally with all of our existing and future senior debt and senior to all of our existing and future subordinated debt. The notes are effectively subordinated in right of payment to our secured indebtedness (including obligations under our revolving credit facility and term loan to the extent of the value of the assets securing such indebtedness). The notes are structurally subordinated to all existing and future liabilities (including indebtedness, trade payables and lease obligations) of each of our non-guarantor subsidiaries.</p> <p>As of June 30, 2010, we had approximately \$100 million of borrowings outstanding under our term loan to which the notes are effectively subordinated, \$221 million of borrowings outstanding under our revolving credit facility to which the notes are effectively subordinated, and approximately \$99 million of additional borrowing capacity under our revolving credit facility. As of June 30, 2010, our non-guarantor subsidiaries had approximately \$182 million of borrowings outstanding under our HUD-guaranteed loans, and another \$20 million of unsecured debt outstanding under the Delta notes.</p>

Guarantees	The notes are fully and unconditionally guaranteed, jointly and severally, by each of our subsidiaries that guarantees our other existing notes and our revolving credit facility.
Optional Redemption	We may redeem the notes, in whole or in part, at any time on and after February 15, 2015 at the redemption prices set forth under “Description of Notes—Optional Redemption.”
Optional Redemption After Public Equity Offerings	We may redeem up to 35% of the notes with money that we raise in one or more equity offerings at any time (which may be more than once) prior to February 15, 2013, as long as at least 65% of the aggregate principal amount of notes issued remains outstanding afterwards. See “Description of Notes—Optional Redemption.”
Change of Control Offer	<p>If we experience a change of control, we must give holders of the notes the opportunity to sell us their notes at 101% of their face amount, plus accrued and unpaid interest. See “Description of Notes—Repurchase of Notes upon a Change of Control.”</p> <p>We might not be able to pay you the required price for notes you present to us at the time of a change of control, because:</p> <ul style="list-style-type: none"> <li>• we might not have enough funds at that time; or</li> <li>• the terms of our revolving credit facility, term loan, indentures governing our other existing notes or other indebtedness agreements may prevent us from paying.</li> </ul> <p>See “Supplemental Risk Factors—Risks Related to the Notes—We may not be able to repurchase notes upon a change of control, which would be an event of default under the indenture.”</p>
Asset Sale Proceeds	If we or our restricted subsidiaries engage in asset sales and the net cash proceeds we receive from such asset sales exceeds specified amounts, we generally must either invest the net cash proceeds from such sales in our business within a specified period of time, prepay senior debt or make an offer to purchase a principal amount of the notes equal to the excess net cash proceeds. In such a scenario, the purchase price of the notes will be 100% of their principal amount, plus accrued and unpaid interest. See “Description of Notes—Covenants—Limitation on Asset Sales.”
Certain Indenture Provisions	<p>The indenture governing the notes will contain covenants limiting our (and all of our restricted subsidiaries’) ability to:</p> <ul style="list-style-type: none"> <li>• pay dividends or make certain other restricted payments or investments;</li> <li>• incur additional indebtedness;</li> </ul>

- create liens on assets;
- merge, consolidate, or sell all or substantially all of our and our restricted subsidiaries' assets;
- enter into certain transactions with affiliates;
- create restrictions on dividends or other payments by our restricted subsidiaries; and
- create guarantees of indebtedness by restricted subsidiaries.

These covenants are subject to a number of important limitations and exceptions. See "Description of Notes—Covenants."

**Suspension of Covenants**

Under the indenture governing the notes, in the event, and only for as long as, the notes are rated investment grade and no default or event of default has occurred or is continuing, many of the covenants set forth in the indenture above will not apply to us. See "Description of Notes—Suspension of Covenants".

**No Public Market**

We do not intend to apply for a listing of the exchange notes on the NYSE or any other securities exchange. Accordingly, we cannot assure you that a liquid market for the exchange notes will develop or be maintained.

**Required Approvals; Appraisal Rights**

Other than the registration of the exchange notes under the Securities Act, and compliance with federal securities laws, we are not aware of any state or federal regulatory requirements with which we must comply in connection with the exchange offer. In connection with the exchange offer, you do not have any appraisal or dissenters' rights under applicable law or the indenture.

**Risk Factors**

Before making an investment decision, you should carefully consider all the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under the section "Risk Factors."

### Summary Financial Data

The following summary consolidated financial data should be read in connection with the consolidated financial statements incorporated by reference in this prospectus, as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 which are incorporated by reference elsewhere in this prospectus.

	Year Ended December 31,					Six Months Ended June 30,	
	2005	2006	2007	2008	2009	2009	2010
<b>Operating Data:</b>							
Revenues:							
Core operations	\$ 109,535	\$ 135,513	\$ 159,558	\$ 169,592	\$ 179,008	\$ 89,525	\$ 110,147
Nursing home operations (1)	-	-	-	24,170	18,430	8,787	7,336
<b>Total revenues</b>	<b>\$ 109,535</b>	<b>\$ 135,513</b>	<b>\$ 159,558</b>	<b>\$ 193,762</b>	<b>\$ 197,438</b>	<b>\$ 98,312</b>	<b>\$ 117,483</b>
Interest expense (2)	\$ 34,771	\$ 47,611	\$ 44,092	\$ 39,746	\$ 39,075	\$ 19,011	\$ 33,644
Income (loss) from continuing operations	\$ 37,289	\$ 55,905	\$ 67,598	\$ 77,691	\$ 82,111	\$ 44,734	\$ 36,460
Net income (loss) available to common	\$ 25,355	\$ 45,774	\$ 59,451	\$ 70,551	\$ 73,025	\$ 40,191	\$ 31,917
Per Share Amounts:							
Income (loss) from continuing operations							
Basic	\$ 0.46	\$ 0.78	\$ 0.88	\$ 0.93	\$ 0.87	\$ 0.49	\$ 0.35
Diluted	\$ 0.46	\$ 0.78	\$ 0.88	\$ 0.93	\$ 0.87	\$ 0.49	\$ 0.35
Net income (loss) available to common							
Basic	\$ 0.49	\$ 0.78	\$ 0.90	\$ 0.94	\$ 0.87	\$ 0.49	\$ 0.35
Diluted	\$ 0.49	\$ 0.78	\$ 0.90	\$ 0.94	\$ 0.87	\$ 0.49	\$ 0.35
Dividends, Common Stock (3)	\$ 0.85	\$ 0.96	\$ 1.08	\$ 1.19	\$ 1.20	\$ 0.60	\$ 0.64
Dividends, Series D Preferred (3)	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 1.05	\$ 1.05
Weighted-average common shares outstanding, basic	51,738	58,651	65,858	75,127	83,556	82,485	90,935
Weighted-average common shares outstanding, diluted	52,059	58,745	65,886	75,213	83,649	82,578	91,057
<b>Other Financial Data:</b>							
Depreciation and amortization	\$ 25,277	\$ 32,263	\$ 36,056	\$ 39,890	\$ 44,694	\$ 21,921	\$ 31,138
<b>Consolidated Balance Sheet Data:</b>							
Gross investments	\$ 1,129,405	\$ 1,294,306	\$ 1,322,964	\$ 1,502,847	\$ 1,803,743	\$ 1,509,872	\$ 2,463,061
Total assets	\$ 1,036,042	\$ 1,175,370	\$ 1,182,287	\$ 1,364,467	\$ 1,655,033	\$ 1,343,850	\$ 2,296,445
Revolving lines of credit	\$ 58,000	\$ 150,000	\$ 48,000	\$ 63,500	\$ 94,100	\$ 46,000	\$ 221,000
Other long-term borrowings	\$ 508,229	\$ 526,141	\$ 525,709	\$ 484,697	\$ 644,049	\$ 484,689	\$ 1,006,014
Total debt (4)	\$ 566,229	\$ 676,141	\$ 573,709	\$ 548,197	\$ 738,149	\$ 530,689	\$ 1,227,014
Stockholders' equity	\$ 440,943	\$ 465,454	\$ 586,127	\$ 787,988	\$ 865,227	\$ 786,404	\$ 961,081

(1) Relates to nursing home revenue of owned and operated assets.

(2) Includes interest refinancing costs.

(3) Dividends per share are those declared and paid during such period.

(4) Total debt includes long-term debt and current maturities of long-term debt.

**Ratio of Earnings to Fixed Charges**

	<b>Year Ended December 31,</b>					<b>Six Months Ended June 30,</b>	
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2009</b>	<b>2010</b>
Earnings / Fixed Charge coverage ratio	2.1x	2.2x	2.5x	2.9x	3.1x	3.3x	2.1x

Earnings consist of income from continuing operations plus fixed charges. Fixed charges consist of interest expense.



## RISK FACTORS

*You should carefully consider the risks described under “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and in the other documents incorporated by reference into this prospectus (which risk factors are incorporated by reference herein), as well as the other information contained or incorporated by reference in this prospectus, before participating in this exchange offer. Additional risks and uncertainties not currently known or that are currently deemed to be immaterial may also materially and adversely affect our business operations and financial condition or the market for the notes.*

### **Risks Relating to The Exchange Offer**

***There are significant consequences if you fail to exchange your initial notes.***

We did not register the initial notes under the Securities Act or any state securities laws, nor do we intend to do so after the exchange offer. As a result, the initial notes may only be transferred in limited circumstances under applicable securities laws. If you do not exchange your initial notes in the exchange offer, you will lose your right to have the initial notes registered under the Securities Act, subject to certain exceptions. If you continue to hold initial notes after the exchange offer, you may be unable to sell the initial notes. Initial notes that are not tendered or are tendered but not accepted will, following the exchange offer, continue to be subject to existing restrictions.

***You must follow the appropriate procedures to tender your initial notes or they will not be exchanged.***

The exchange notes will be issued in exchange for the initial notes only after timely receipt by the exchange agent of the initial notes or a book-entry confirmation related thereto, a properly completed and executed letter of transmittal or an agent’s message and all other required documentation. If you want to tender your initial notes in exchange for exchange notes, you should allow sufficient time to ensure timely delivery. Neither we nor the exchange agent are under any duty to give you notification of defects or irregularities with respect to tenders of initial notes for exchange. Initial notes that are not tendered or are tendered but not accepted will, following the exchange offer, continue to be subject to the existing transfer restrictions. In addition, if you tender the initial notes in the exchange offer to participate in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. For additional information, please refer to the sections entitled “The Exchange Offer” and “Plan of Distribution” later in this prospectus.

***The consummation of the exchange offer may not occur.***

We are not obligated to complete the exchange offer under certain circumstances. See “The Exchange Offer—Conditions to the Exchange Offer.” Even if the exchange offer is completed, it may not be completed on the schedule described in this prospectus. Accordingly, holders participating in the exchange offer may have to wait longer than expected to receive their exchange notes.

***You may be required to deliver prospectuses and comply with other requirements in connection with any resale of the exchange notes.***

If you tender your initial notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes. In addition, if you are a broker-dealer receiving exchange notes for your own account in exchange for initial notes acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of those exchange notes.

## Risks Related to the Notes

***If an active trading market for the notes does not develop, the liquidity and value of the notes could be harmed.***

The exchange notes have been registered under the Securities Act. Although the exchange notes are eligible for trading, we cannot assure you that an active trading market will develop for the exchange notes. If no active trading market develops, you may not be able to resell your exchange notes at their fair market value or at all. Future trading prices of the exchange notes will depend on many factors, including, among other things, the success of this exchange offer, prevailing interest rates, our operating results and the market for similar securities. We do not intend to apply for a listing of the exchange notes on the NYSE or any other securities exchange.

***Our substantial level of indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.***

We have a significant amount of indebtedness. As of June 30, 2010, excluding indebtedness of the non-guarantor subsidiaries, we had (i) approximately \$1.3 billion of debt outstanding, including the initial notes, of which approximately \$321 million would have ranked effectively senior to the notes to the extent of the value of the assets securing such debt and (ii) approximately \$99 million of availability under our revolving credit facility. Our non-guarantor subsidiaries had an additional \$182 million in secured debt and \$20 million in unsecured debt outstanding as of June 30, 2010. Borrowings under our revolving credit facility and our term loan effectively rank senior to the notes to the extent of the value of the assets securing such debt. The notes are also effectively subordinated to existing and future indebtedness of our non-guarantor subsidiaries and have no direct claim against such subsidiaries or their assets. Our substantial level of indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness, including the notes. Our substantial indebtedness could have other important consequences to you and significantly impact our business. For example, it could

- make it more difficult for us to satisfy our obligations with respect to the notes;
- increase our vulnerability to adverse changes in general economic, industry and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness and leases, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limit our ability to make material acquisitions or take advantage of business opportunities that may arise;
- expose us to fluctuations in interest rates, to the extent our borrowings bear variable rates of interests;

- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business plan or other general corporate purposes on satisfactory terms or at all;
- reduce the amount of surplus funds distributable by the non-guarantor subsidiaries to Omega for use in its business, such as for the payment of indebtedness, including the notes; and
- we may elect to make additional investments in our non-guarantor subsidiaries if their cash flow from operations is insufficient for them to make payments on their indebtedness.

In addition, our revolving credit facility, our term loan, the indentures governing our other existing senior notes and the indenture governing the notes contain, and the agreements evidencing or governing other future indebtedness may contain, restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. These restrictions require us to comply with or maintain certain financial tests and limit or prohibit our ability to, among other things,

- incur, assume or permit to exist additional indebtedness, guaranty obligations or hedging arrangements;
- incur liens or agree to negative pledges in other agreements;
- declare dividends, make payments or redeem or repurchase capital stock;
- limit the ability of our subsidiaries to enter into agreements restricting dividends and distributions;
- engage in mergers, acquisitions and other business combinations;
- prepay, redeem or purchase certain indebtedness;
- amend or otherwise alter the terms of our organizational documents, our indebtedness, including the notes, and other material agreements;
- sell assets; and
- engage in certain transactions with affiliates.

Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness.

***Despite current indebtedness levels, we may incur additional debt. This could further exacerbate the risks associated with our substantial leverage.***

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although covenants under our revolving credit facility, our term loan, the indentures governing our other existing senior notes and the indenture governing the notes will limit our ability and the ability of our present and future restricted subsidiaries to incur additional indebtedness, the terms of the indenture governing the notes will permit us to incur significant additional indebtedness. To the extent that we incur additional indebtedness, the risk associated with our substantial indebtedness described above, including our possible inability to service our debt, will increase.

***To service our debt, we will require a significant amount of cash, which depends on many factors beyond our control.***

Our ability to make payments on and to refinance our debt, including the notes, will depend on our ability to generate cash in the future. This, to an extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flow or that future borrowings will be available to us in an amount sufficient to enable us to pay our debt, including the notes, or to fund our other liquidity needs. If our future cash flow from operations and existing sources of funds are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to reduce or delay our business activities and capital expenditures, sell assets, obtain additional equity capital or restructure or refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing debt and other future debt may limit our ability to pursue any of these alternatives. Notwithstanding our cash needs, we have the ability to make restricted payments of at least \$600 million as of June 30, 2010. See "Description of Notes—Covenants—Limitation on Restricted Payments".

***Payment of principal and interest on the notes are effectively subordinated to our existing and future secured debt to the extent of the value of the assets securing that debt.***

The notes are not secured. Our obligations and the obligations of the subsidiary guarantors under our revolving credit facility and term loan are secured by a first priority security interest on substantially all of the assets of our subsidiaries that are borrowers under the related indebtedness. Accordingly, any borrowings by the subsidiary guarantors under the revolving credit facility and term loan would be senior in payment rights to the notes. The notes are also effectively subordinated to the existing and future indebtedness of our non-guarantor subsidiaries. In the event of our liquidation or insolvency, or if any of our secured indebtedness is accelerated, the assets securing such indebtedness will first be applied to repay our obligations under our secured indebtedness in full and then to repay our obligations under our unsecured indebtedness, including under the notes. As a result, the notes are effectively subordinated to our revolving credit facility, term loan and any other future secured indebtedness of Omega and the subsidiary guarantors to the extent of the value of the assets securing that indebtedness, and the notes are effectively subordinated to our existing and future indebtedness of our non-guarantor subsidiaries. The holders of the notes would, in all likelihood, recover ratably less than the lenders of our secured indebtedness in the event of our bankruptcy or insolvency. As of June 30, 2010, we had approximately \$100 million of borrowings outstanding under our term loan to which the notes are effectively subordinated, \$221 million of borrowings outstanding under our revolving credit facility to which the notes are effectively subordinated, and approximately \$99 million of additional borrowing capacity under our revolving credit facility.

***Not all of our subsidiaries are guarantors and therefore the notes are structurally subordinated in right of payment to the indebtedness and other liabilities of our existing and future subsidiaries that do not guarantee the notes.***

The subsidiary guarantors of the notes will include only our existing restricted subsidiaries and all of our future restricted subsidiaries that guarantee any indebtedness of ours or of our subsidiary guarantors. Any subsidiary that we properly designate as an unrestricted subsidiary under the indenture governing the notes will not provide guarantees of the notes.

The notes and guarantees are structurally subordinated to all of the liabilities of any of our subsidiaries that do not guarantee the notes and will be required to be paid before the holders of the notes have a claim, if any, against those subsidiaries and their assets. Therefore, if there were a dissolution, bankruptcy, liquidation or reorganization of any such subsidiary, the holders of notes would not receive any amounts with respect to the notes from the assets of such subsidiary until after the payment in full of the claims of creditors, including trade creditors, secured creditors and preferred stockholders, of such subsidiary. As of June 30, 2010, our non-guarantor subsidiaries had \$182 million in outstanding secured indebtedness and \$20 million of unsecured indebtedness. Our non-guarantor subsidiaries accounted for approximately \$340 million, or 15%, of our total assets as of June 30, 2010.

***Under certain circumstances a court could cancel the notes or the related guarantees under fraudulent conveyance laws.***

Our issuance of the notes and the related guarantees may be subject to review under federal or state fraudulent transfer law. If we become a debtor in a case under the U.S. Bankruptcy Code or encounter other financial difficulty, a court might avoid (that is, cancel) our obligations under the notes. The court might do so if it found that, when we issued the notes, (a) we received less than reasonably equivalent value or fair consideration and (b) we either (1) were or were rendered insolvent, (2) were left with inadequate capital to conduct our business or (3) believed or reasonably should have believed that we would incur debts beyond our ability to pay. The court could also avoid the notes, without regard to factors (a) and (b), if it found that we issued the notes with actual intent to hinder, delay or defraud our creditors.

Similarly, if one of our guarantors becomes a debtor in a case under the U.S. Bankruptcy Code or encounters other financial difficulty, a court might cancel its guarantee if it finds that when such guarantor issued its guarantee (or in some jurisdictions, when payments became due under the guarantee), factors (a) and (b) above applied to such guarantor, such guarantor was a defendant in an action for money damages or had a judgment for money damages docketed against it (if, in either case, after final judgment the judgment is unsatisfied), or if it found that such guarantor issued its guarantee with actual intent to hinder, delay or defraud its creditors.

In addition, a court could avoid any payment by us or any guarantor pursuant to the notes or a guarantee, and require the return of any payment or the return of any realized value to us or the guarantor, as the case may be, or to a fund for the benefit of the creditors of us or the guarantor. Under the circumstances described above, a court could also subordinate rather than avoid obligations under the notes or the guarantees. If the court were to avoid any guarantee, we cannot assure you that funds would be available to pay the notes from another guarantor or from any other source.

The test for determining solvency for purposes of the foregoing will vary depending on the law of the jurisdiction being applied. In general, a court would consider an entity insolvent either if the sum of its existing debts exceeds the fair value of all of its property, or its assets' present fair saleable value is less than the amount required to pay the probable liability on its existing debts as they become due. For this analysis, "debts" includes contingent and unliquidated debts. The indenture governing the notes will limit the liability of each guarantor on its guarantee to the maximum amount that such guarantor can incur without risk that its guarantee will be subject to avoidance as a fraudulent transfer. We cannot assure you that this limitation will protect such guarantees from fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the guarantees would suffice, if necessary, to pay the notes in full when due.

If a court avoided our obligations under the notes and the obligations of all of the guarantors under their guarantees, you would cease to be our creditor or creditor of the guarantors and likely have no source from which to recover amounts due under the notes. Even if the guarantee of a guarantor is not avoided as a fraudulent transfer, a court may subordinate the guarantee to that guarantor's other debt. In that event, the guarantees would be structurally subordinated to all of that guarantor's other debt.

***If a bankruptcy petition were filed by or against us, you may receive a lesser amount for your claim than you would be entitled to receive under the indenture governing the notes.***

If a bankruptcy petition were filed by or against us under the U. S. Bankruptcy Code after the issuance of the notes, the claim by any holder of the notes for the principal amount of the notes may be limited to an amount equal to the sum of:

- the original issue price for the notes; and
- that portion of the original issue discount of the notes, or OID, that does not constitute “unmatured interest” for purposes of the U. S. Bankruptcy Code.

Any OID that was not amortized as of the date of the bankruptcy filing would constitute unamatured interest. Accordingly, holders of the notes under these circumstances may receive a lesser amount than they would be entitled to under the terms of the indenture governing the notes, even if sufficient funds are available.

***We may not be able to repurchase notes upon a change of control, which would be an event of default under the indenture.***

Upon the occurrence of certain change of control events described in the indenture, we will be required to offer to repurchase all initial notes at 101% of their principal amount plus accrued and unpaid interest and additional interest, if any, to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of the change of control to make any required repurchases of notes or that restrictions in our revolving credit facility or future senior credit facilities will not allow such repurchases. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a “Change of Control” under the indenture.

### **Risks Related to the Operators of Our Facilities**

Our financial position could be weakened and our ability to make distributions and fulfill our obligations with respect to our indebtedness could be limited if any of our major operators become unable to meet their obligations to us or fail to renew or extend their relationship with us as their lease terms expire or their mortgages mature, or if we become unable to lease or re-lease our facilities or make mortgage loans on economically favorable terms. We have no operational control over our operators. Adverse developments concerning our operators could arise due to a number of factors, including those listed below.

***The bankruptcy or insolvency of our operators could limit or delay our ability to recover on our investments.***

We are exposed to the risk that our operators may not be able to meet their lease, mortgage and other obligations to us or other third parties, which could result in their bankruptcy or insolvency. Further, the current economic climate that exists in the United States serves to heighten and increase this risk. Although our lease agreements and loan agreements typically provide us with the right to terminate the agreement, evict an operator, foreclose on our collateral, demand immediate payment and exercise other remedies, the U.S. Bankruptcy Code would limit or, at a minimum, delay our ability to collect unpaid pre-bankruptcy rents and mortgage payments and to pursue other remedies against a bankrupt operator.

*Leases.* A bankruptcy filing by one of our lessee operators would typically prevent us from collecting unpaid pre-bankruptcy rents or evicting the operator, absent approval of the bankruptcy court. The U.S. Bankruptcy Code provides a lessee with the option to assume or reject an unexpired lease within certain specified periods of time. Generally, a lessee is required to pay all rent arising between its bankruptcy filing and the assumption or rejection of the lease (although such payments will likely be delayed as a result of the bankruptcy filing). If one of our lessee operators chooses to assume its lease with us, the operator must cure all monetary defaults existing under the lease (including payment of unpaid pre-bankruptcy rents) and provide adequate assurance of its ability to perform its future obligations under the lease. If one of our lessee operators opts to reject its lease with us, we would have a claim against such operator for unpaid and future rents payable under the lease, but such claim would be subject to a statutory “cap” and would generally result in a recovery substantially less than the face value of such claim. Although the operator’s rejection of the lease would permit us to recover possession of the leased facility, we would still face losses, costs and delays associated with re-leasing the facility to a new operator.

Several other factors could impact our rights under leases with bankrupt operators. First, the operator could seek to assign its lease with us to a third party. The U.S. Bankruptcy Code generally disregards anti-assignment provisions in leases to permit assignment of unexpired leases to third parties (provided all monetary defaults under the lease are cured and the third party can demonstrate its ability to perform its obligations under the lease). Second, in instances in which we have entered into a master lease agreement with an operator that operates more than one facility, there exists the risk that the bankruptcy court could determine that the master lease was comprised of separate, divisible leases (each of which could be separately assumed or rejected), rather than a single, integrated lease (which would have to be assumed or rejected in its entirety). Finally, there exists the risk that the bankruptcy court could re-characterize our lease agreement as a disguised financing arrangement, which could require us to receive bankruptcy court approval to foreclose or pursue other remedies with respect to the facility.

*Mortgages.* A bankruptcy filing by an operator to whom we have made a mortgage loan would typically prevent us from collecting unpaid pre-bankruptcy mortgage payments and foreclosing on our collateral, absent approval of the bankruptcy court. As an initial matter, we could ask the bankruptcy court to order the operator to make periodic payments or provide other financial assurances to us during the bankruptcy case (known as “adequate protection”), but the ultimate decision regarding “adequate protection” (including the timing and amount) rests with the bankruptcy court. In addition, we would have to receive bankruptcy court approval before we could commence or continue any foreclosure action against the operator’s facility. The bankruptcy court could withhold such approval, especially if the operator can demonstrate that the facility is necessary for an effective reorganization and that we have a sufficient “equity cushion” in the facility. If the bankruptcy court does not either grant us “adequate protection” or permit us to foreclose on our collateral, we may not receive any loan payments until after the bankruptcy court confirms a plan of reorganization for the operator. Even if the bankruptcy court permits us to foreclose on the facility, we would still be subject to the losses, costs and other risks associated with a foreclosure sale, including possible successor liability under government programs, indemnification obligations and suspension or delay of third-party payments. Should such events occur, our income and cash flow from operations would be adversely affected.

**Failure by our operators to comply with various local, state and federal government regulations may adversely impact their ability to make debt or lease payments to us.**

Our operators are subject to numerous federal, state and local laws and regulations that are subject to frequent and substantial changes (sometimes applied retroactively) resulting from legislation, adoption of rules and regulations, and administrative and judicial interpretations of existing law. The ultimate timing or effect of these changes cannot be predicted. These changes may have a dramatic effect on our operators' costs of doing business and on the amount of reimbursement by both government and other third-party payors. The failure of any of our operators to comply with these laws, requirements and regulations could adversely affect their ability to meet their obligations to us. In particular:

- *Medicare and Medicaid.* A significant portion of our SNF and nursing home operators' revenue is derived from governmentally-funded reimbursement programs, primarily Medicare and Medicaid. Failure to maintain certification and accreditation in these programs would result in a loss of funding from such programs. See the risk factor entitled "Our operators depend on reimbursement from governmental and other third party payors and reimbursement rates from such payors may be reduced" for further discussion.
- *Licensing and Certification.* Our operators and facilities are subject to regulatory and licensing requirements of federal, state and local authorities and are periodically audited by these authorities. Failure to obtain licensure or loss or suspension of licensure would prevent a facility from operating or result in a suspension of reimbursement payments until all licensure issues have been resolved and the necessary licenses obtained or reinstated. In such event, our revenues from these facilities could be reduced or eliminated for an extended period of time or permanently. In addition, licensing and Medicare and Medicaid laws also require operators of nursing homes and assisted living facilities to comply with extensive standards governing operations. Federal and state agencies administering those laws regularly inspect such facilities and investigate complaints. Our operators and their managers receive notices of potential sanctions and remedies from time to time, and such sanctions have been imposed from time to time on facilities operated by them. If our operators are unable to cure deficiencies, which have been identified or which are identified in the future, such sanctions may be imposed. If imposed, the resulting sanctions may adversely affect our operators' revenues, potentially jeopardizing their ability to meet their obligations to us.
- *Fraud and Abuse Laws and Regulations.* There are various extremely complex civil and criminal federal and state laws governing a wide array of referrals, relationships and arrangements and prohibiting fraud by healthcare providers. Many of these laws raise issues that have not been clearly interpreted. Governments are devoting increasing attention and resources to anti-fraud initiatives against healthcare providers. The federal anti-kickback statute is a criminal statute that prohibits the knowing and willful offer, payment, solicitation or receipt of any remuneration in return for, to induce, or to arrange for the referral of individuals for any item or service payable by a federal or state healthcare program. There is also a civil analogue. States also have enacted similar statutes covering Medicaid payments and some states have broader statutes. Some enforcement efforts have targeted relationships between SNFs and ancillary providers, relationships between SNFs and referral sources for SNFs and relationships between SNFs and facilities for which the SNFs serve as referral sources. The federal self-referral law, commonly known as the "Stark Law," is a civil statute that prohibits certain referrals by physicians to entities providing "designated health services" if these physicians have financial relationships with the entities. Some of the services provided in SNFs are classified as designated health services. There are also criminal provisions that prohibit filing false claims or making false statements to receive payment or certification under Medicare and Medicaid, as well as failing to refund overpayments or improper payments. Violation of the anti-kickback statute or Stark Law may form the basis for a False Claims Act violation. In addition, the federal False Claims Act allows a private individual with knowledge of fraud to bring a claim on behalf of the federal government and earn a percentage of the federal government's recovery. Because of these incentives, these so-called "whistleblower" suits have become more frequent. The violation of any of these laws or regulations by an operator may result in the imposition of fines or other penalties, including exclusion from Medicare, Medicaid, and all other federal and state healthcare programs. Such fines or penalties could jeopardize that operator's ability to make lease or mortgage payments to us or to continue operating its facility.



- *Privacy Laws.* Our operators are subject to federal, state and local laws and regulations designed to protect confidentiality and security of patient health information, including the privacy and security provisions in the federal Health Insurance Portability and Accountability Act of 1996 and the corresponding regulations promulgated, known as HIPAA. HIPAA was amended by the American Recovery and Reinvestment Act of 2009, known as the Stimulus Bill, to increase penalties for HIPAA violations. These changes include the imposition of stricter requirements on healthcare providers, requiring notifications in most cases if there is a breach of an individual's protected health information (including public announcements if the breach affects a significant number of individuals) and the expansion of possibilities for enforcement. Our operators may have to expend significant funds to secure the health information they hold, including upgrading their computer systems. If our operators are found in violation of HIPAA, such operators may be required to pay large penalties. Compliance with public notification requirements in the event of a breach could cause reputational harm to their business. Obligations to pay large penalties or tarnishing of reputation could adversely affect the ability of our operators to pay their obligations to us.
- *Other Laws.* Other federal, state and local laws and regulations that impact how our operators conduct their operations include: (i) laws protecting consumers against deceptive practices; (ii) laws generally affecting our operators' management of property and equipment and how our operators generally conduct their operations, such as fire, health and safety laws; (iii) laws affecting assisted living facilities mandating quality of services and care, including food services; and (iv) resident rights (including abuse and neglect laws) and health standards set by the federal Occupational Safety and Health Administration. We cannot predict the effect that the additional costs of complying with these laws may have on the revenues of our operators, and thus their ability to meet their obligations to us.
- *Legislative and Regulatory Developments.* Each year, legislative and regulatory proposals are introduced at the federal and state levels that would result in major changes in the healthcare system. We cannot accurately predict whether any proposals will be adopted, and if adopted, what effect (if any) these proposals would have on our operators, and as a result, our business.
- *Healthcare Reform.* The U.S. Congress is currently debating legislation that, if enacted into law, would make significant changes to the healthcare system. Although the House of Representatives and the Senate each passed healthcare reform bills in late 2009, the two bills are different. We cannot predict whether healthcare reform legislation will be enacted into law, and if healthcare reform legislation is enacted, we cannot predict the ultimate content or timing of this legislation. We also cannot predict the effect that any such legislation may have on our operators.

***Our operators depend on reimbursement from governmental and other third-party payors and reimbursement rates from such payors may be reduced.***

Changes in the reimbursement rate or methods of payment from third-party payors, including the Medicare and Medicaid programs, or the implementation of other measures to reduce reimbursements for services provided by our operators has in the past, and could in the future, result in a substantial reduction in our operators' revenues and operating margins. Additionally, net revenue realizable under third-party payor agreements can change after examination and retroactive adjustment by payors during the claims settlement processes or as a result of post-payment audits. Payors may disallow requests for reimbursement based on determinations that certain costs are not reimbursable or reasonable or because additional documentation is necessary or because certain services were not covered or were not medically necessary. There also continue to be new legislative and regulatory proposals that could impose further limitations on government and private payments to healthcare providers. In some cases, states have enacted or are considering enacting measures designed to reduce their Medicaid expenditures and to make changes to private healthcare insurance. We cannot assure you that adequate reimbursement levels will continue to be available for the services provided by our operators, which are currently being reimbursed by Medicare, Medicaid or private third-party payors. In its January 2010 meeting, the Medicare Payment Advisory Commission ("MedPAC"), a commission chartered by Congress to advise Congress on Medicare payment policies, recommended elimination of the 2011 market basket update for SNFs. We cannot estimate at this time whether the Centers for Medicare and Medicaid Services will adopt the MedPAC recommendations. We currently believe that our operator coverage ratios are strong and that our operators can absorb moderate reimbursement rate reductions and still meet their financial obligations to us. However, significant limits on the scope of services reimbursed and on reimbursement rates could have a material adverse effect on our operators' liquidity, financial condition and results of operations, which could cause the revenues of our operators to decline and jeopardize their ability to meet their obligations to us.

***Government budget deficits could lead to a reduction in Medicare and Medicaid reimbursement.***

The downturn in the U.S. economy has negatively affected state budgets, which may put pressure on states to decrease reimbursement rates for our operators with the goal of decreasing state expenditures under their state Medicaid programs. The need to control Medicaid expenditures may be exacerbated by the potential for increased enrollment in Medicaid due to unemployment and declines in family incomes. These potential reductions could be compounded by the potential for federal cost-cutting efforts that could lead to reductions in reimbursement to our operators under both the Medicare and Medicaid programs. Potential reductions in Medicare and Medicaid reimbursement to our operators could reduce the cash flow of our operators and their ability to make rent or mortgage payments to us. Since the profit margins on Medicaid patients are generally relatively low, more than modest reductions in Medicaid reimbursement could place some operators in financial distress, which in turn could adversely affect us.

***New healthcare reform laws may have a significant impact on our business.***

Recently enacted public laws reforming the healthcare system in the United States may have a significant impact on our operators. In March 2010, the President signed into law The Patient Protection and Affordable Care Act (the "PPACA") and The Healthcare and Education and Reconciliation Act of 2010, which amends the PPACA (collectively, the "Healthcare Reform Law"). The Healthcare Reform Law contains various provisions that may significantly impact our operators. Some of the provisions may have a positive impact on our operators, for example by increasing coverage of uninsured individuals, while others may have a negative impact, for example by altering the market basket adjustments for certain types of healthcare facilities. The Healthcare Reform Law also enhances certain fraud and abuse penalty provisions that could apply to our operators in the event of one or more violations of the federal health care laws. In addition, there are provisions that impact the health coverage that we and our operators provide to our respective employees. If the operations, cash flows or financial condition of our operators are materially adversely impacted by the Healthcare Reform Law, our revenue and operations may be adversely affected as well.

***Our operators may be required to devote a substantial amount of resources to comply with regulations promulgated under the Healthcare Reform Law.***

The Healthcare Reform Law is complex and will result in extensive new rules and regulation. Our operators may be required to expend significant resources to ensure compliance with all such rules and regulation, or in some cases, change their operations. The expenditure of significant resources by our operators and any change in their operations caused by the Healthcare Reform Law could negatively impact our operators and the results of their operations.

***The Healthcare Reform Law could result in increased enrollment in Medicaid, which could negatively impact our operators.***

The Healthcare Reform Law will likely result in an increased number of eligible Medicaid recipients, which could require our operators to increase their Medicaid bed capacity. Because Medicaid generally provides for lower reimbursement than other payors, a substantial increase in the number of our operators' Medicaid patients could result in less revenue for the operators and thereby adversely impact our operations. Changes to Medicaid administration under the Healthcare Reform Law will be implemented on a state-by-state basis and we cannot predict the impact such changes will have on our operators.

***We may be unable to find a replacement operator for one or more of our leased properties.***

From time to time, we may need to find a replacement operator for one or more of our leased properties for a variety of reasons, including upon the expiration of the term of the applicable lease or upon a default by the applicable operator. During any period that we are attempting to locate one or more replacement operators, there could be a decrease or cessation of rental payments on the applicable property or properties. We cannot assure you that any of our current or future operators will elect to renew their respective leases with us upon expiration of the terms thereof. Similarly, we cannot assure you that we will be able to locate a suitable replacement operator or, if we are successful in locating a replacement operator, that the rental payments from the new operator would not be significantly less than the existing rental payments. Our ability to locate a suitable replacement operator may be significantly delayed or limited by various state licensing, receivership, certificate of need or other laws, as well as by Medicare and Medicaid change-of-ownership rules. We also may incur substantial additional expenses in connection with any such licensing, receivership or change-of-ownership proceedings. Any such delays, limitations and expenses could materially delay or impact our ability to collect rent, to obtain possession of leased properties or otherwise to exercise remedies for default and could have an adverse effect on our business.

***We may not be able to adapt our management and operational systems to integrate and manage our growth without additional expense.***

Our December 2009 and June 2010 acquisitions of the CapitalSource facilities have significantly increased the number of long-term care facilities in our investment portfolio and the number of states in which we own facilities. We cannot assure you that we will be able to adapt our management, administrative, accounting and operational systems to integrate and manage the facilities we have acquired and those that we may acquire in a timely manner. Our failure to timely integrate and manage the acquisition of the CapitalSource facilities and future acquisitions or developments could have a material adverse effect on our results of operations and financial condition. In addition, projections of estimated future revenues, costs savings or operating metrics that we developed during the due diligence and integration planning process could prove to be inaccurate. If we experience any such inaccuracies, or if we later discover additional liabilities or experience unforeseen costs relating to the facilities we acquired from CapitalSource or future acquired facilities, we might not achieve the economic benefit we expect from acquisitions, which could have a material adverse effect on us.

***Unforeseen costs associated with the acquisition of new properties could reduce our profitability.***

Our business strategy contemplates future acquisitions that may not prove to be successful. For example, we might encounter unanticipated difficulties and expenditures relating to our acquired properties, including contingent liabilities, or our newly acquired properties might require significant management attention that would otherwise be devoted to our ongoing business. As a further example, if we agree to provide funding to enable healthcare operators to build, expand or renovate facilities on our properties and the project is not completed, we could be forced to become involved in the development to ensure completion or we could lose the property. Such costs may negatively affect our results of operations.

***We may be subject to additional risks in connection with our recent and future acquisitions of long-term care facilities.***

We may be subject to additional risks in connection with our recent and future acquisition of long-term care facilities, including but not limited to the following:

- our limited prior business experience with the operators of the facilities we recently acquired or may in the future acquire;
- the facilities may underperform due to various factors, including unfavorable terms and conditions of the lease agreements that we assume or may assume, disruptions caused by the management of the operators of the facilities or changes in economic conditions impacting the facilities and/or the operators;
- diversion of our management's attention away from other business concerns;
- exposure to any undisclosed or unknown potential liabilities relating to the facilities; and
- potential underinsured losses on the facilities.

We cannot assure you that we will be able to manage the recently acquired or other new facilities without encountering difficulties or that any such difficulties will not have a material adverse effect on us.

***A prolonged economic slowdown could adversely impact our operating income and earnings, as well as the results of operations of our operators, which could impair their ability to meet their obligations to us.***

The recent economic slowdown has resulted in continued concerns regarding the adverse impact caused by inflation, deflation, increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, the U.S. mortgage market, a distressed real estate market, market volatility and weakened business and consumer confidence. This difficult operating environment could have an adverse impact on the ability of our operators to maintain occupancy rates, which could harm their financial condition. Any sustained period of increased payment delinquencies, foreclosures or losses by our operators under our leases and loans could adversely affect our income from investments in our portfolio.

***Certain third parties may not be able to satisfy their obligations to us or our operators due to continued uncertainty in the capital markets.***

As a result of current economic conditions, including uncertainty in the capital markets, credit markets have tightened significantly such that the ability to obtain new capital has become more challenging and more expensive. In addition, several large financial institutions have either recently failed or become dependent on the assistance of the U.S. federal government to continue to operate as a going concern. Interest rate fluctuations, financial market volatility or credit market disruptions could limit the ability of our operators to obtain credit to finance their businesses on acceptable terms, which could adversely affect their ability to satisfy their obligations to us. Similarly, if any of our other counterparties, such as letter of credit issuers, insurance carriers, banking institutions, title companies and escrow agents, experience difficulty in accessing capital or other sources of funds or fails to remain a viable entity, it could have an adverse effect on our business.

***Our operators may be subject to significant legal actions that could result in their increased operating costs and substantial uninsured liabilities, which may affect their ability to meet their obligations to us.***

As is typical in the long-term healthcare industry, our operators are often subject to claims for damages relating to the services that they provide. We can give no assurance that the insurance coverage maintained by our operators will cover all claims made against them or continue to be available at a reasonable cost, if at all. In some states, insurance coverage for the risk of punitive damages arising from professional liability and general liability claims and/or litigation may not, in certain cases, be available to operators due to state law prohibitions or limitations of availability. As a result, our operators operating in these states may be liable for punitive damage awards that are either not covered or are in excess of their insurance policy limits. TC Healthcare, the entity operating facilities on our behalf on an interim basis, may be named as a defendant in professional liability claims related to the properties that were transitioned from Haven Eldercare, LLC, or the Haven facilities, as described in "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Portfolio and Other Developments" in our Annual Report on Form 10-K for the year ended December 31, 2009. In these suits, patients could allege significant damages, including punitive damages. We currently consolidate the financial results of TC Healthcare in our financial statements, and as such, our financial results could suffer. Effective as of July 7, 2008, we took ownership and/or possession of the 15 former Haven facilities and TC Healthcare, an entity in which we have a substantial economic interest, subsequently began operating these facilities on our behalf through an independent contractor.

We also believe that there has been, and will continue to be, an increase in governmental investigations of long-term care providers, particularly in the area of Medicare/Medicaid false claims, as well as an increase in enforcement actions resulting from these investigations. Insurance is not available to our operators to cover such losses. Any adverse determination in a legal proceeding or governmental investigation, whether currently asserted or arising in the future, could have a material adverse effect on an operator's financial condition. If an operator is unable to obtain or maintain insurance coverage, if judgments are obtained in excess of the insurance coverage, if an operator is required to pay uninsured punitive damages, or if an operator is subject to an uninsurable government enforcement action, the operator could be exposed to substantial additional liabilities. Such liabilities could adversely affect the operator's ability to meet its obligations to us.

In addition, we may in some circumstances be named as a defendant in litigation involving the services provided by our operators. Although we generally have no involvement in the services provided by our operators, and our standard lease agreements and loan agreements generally require our operators to indemnify us and carry insurance to cover us in certain cases, a significant judgment against us in such litigation could exceed our and our operators' insurance coverage, which would require us to make payments to cover the judgment.

***Increased competition as well as increased operating costs have resulted in lower revenues for some of our operators and may affect the ability of our operators to meet their payment obligations to us.***

The long-term healthcare industry is highly competitive and we expect that it may become more competitive in the future. Our operators are competing with numerous other companies providing similar healthcare services or alternatives such as home health agencies, life care at home, community-based service programs, retirement communities and convalescent centers. Our operators compete on a number of different levels including the quality of care provided, reputation, the physical appearance of a facility, price, the range of services offered, family preference, alternatives for healthcare delivery, the supply of competing properties, physicians, staff, referral sources, location and the size and demographics of the population in the surrounding areas. We cannot be certain that the operators of all of our facilities will be able to achieve occupancy and rate levels that will enable them to meet all of their obligations to us. Our operators may encounter increased competition in the future that could limit their ability to attract residents or expand their businesses and therefore affect their ability to pay their lease or mortgage payments.

The market for qualified nurses, healthcare professionals and other key personnel is highly competitive and our operators may experience difficulties in attracting and retaining qualified personnel. Increases in labor costs due to higher wages and greater benefits required to attract and retain qualified healthcare personnel incurred by our operators could affect their ability to pay their lease or mortgage payments. This situation could be particularly acute in certain states that have enacted legislation establishing minimum staffing requirements.

***We may be unable to successfully foreclose on the collateral securing our mortgage loans, and even if we are successful in our foreclosure efforts, we may be unable to successfully find a replacement operator, or operate or occupy the underlying real estate, which may adversely affect our ability to recover our investments.***

If an operator defaults under one of our mortgage loans, we may foreclose on the loan or otherwise protect our interest by acquiring title to the property. In such a scenario, we may be required to make substantial improvements or repairs to maximize the facility's investment potential. Operators may contest enforcement of foreclosure or other remedies, seek bankruptcy protection against our exercise of enforcement or other remedies and/or bring claims for lender liability in response to actions to enforce mortgage obligations. Even if we are able to successfully foreclose on the collateral securing our mortgage loans, we may be unable to expeditiously find a replacement operator, if at all, or otherwise successfully operate or occupy the property, which could adversely affect our ability to recover our investment.

***Certain of our operators account for a significant percentage of our real estate investment and revenues.***

At June 30, 2010, approximately 15% of our real estate investments were operated by two public companies: Sun Healthcare Group, Inc. or Sun, (9%) and Advocat Inc., or Advocat (6%). Our largest private company operators (by investment) were CommuniCare Health Services, or CommuniCare, (13%) and Airamid Health Management, LLC, or Airamid, (11%). No other operator represents more than 9% of our investments.

For the three-month period ended June 30, 2010, our revenues from operations totaled \$58.8 million, of which approximately \$8.8 million were from CommuniCare (15%), \$7.9 million from Sun (13%) and \$5.4 million from Advocat (9%). No other operator generated more than 9% of our revenues from operations for the three-month period ended June 30, 2010.

We cannot assure you that any of our operators will have sufficient assets, income or access to financing to enable it them to satisfy their obligations to us. Any failure by our operators, and specifically those operators described above, to effectively conduct their operations could materially reduce our revenues and net income, which could in turn reduce the amount of dividends we pay and cause our stock price to decline.

#### **Risks Related to Us and Our Operations**

In addition to the operator related risks discussed above, there are a number of risks directly associated with us and our operations.

***We rely on external sources of capital to fund future capital needs, and if we encounter difficulty in obtaining such capital, we may not be able to make future investments necessary to grow our business or meet maturing commitments.***

To qualify as a REIT under the Internal Revenue Code, or the Code, we are required, among other things, to distribute at least 90% of our REIT taxable income each year to our stockholders. Because of this distribution requirement, we may not be able to fund, from cash retained from operations, all future capital needs, including capital needed to make investments and to satisfy or refinance maturing commitments. As a result, we rely on external sources of capital, including debt and equity financing. If we are unable to obtain needed capital at all or only on unfavorable terms from these sources, we might not be able to make the investments needed to grow our business, or to meet our obligations and commitments as they mature, which could negatively affect the ratings of our debt and even, in extreme circumstances, affect our ability to continue operations. Our access to capital depends upon a number of factors over which we have little or no control, including the performance of the national and global economies generally; competition in the healthcare industry; issues facing the healthcare industry, including regulations and government reimbursement policies; our operators' operating costs; the ratings of our debt and preferred securities; the market's perception of our growth potential; the market value of our properties; our current and potential future earnings and cash distributions; and the market price of the shares of our capital stock. Difficult capital market conditions in our industry during the past several years, exacerbated by the recent economic downturn, and our need to stabilize our portfolio have limited and may continue to limit our access to capital. While we currently have sufficient cash flow from operations to fund our obligations and commitments, we may not be in position to take advantage of future investment opportunities in the event that we are unable to access the capital markets on a timely basis or we are only able to obtain financing on unfavorable terms.

***Economic conditions and turbulence in the credit markets may create challenges in securing third-party borrowings or refinancing our existing debt, and may cause market rental rates and property values to decline.***

Current economic conditions, the availability and cost of credit, turmoil in the mortgage market and depressed real estate markets have contributed to increased volatility and diminished expectations for real estate markets and the economy as a whole. In the event that the constriction within the credit markets persists, we may face challenges in securing third-party borrowings or refinancing our existing debt in the future.

***Our assets may be subject to impairment charges.***

We periodically, but not less than annually, evaluate our real estate investments and other assets for impairment indicators. The judgment regarding the existence of impairment indicators is based on factors such as market conditions, operator performance and legal structure. If we determine that a significant impairment has occurred, we are required to make an adjustment to the net carrying value of the asset, which could have a material adverse affect on our results of operations and funds from operations in the period in which the write-off occurs.

***We may not be able to sell certain closed facilities for their book value.***

From time to time, we close facilities and actively market such facilities for sale. To the extent we are unable to sell these properties for our book value, we may be required to take a non-cash impairment charge or loss on the sale, either of which would reduce our net income.

***We have now, and may have in the future, exposure to contingent rent escalators.***

We receive revenue primarily by leasing our assets under leases that are long-term triple-net leases in which the rental rate is generally fixed with annual rent escalations, subject to certain limitations. Certain leases contain escalators contingent on changes in the Consumer Price Index. If the Consumer Price Index does not increase, our revenues may not increase.

***We are subject to particular risks associated with real estate ownership, which could result in unanticipated losses or expenses.***

Our business is subject to many risks that are associated with the ownership of real estate. For example, if our operators do not renew their leases, we may be unable to re-lease the facilities at favorable rental rates. Other risks that are associated with real estate acquisition and ownership include, without limitation, the following:

- general liability, property and casualty losses, some of which may be uninsured;
- the inability to purchase or sell our assets rapidly to respond to changing economic conditions, due to the illiquid nature of real estate and the real estate market;
- leases which are not renewed or are renewed at lower rental amounts at expiration;
- the exercise of purchase options by operators resulting in a reduction of our rental revenue;
- costs relating to maintenance and repair of our facilities and the need to make expenditures due to changes in governmental regulations, including the Americans with Disabilities Act;
- environmental hazards created by prior owners or occupants, existing tenants, mortgagors or other persons for which we may be liable;
- acts of God affecting our properties; and
- acts of terrorism affecting our properties.



***Our real estate investments are relatively illiquid.***

Real estate investments are relatively illiquid and generally cannot be sold quickly. In addition, some of our properties serve as collateral for our secured debt obligations and cannot be readily sold. Additional factors that are specific to our industry also tend to limit our ability to vary our portfolio promptly in response to changes in economic or other conditions. For example, all of our properties are "special purpose" properties that cannot be readily converted into general residential, retail or office use. In addition, transfers of operations of nursing homes and other healthcare-related facilities are subject to regulatory approvals not required for transfers of other types of commercial operations and other types of real estate. Thus, if the operation of any of our properties becomes unprofitable due to competition, age of improvements or other factors such that our operator becomes unable to meet its obligations to us, then the liquidation value of the property may be substantially less, particularly relative to the amount owing on any related mortgage loan, than would be the case if the property were readily adaptable to other uses. Furthermore, the receipt of liquidation proceeds or the replacement of an operator that has defaulted on its lease or loan could be delayed by the approval process of any federal, state or local agency necessary for the transfer of the property or the replacement of the operator with a new operator licensed to manage the facility. In addition, certain significant expenditures associated with real estate investment, such as real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the investment. Should such events occur, our income and cash flows from operations would be adversely affected.

***As an owner or lender with respect to real property, we may be exposed to possible environmental liabilities.***

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner of real property or a secured lender, such as us, may be liable in certain circumstances for the costs of investigation, removal or remediation of, or related releases of, certain hazardous or toxic substances at, under or disposed of in connection with such property, as well as certain other potential costs relating to hazardous or toxic substances, including government fines and damages for injuries to persons and adjacent property. Such laws often impose liability based on the owner's knowledge of, or responsibility for, the presence or disposal of such substances. As a result, liability may be imposed on the owner in connection with the activities of an operator of the property. The cost of any required investigation, remediation, removal, fines or personal or property damages and the owner's liability therefore could exceed the value of the property and/or the assets of the owner. In addition, the presence of such substances, or the failure to properly dispose of or remediate such substances, may adversely affect an operators' ability to attract additional residents and our ability to sell or rent such property or to borrow using such property as collateral which, in turn, could negatively impact our revenues.

Although our leases and mortgage loans require the lessee and the mortgagor to indemnify us for certain environmental liabilities, the scope of such obligations may be limited. For instance, most of our leases do not require the lessee to indemnify us for environmental liabilities arising before the lessee took possession of the premises. Further, we cannot assure you that any such mortgagor or lessee would be able to fulfill its indemnification obligations.

***The industry in which we operate is highly competitive. Increasing investor interest in our sector and consolidation at the operator of REIT level could increase competition and reduce our profitability.***

Our business is highly competitive and we expect that it may become more competitive in the future. We compete for healthcare facility investments with other healthcare investors, including other REITs, some of which have greater resources and lower costs of capital than we do. Increased competition makes it more challenging for us to identify and successfully capitalize on opportunities that meet our business goals. If we cannot capitalize on our development pipeline, identify and purchase a sufficient quantity of healthcare facilities at favorable prices, or if we are unable to finance such acquisitions on commercially favorable terms, our business, results of operations and financial condition may be materially adversely affected. In addition, if our cost of capital should increase relative to the cost of capital of our competitors, the spread that we realize on our investments may decline if competitive pressures limit or prevent us from charging higher lease or mortgage rates.

***We may be named as defendants in litigation arising out of professional liability and general liability claims relating to our previously owned and operated facilities that if decided against us, could adversely affect our financial condition.***

We and several of our wholly-owned subsidiaries were named as defendants in professional liability and general liability claims related to our owned and operated facilities prior to 2005. Other third-party managers responsible for the day-to-day operations of these facilities were also named as defendants in these claims. In these suits, patients of certain previously owned and operated facilities have alleged significant damages, including punitive damages, against the defendants. Although all of these prior suits have been settled, we or our affiliates could be named as defendants in similar suits related to our owned and operated assets resulting from the transition of the Haven facilities as described in "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Portfolio and Other Developments" in our Annual Report on Form 10-K for the year ended December 31, 2009. There can be no assurance that we would be successful in our defense of such potential matters or in asserting our claims against various managers of the subject facilities or that the amount of any settlement or judgment would be substantially covered by insurance or that any punitive damages will be covered by insurance.

***Our charter and bylaws contain significant anti-takeover provisions which could delay, defer or prevent a change in control or other transactions that could provide our stockholders with the opportunity to realize a premium over the then-prevailing market price of our common stock.***

Our articles of incorporation and bylaws contain various procedural and other requirements which could make it difficult for stockholders to effect certain corporate actions. Our Board of Directors is divided into three classes and the members of our Board of Directors are elected for terms that are staggered. Our Board of Directors also has the authority to issue additional shares of preferred stock and to fix the preferences, rights and limitations of the preferred stock without stockholder approval. These provisions could discourage unsolicited acquisition proposals or make it more difficult for a third party to gain control of us, which could adversely affect the market price of our securities and/or result in the delay, deferral or prevention of a change in control or other transactions that could provide our stockholders with the opportunity to realize a premium over the then-prevailing market price of our common stock.

***We may change our investment strategies and policies and capital structure.***

Our Board of Directors, without the approval of our stockholders, may alter our investment strategies and policies if it determines that a change is in our stockholders' best interests. The methods of implementing our investment strategies and policies may vary as new investments and financing techniques are developed.

***Our success depends in part on our ability to retain key personnel and our ability to attract or retain other qualified personnel.***

Our future performance depends to a significant degree upon the continued contributions of our executive management team and other key employees. The loss of the services of our current executive management team could have an adverse impact on our operations. Although we have entered into employment agreements with the members of our executive management team, these agreements may not assure their continued service. In addition, our future success depends, in part, on our ability to attract, hire, train and retain other qualified personnel. Competition for qualified employees is intense, and we compete for qualified employees with companies with greater financial resources. Our failure to successfully attract, hire, retain and train the people we need would significantly impede our ability to implement our business strategy.

***Failure to maintain effective internal control over financial reporting could have a material adverse effect on our business, results of operations, financial condition and stock price.***

Pursuant to the Sarbanes-Oxley Act of 2002, we are required to provide a report by management on internal control over financial reporting, including management's assessment of the effectiveness of such control. Changes to our business will necessitate ongoing changes to our internal control systems and processes. Internal control over financial reporting may not prevent or detect misstatements due to inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business, results of operations and financial condition could be materially adversely harmed, we could fail to meet our reporting obligations and there could be a material adverse effect on our stock price.

***If we fail to maintain our REIT status, we will be subject to federal income tax on our taxable income at regular corporate rates.***

We were organized to qualify for taxation as a REIT under Sections 856 through 860 of the Code. We believe that we have operated in such a manner as to qualify for taxation as a REIT under the Code and intend to continue to operate in a manner that will maintain our qualification as a REIT. Qualification as a REIT involves the satisfaction of numerous requirements, some on an annual and some on a quarterly basis, established under highly technical and complex provisions of the Code for which there are only limited judicial and administrative interpretations and involve the determination of various factual matters and circumstances not entirely within our control. We cannot assure you that we will at all times satisfy these rules and tests.

If we were to fail to qualify as a REIT in any taxable year, as a result of a determination that we failed to meet the annual distribution requirement or otherwise, we would be subject to federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates with respect to each such taxable year for which the statute of limitations remains open. Moreover, unless entitled to relief under certain statutory provisions, we also would be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost. This treatment would significantly reduce our net earnings and cash flow because of our additional tax liability for the years involved, which could significantly impact our financial condition.

We generally must distribute annually at least 90% of our taxable income to our stockholders to maintain our REIT status. To the extent that we do not distribute all of our net capital gain or do distribute at least 90%, but less than 100% of our "REIT taxable income," as adjusted, we will be subject to tax thereon at regular ordinary and capital gain corporate tax rates.

***Even if we remain qualified as a REIT, we may face other tax liabilities that reduce our cash flow.***

Even if we remain qualified for taxation as a REIT, we may be subject to certain federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. Any of these taxes would decrease cash available for the payment of our debt obligations. In addition, to meet REIT qualification requirements, we may hold some of our non-healthcare assets through taxable REIT subsidiaries or other subsidiary corporations that will be subject to corporate level income tax at regular rates.

***Qualifying as a REIT involves highly technical and complex provisions of the Internal Revenue Code and complying with REIT requirements may affect our profitability.***

Qualification as a REIT involves the application of technical and intricate Internal Revenue Code provisions. Even a technical or inadvertent violation could jeopardize our REIT qualification. To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our stockholders. Thus, we may be required to liquidate otherwise attractive investments from our portfolio, or be unable to pursue investments that would be otherwise advantageous to us, to satisfy the asset and income tests or to qualify under certain statutory relief provisions. We may also be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution (e.g., if we have assets which generate mismatches between taxable income and available cash). Having to comply with the distribution requirement could cause us to: (i) sell assets in adverse market conditions; (ii) borrow on unfavorable terms; or (iii) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. As a result, satisfying the REIT requirements could have an adverse effect on our business results and profitability.

## USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. Because the exchange notes have substantially identical terms as the initial notes, the issuance of the exchange notes will not result in any increase in our indebtedness. The exchange offer is intended to satisfy our obligations under the registration rights agreement entered into with the initial purchasers of the initial notes. See "The Exchange Offer—Purpose and Effective Registration Rights." We used the proceeds from the offering of the initial notes (i) to repay the approximately \$59 million of 6.8% mortgage debt that we assumed in connection with the December 22, 2009 CapitalSource acquisition, (ii) to repay outstanding borrowings on our revolving credit facility, and (iii) for general corporate purposes. As of June 30, 2010, we had approximately \$221 million of outstanding indebtedness under our revolving credit facility, and the weighted average interest rate for the outstanding balance was 3.9%.

## THE EXCHANGE OFFER

### Purpose and Effect; Registration Rights

We sold the initial notes on February 9, 2010 in transactions exempt from the registration requirements of the Securities Act. Simultaneously with the sale of the initial notes, we entered into a registration rights agreement with the initial purchasers of the initial notes. Under the registration rights agreement, we agreed, among other things, to:

- use commercially reasonable efforts to file a registration statement within 220 days after the issue date of the initial notes, enabling holders to exchange the initial notes for publicly registered exchange notes with nearly identical terms;
- use commercially reasonable efforts to cause the registration statement to be declared effective by the SEC within 270 days after the issue date of the initial notes;
- keep the exchange offer open for at least 30 days after the date that notice of the exchange offer is mailed to holders of the initial notes; and
- use commercially reasonable efforts to consummate the exchange offer within 360 days after the issue date of the initial notes.

For each initial note surrendered to us pursuant to the exchange offer, the holder of such note will receive an exchange note having a principal amount equal to that of the surrendered initial note.

We are conducting the exchange offer to satisfy our obligations under the registration rights agreement. If, because of any change in law or in currently prevailing interpretations of the staff of the SEC, we are not permitted to effect such an exchange offer, or if for any other reason the exchange offer is not consummated within 360 days of the issue date or, under certain circumstances, if the initial purchasers shall so request, we agreed, under the registration rights agreement and at our own expense, to:

- use commercially reasonable efforts to file a shelf registration statement covering resales of the initial notes within 60 days after we deliver notice of our intent to file a shelf registration statement to the holders of the initial notes;
- use commercially reasonable efforts to cause the shelf registration statement to be declared effective by the SEC under the Securities Act within 60 days after the filing date; and
- use commercially reasonable efforts to keep effective the shelf registration statement until the earlier of the disposition of the notes covered by the shelf registration statement or one year after the date on which the shelf registration becomes effective.

We will, in the event of the shelf registration statement, provide to each holder of the initial notes copies of the prospectus which is a part of the shelf registration statement, notify each such holder when the shelf registration statement for the initial notes has become effective and take certain other actions as are required to permit unrestricted resales of the initial notes. A holder of the notes that sells such notes pursuant to the shelf registration statement generally would be required to be named as a selling securityholder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement which are applicable to such a holder, including certain indemnification rights and obligations.

There can be no assurance that one of the registration statements described above will be filed, or if filed, will become effective.

If:

- (a) the exchange offer registration statement or a shelf registration statement is not filed within 220 days on or prior to the issue date of the initial notes or (b) notwithstanding that we have consummated or will consummate an exchange offer, we are required to file a shelf registration statement and such shelf registration statement is not filed on or prior to the date required by the registration rights agreement;
- (a) an exchange offer registration statement or a shelf registration statement is not declared effective by the SEC on or prior to 270 days after the issue date or (b) notwithstanding that we have consummated or will consummate an exchange offer, we are required to file a shelf registration statement and such shelf registration statement is not declared effective by the SEC on or prior to the date required by the registration rights agreement; or
- either (a) we have not exchanged the exchange notes for all notes validly tendered in accordance with the terms of the exchange offer on or prior to the 90<sup>th</sup> day after the date on which the exchange offer registration statement is declared effective by the SEC or (b) if applicable, the shelf registration statement ceases to be effective at any time prior to the earlier of the disposition of the notes covered by the shelf registration statement or one year after the date on which the shelf registration becomes effective;

(each event referred to in the examples listed immediately above is a "registration default"), then the sole remedy available to holders of the notes will be the immediate assessment of additional interest as follows: the per annum interest rate on the notes will increase by 0.25%, and the per year interest rate will increase by an additional 0.25% for each subsequent 90-day period during which the registration default remains uncured, up to a maximum additional annual interest rate of 1.0% in excess of the interest rate. All additional interest will be payable to holders of the notes in cash on each interest payment date, commencing with the first such date occurring after any such additional interest commences to accrue, until such registration default is cured. After the date on which such registration default is cured, the interest rate on the notes will revert to the interest rate originally borne by the notes.

The summary herein of certain provisions of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the full text of the registration rights agreement, a copy of which has been filed as Exhibit 4.2 to our Current Report on Form 8-K filed with the SEC on February 10, 2010.

#### **Terms of the Exchange Offer**

We are offering to exchange \$200,000,000 in aggregate principal amount of our 7½% Senior Notes due 2020 which have been registered under the Securities Act for a like aggregate principal amount of our outstanding unregistered 7½% Senior Notes due 2020.

Upon the terms and subject to the conditions set forth in this prospectus, we will accept for all initial notes validly tendered and not withdrawn before 5:00 p.m., New York City time, on the expiration date of the exchange offer. We will issue \$1,000 principal amount of exchange notes in exchange for each \$1,000 principal amount of outstanding initial notes accepted in the exchange offer. You may tender some or all of your initial notes under the exchange offer. However, the initial notes are only issuable in authorized denominations of \$1,000 and integral multiples thereof. The exchange offer is not conditioned upon any minimum amount of initial notes being tendered.

The form and terms of the exchange notes are the same as the form and terms of the initial notes, except that the exchange notes:

- will be registered under the Securities Act;
- will not bear restrictive legends restricting their transfer under the Securities Act;
- will not be entitled to the registration rights that apply to the initial notes; and
- will not contain provisions relating to an increase in any interest rate in connection with the initial notes under circumstances related to the timing of the exchange offer.

The exchange notes will accrue interest from the most recent date on which interest has been paid on the initial notes or, if no interest has been paid, from the date of issuance of the initial notes. Accordingly, registered holders of exchange notes on the record date for the first interest payment date following the completion of the exchange offer will receive interest accrued from the most recent date to which interest has been paid on the initial notes or, if no interest has been paid, from the date of issuance of the initial notes. However, if that record date occurs prior to completion of the exchange offer, then the interest payable on the first interest payment date following the completion of the exchange offer will be paid to the registered holders of the initial notes on that record date.

In connection with the exchange offer, you do not have any appraisal or dissenters' rights under applicable law or the indenture. We intend to conduct the exchange offer in accordance with the registration rights agreement and the applicable requirements of the Exchange Act, and the rules and regulations of the SEC. The exchange offer is not being made to, nor will we accept tenders for exchange from, holders of the initial notes in any jurisdiction in which the exchange offer or the acceptance of it would not be in compliance with the securities or blue sky laws of the jurisdiction.

We will be deemed to have accepted validly tendered initial notes when we have given oral or written notice of our acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the exchange notes from us.

If we do not accept any tendered initial notes because of an invalid tender or for any other reason, then we will return any unaccepted initial notes without expense to the tendering holder promptly after the expiration date.

Holders who tender initial notes in the exchange offer will not be required to pay brokerage commissions or fees. We will pay all charges and expenses, other than certain applicable taxes, in connection with the exchange offer. See “—Fees and Expenses” below for more detailed information regarding the expenses of the exchange offer.

By submitting to the exchange agent an agent's message defined below, you will be making the representations described under “—Procedures Tendering Initial Notes—Deemed Representations” below.



**Neither we, nor our board of directors or our management makes any recommendation concerning whether you should that you tender or not tender initial notes in the exchange offer, nor have we or they authorized anyone to make any recommendation. You must decide whether to tender in the exchange offer and, if you decide to tender, the aggregate amount of initial notes to tender.**

#### **Expiration Date; Extension; Amendments**

The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2010 unless we, in our sole discretion, extend the exchange offer, in which case the expiration date means the latest date and time to which we extend the exchange offer.

In order to extend the exchange offer, we will notify the exchange agent of any extension by written notice and will make a public announcement thereof, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. During any extension, all initial notes previously tendered will remain subject to the exchange offer and may be accepted for exchange by us. Any initial notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.

We reserve the right, in our sole discretion and at any time, to:

- delay accepting any initial notes;
- extend the exchange offer;
- terminate the exchange offer, by giving oral or written notice of such delay, extension or termination to the exchange agent, if any of the conditions set forth below under “—Conditions to the Exchange Offer” have not been satisfied or waived prior to the expiration date; and
- amend the terms of the exchange offer in any manner.

We will notify you as promptly as practicable of any extension, amendment or termination. We will also file a post-effective amendment to the registration statement of which this prospectus is a part with respect to any fundamental changes in the exchange offer.

#### **Conditions to the Exchange Offer**

Notwithstanding any other provision of the exchange offer, we are not required to accept for exchange, or to issue exchange notes in exchange for, any initial notes, if in our reasonable judgment:

- the exchange offer violates applicable law or applicable interpretation of the staff of the SEC;
- any action or proceeding is instituted or threatened in any court or by any governmental agency which might materially impair our ability to proceed with the exchange offer, or any material adverse development shall have occurred in any existing action or proceeding with respect to us; or
- we have not obtained all governmental approvals which we deem necessary for the consummation of the exchange offer.

The conditions listed above are for our sole benefit and we may assert them prior to the expiration date regardless of the circumstances giving rise to any condition. Subject to applicable law, we may waive these conditions in our discretion in whole or in part prior to the expiration date. If we fail at any time to exercise any of the above rights, the failure will not be deemed a waiver of those rights, and those rights will be deemed ongoing rights which may be asserted at any time and from time to time.

We will not accept for exchange any initial notes tendered, and will not issue exchange notes in exchange for any initial notes, if at that time a stop order is threatened or in effect with respect to the registration statement of which this prospectus is a part or the qualification of the indenture under the Trust Indenture Act of 1939.

### **Procedures for Tendering Initial Notes**

#### *Valid Tender*

When the holder of initial notes tenders, and we accept, initial notes for exchange, a binding agreement between us, on the one hand, and the tendering holder, on the other hand, is created, subject to the terms and conditions set forth in this prospectus and the accompanying letter of transmittal. Except as set forth below, a holder of initial notes who wishes to tender initial notes for exchange must, on or prior to the expiration date:

- transmit a properly completed and duly executed letter of transmittal, including all other documents required by such letter of transmittal (including initial notes), to the exchange agent, U.S. Bank National Association, at the address set forth below under the heading “—Exchange Agent;”
- if initial notes are tendered pursuant to the book-entry procedures set forth below, the tendering holder must deliver a completed and duly executed letter of transmittal or arrange with the Depository Trust Company, or DTC, to cause an agent’s message to be transmitted with the required information (including a book-entry confirmation) to the exchange agent at the address set forth below under the heading “—Exchange Agent;” or
- comply with the provisions set forth below under “—Guaranteed Delivery.”

In addition, on or prior to the expiration date:

- the exchange agent must receive the certificates for the initial notes and the letter of transmittal;
- the exchange agent must receive a timely confirmation of the book-entry transfer of the initial notes being tendered into the exchange agent’s account at DTC, along with the letter of transmittal or an agent’s message; or
- the holder must comply with the guaranteed delivery procedures described below.

The letter of transmittal or agent’s message may be delivered by mail, facsimile, hand delivery or overnight carrier, to the exchange agent.

The term “agent’s message” means a message transmitted to the exchange agent by DTC which states that DTC has received an express acknowledgment that the tendering holder agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against such holder.

If you beneficially own initial notes and those notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee or custodian and you wish to tender your initial notes in the exchange offer, you should contact the registered holder as soon as possible and instruct it to tender the initial notes on your behalf and comply with the instructions set forth in this prospectus and the letter of transmittal.

If you tender fewer than all of your initial notes, you should fill in the amount of notes tendered in the appropriate box on the letter of transmittal. If you do not indicate the amount tendered in the appropriate box, we will assume you are tendering all initial notes that you hold.

**The method of delivery of the certificates for the initial notes, the letter of transmittal and all other required documents is at the election and sole risk of the holders. If delivery is by mail, we recommend registered mail with return receipt requested, properly insured, or overnight delivery service. In all cases, you should allow sufficient time to assure timely delivery. No letters of transmittal or initial notes should be sent directly to us. Delivery is complete when the exchange agent actually receives the items to be delivered. Delivery of documents to DTC in accordance with DTC’s procedures does not constitute delivery to the exchange agent.**

#### *Deemed Representations*

To participate in the exchange offer, we require that you represent to us that:

- (i) you or any other person acquiring exchange notes in exchange for your initial notes in the exchange offer is acquiring them in the ordinary course of business;
- (ii) neither you nor any other person acquiring exchange notes in exchange for your initial notes in the exchange offer is participating, intends to participate in and has no arrangement or understanding with any person to participate in a “distribution” (within the meaning of the Securities Act) of the exchange notes; and
- (iii) neither you nor any other person acquiring exchange notes in exchange for your initial notes is our “affiliate” as defined under Rule 405 of the Securities Act; and
- (iv) if you are a broker-dealer and you acquired the initial notes as a result of market-making activities or other trading activities, you acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes.

**By tendering your initial notes in the exchange offer, you will be deemed to have made the foregoing representations.**

Broker-dealers who cannot make the representations in item (iv) above cannot use this prospectus in connection with resales of the exchange notes issued in the exchange offer.

If you are our “affiliate,” as defined under Rule 405 of the Securities Act, if you are a broker-dealer who acquired your initial notes in the initial offering and not as a result of market-making or trading activities, or if you are engaged in or intend to engage in or have an arrangement or understanding with any person to participate in a distribution of exchange notes acquired in the exchange offer, you or that person:

- (i) may not rely on the applicable interpretations of the staff of the SEC and therefore may not participate in the exchange offer; and
- (ii) must comply with the registration and prospectus delivery requirements of the Securities Act or an exemption therefrom when reselling the initial notes.

#### *Acceptance of Initial Notes for Exchange and Issuance of Initial Notes*

As promptly as practicable after the expiration date, we will accept all initial notes validly tendered and not withdrawn, and we will issue exchange notes registered under the Securities Act to the exchange agent. The exchange agent might not deliver the exchange notes to all tendering holders at the same time. The timing of delivery depends upon when the exchange agent receives and processes the required documents.

We will be deemed to have exchanged initial notes validly tendered and not withdrawn when we give oral or written notice to the exchange agent of our acceptance of the tendered initial notes, with written confirmation of any oral notice to be given promptly thereafter. The exchange agent is our agent for receiving tenders of initial notes, letters of transmittal and related documents.

In tendering initial notes, you must warrant in the letter of transmittal or in an agent’s message (described below) that:

- you have full power and authority to tender, exchange, sell, assign and transfer initial notes;
- we will acquire good, marketable and unencumbered title to the tendered initial notes, free and clear of all liens, restrictions, charges and other encumbrances; and
- the initial notes tendered for exchange are not subject to any adverse claims or proxies.

You also must warrant and agree that you will, upon request, execute and deliver any additional documents requested by us or the exchange agent to complete the exchange, sale, assignment and transfer of the initial notes.

#### *Signature Guarantees*

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed unless the initial notes surrendered for exchange are tendered:

- by a registered holder of initial notes who has not completed the box entitled “Special Issuance Instructions” or “Special Delivery Instructions” on the letter of transmittal; or
- for the account of an eligible institution.

An “eligible institution” is a firm or other entity which is identified as an “Eligible Guarantor Institution” in Rule 17Ad-15 under the Exchange Act, including:

- a bank;
- a broker, dealer, municipal securities broker or dealer or government securities broker or dealer;

- a credit union;
- a national securities exchange, registered securities association or clearing agency; or
- a savings association.

If signatures on a letter of transmittal or notice of withdrawal are required to be guaranteed, the guarantor must be an eligible institution.

If initial notes are registered in the name of a person other than the signer of the letter of transmittal, the initial notes surrendered for exchange must be endorsed or accompanied by a written instrument or instruments of transfer or exchange, in satisfactory form as determined by us in our sole discretion, duly executed by the registered holder with the holder's signature guaranteed by an eligible institution.

#### *Book-Entry Transfers*

For tenders by book-entry transfer of initial notes cleared through DTC, the exchange agent will make a request to establish an account at DTC for purposes of the exchange offer. Any financial institution that is a DTC participant may make book-entry delivery of initial notes by causing DTC to transfer the initial notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer. The exchange agent and DTC have confirmed that any financial institution that is a participant in DTC may use the Automated Tender Offer Program, or ATOP, procedures to tender initial notes. Accordingly, any participant in DTC may make book-entry delivery of initial notes by causing DTC to transfer those initial notes into the exchange agent's account in accordance with its ATOP procedures for transfer.

Notwithstanding the ability of holders of initial notes to effect delivery of initial notes through book-entry transfer at DTC, either:

- the letter of transmittal or a facsimile thereof, or an agent's message in lieu of the letter of transmittal, with any required signature guarantees and any other required documents must be transmitted to and received by the exchange agent prior to the expiration date at the address given below under "—Exchange Agent;" or
- the guaranteed delivery procedures described below must be complied with.

### *Guaranteed Delivery*

If a holder wants to tender initial notes in the exchange offer and (1) the certificates for the initial notes are not immediately available or all required documents are unlikely to reach the exchange agent on or prior to the expiration date, or (2) a book-entry transfer cannot be completed on a timely basis, the initial notes may be tendered if the holder complies with the following guaranteed delivery procedures:

- the tender is made by or through an eligible institution;
- the eligible institution delivers a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided, to the exchange agent on or prior to the expiration date:
  - setting forth the name and address of the holder of the initial notes being tendered and the amount of the initial notes being tendered;
  - stating that the tender is being made; and
  - guaranteeing that, within three (3) New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery, the certificates for all physically tendered initial notes, in proper form for transfer, or a book-entry confirmation, as the case may be, together with a properly completed and duly executed letter of transmittal, or an agent's message, with any required signature guarantees and any other documents required by the letter of transmittal, will be deposited by the eligible institution with the exchange agent; and
- the exchange agent receives the certificates for the initial notes, or a confirmation of book-entry transfer, and a properly completed and duly executed letter of transmittal, or an agent's message in lieu thereof, with any required signature guarantees and any other documents required by the letter of transmittal within three (3) New York Stock Exchange trading days after the notice of guaranteed delivery is executed for all such tendered initial notes.

You may deliver the notice of guaranteed delivery by hand, facsimile, mail or overnight delivery to the exchange agent and you must include a guarantee by an eligible institution in the form described above in such notice.

Our acceptance of properly tendered initial notes is a binding agreement between the tendering holder and us upon the terms and subject to the conditions of the exchange offer.

### *Determination of Validity*

We will determine in our sole discretion all questions regarding the form of documents, validity, eligibility, including time of receipt, and acceptance for exchange of any tendered initial notes. Our determination will be final and binding on all parties. We reserve the absolute right to reject any and all tenders of initial notes not properly tendered or initial notes our acceptance of which might, in the judgment of our counsel, be unlawful. We also reserve the absolute right to waive any defects, irregularities or conditions of tender as to any particular initial notes. However, to the extent we waive any conditions of tender with respect to one tender of initial notes, we will waive that condition for all tenders as well. Our interpretation of the terms and conditions of the exchange offer, including the letter of transmittal, will be final and binding on all parties. A tender of initial notes is invalid until all defects and irregularities have been cured or waived. Holders must cure any defects and irregularities in connection with tenders of initial notes for exchange within such reasonable period of time as we will determine, unless we waive the defects or irregularities. Neither us, any of our affiliates or assigns, the exchange agent nor any other person will incur any liability or failure to give you notification of defects or irregularities with respect to tenders of your initial notes.

If any letter of transmittal, endorsement, bond power, power of attorney, or any other document required by the letter of transmittal is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, that person must indicate such capacity when signing. In addition, unless waived by us, the person must submit proper evidence satisfactory to us, in our sole discretion, of his or her authority to so act.

## Withdrawal Rights

You can withdraw tenders of initial notes at any time prior to 5:00 p.m., Eastern Standard Time, on the expiration date.

For a withdrawal to be effective, you must deliver a written notice of withdrawal to the exchange agent. The notice of withdrawal must:

- specify the name of the person tendering the initial notes to be withdrawn;
- identify the initial notes to be withdrawn, including the total principal amount of initial notes to be withdrawn;
- where certificates for initial notes are transmitted, list the name of the registered holder of the initial notes if different from the person withdrawing the initial notes;
- contain a statement that the holder is withdrawing his election to have the initial notes exchanged; and
- be signed by the holder in the same manner as the original signature on the letter of transmittal by which the initial notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the initial notes register the transfer of the initial notes in the name of the person withdrawing the tender.

If you delivered or otherwise identified pursuant to the guaranteed delivery procedures initial notes to the exchange agent, you must submit the serial numbers of the initial notes to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an eligible institution, except in the case of initial notes tendered for the account of an eligible institution. If you tendered initial notes as a book-entry transfer, the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn initial notes and you must deliver the notice of withdrawal to the exchange agent. You may not rescind withdrawals of tender; however, initial notes properly withdrawn may again be tendered at any time on or prior to the expiration date.

We will determine all questions regarding the form of withdrawal, validity, eligibility, including time of receipt, and acceptance of withdrawal notices. Our determination of these questions as well as our interpretation of the terms and conditions of the exchange offer (including the letter of transmittal) will be final and binding on all parties. Neither us, any of our affiliates or assigns, the exchange agent nor any other person is under any obligation to give notice of any irregularities in any notice of withdrawal, nor will they be liable for failing to give any such notice.

In the case of initial notes tendered by book-entry transfer through DTC, the initial notes withdrawn or not exchanged will be credited to an account maintained with DTC. Withdrawn initial notes will be returned to the holder after withdrawal. The initial notes will be returned or credited to the account maintained with DTC as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Any initial notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to the holder.

Properly withdrawn initial notes may again be tendered by following one of the procedures described under “—Procedures for Tendering Initial Notes” above at any time prior to 5:00 p.m., Eastern Standard Time, on the expiration date.

### **Exchange Agent**

U.S. Bank National Association is the exchange agent. You should direct any questions and requests for assistance and requests for additional copies of this prospectus to the exchange agent addressed as follows:

*By Hand, Overnight Mail, Courier, or Registered or Certified Mail:*

U.S. Bank National Association  
Corporate Trust Services  
60 Livingston Avenue  
St. Paul, MN 55107  
Attention: Specialty Finance Group  
Reference: Omega Healthcare Investors, Inc.

*By Facsimile:*

(615) 495-8158  
Attention: Specialty Finance Group  
Reference: Omega Healthcare Investors, Inc.

*For Information or Confirmation by Telephone:*

1-800-934-6802

**If you deliver letters of transmittal and any other required documents to an address or facsimile number other than those listed above, your tender is invalid.**

### **Fees and Expenses**

The registration rights agreement provides that we will bear all expenses in connection with the performance of our obligations relating to the registration of the exchange notes and the conduct of the exchange offer. These expenses include registration and filing fees, accounting and legal fees and printing costs, among others. We will pay the exchange agent reasonable and customary fees for its services and reasonable out-of-pocket expenses. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for customary mailing and handling expenses incurred by them in forwarding this prospectus and related documents to their clients that are holders of initial notes and for handling or tendering for such clients.

We have not retained any dealer-manager in connection with the exchange offer and will not pay any fee or commission to any broker, dealer, nominee or other person, other than the exchange agent, for soliciting tenders of initial notes pursuant to the exchange offer.



## **Transfer Taxes**

Holders who tender their initial notes for exchange will not be obligated to pay any transfer taxes in connection with the exchange. If, however, exchange notes issued in the exchange offer are to be delivered to, or are to be issued in the name of, any person other than the holder of the initial notes tendered, or if a transfer tax is imposed for any reason other than the exchange of initial notes in connection with the exchange offer, then the holder must pay any such transfer taxes, whether imposed on the registered holder or on any other person. If satisfactory evidence of payment of, or exemption from, such taxes is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to the tendering holder.

## **Accounting Treatment**

The exchange notes will be recorded at the same carrying value as the initial notes, as reflected in our accounting records on the date of exchange. Accordingly, we will recognize no gain or loss for accounting purposes upon the closing of the exchange offer. The expenses of the exchange offer will be expensed as incurred.

## **Resales of Exchange Notes**

Based on interpretive letters issued by the SEC staff to third parties in transactions similar to the exchange offer, we believe that a holder of exchange notes, other than a broker-dealer, may offer exchange notes for resale, resell and otherwise transfer the exchange notes without delivering a prospectus to prospective purchasers, if the holder acquired the exchange notes in the ordinary course of business, has no intention of engaging in a "distribution" (as defined under the Securities Act) of the exchange notes and is not an "affiliate" (as defined under the Securities Act) of Omega. We will not seek our own interpretive letter. As a result, we cannot assure you that the staff will take the same position on this exchange offer as it did in interpretive letters to other parties in similar transactions.

By tendering initial notes, the holder, other than participating broker-dealers, as defined below, of those initial notes will represent to us that, among other things:

- the exchange notes acquired in the exchange offer are being obtained in the ordinary course of business of the person receiving the exchange notes, whether or not that person is the holder;
- neither the holder nor any other person receiving the exchange notes is engaged in, intends to engage in or has an arrangement or understanding with any person to participate in a "distribution" (as defined under the Securities Act) of the exchange notes; and
- neither the holder nor any other person receiving the exchange notes is an "affiliate" (as defined under the Securities Act) of Omega.

If any holder or any such other person is an "affiliate" of Omega or is engaged in, intends to engage in or has an arrangement or understanding with any person to participate in a "distribution" of the exchange notes, such holder or other person:

- may not rely on the applicable interpretations of the staff of the SEC referred to above; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives exchange notes for its own account in exchange for initial notes must represent that the initial notes to be exchanged for the exchange notes were acquired by it as a result of market-making activities or other trading activities and acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any offer to resell, resale or other retransfer of the exchange notes pursuant to the exchange offer. Any such broker-dealer is referred to as a participating broker-dealer. However, by so acknowledging and by delivering a prospectus, the participating broker-dealer will not be deemed to admit that it is an “underwriter” (as defined under the Securities Act). If a broker-dealer acquired initial notes as a result of market-making or other trading activities, it may use this prospectus, as amended or supplemented, in connection with offers to resell, resales or retransfers of exchange notes received in exchange for the initial notes pursuant to the exchange offer. We have agreed that, during the period ending 90 days after the consummation of the exchange offer, subject to extension in limited circumstances, we will use all commercially reasonable efforts to keep the exchange offer registration statement effective and make this prospectus available to any broker-dealer for use in connection with any such resale. See “Plan of Distribution” for a discussion of the exchange and resale obligations of broker-dealers in connection with the exchange offer.

### **Consequences of Failure to Exchange Initial Notes**

Holders who desire to tender their initial notes in exchange for exchange notes registered under the Securities Act should allow sufficient time to ensure timely delivery. Neither we nor the exchange agent is under any duty to give notification of defects or irregularities with respect to the tenders of initial notes for exchange.

Initial notes that are not tendered or are tendered but not accepted will, following the consummation of the exchange offer, continue to be subject to the provisions in the indenture regarding the transfer and exchange of the initial notes and the existing restrictions on transfer set forth in the legend on the initial notes and in the offering memorandum, dated February 4, 2010, relating to the initial notes. Except in limited circumstances with respect to the specific types of holders of initial notes, we will have no further obligation to provide for the registration under the Securities Act of such initial notes. In general, initial notes, unless registered under the Securities Act, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not anticipate that we will take any action to register the untendered initial notes under the Securities Act or under any state securities laws. Upon completion of the exchange offer, holders of the initial notes will not be entitled to any further registration rights under the registration rights agreement, except under limited circumstances.

Initial notes that are not exchanged in the exchange offer will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits their holders have under the indenture relating to the initial notes and the exchange notes. Holders of the exchange notes and any initial notes that remain outstanding after consummation of the exchange offer will vote together as a single class for purposes of determining whether holders of the requisite percentage of the class have taken certain actions or exercised certain rights under the indenture.

## DESCRIPTION OF NOTES

The exchange notes are identical in all material respect to the initial notes, except that (i) the exchange notes will be registered under the Securities Act, (ii) the exchange notes will not bear restrictive legends restricting their transfer under the Securities Act, (iii) holders of the exchange notes are not entitled to certain rights under the registration rights agreement and (iv) the exchange notes will not contain provisions relating to an increase in any interest rate in connection with the outstanding notes under circumstances related to the timing of the exchange offer. The exchange notes will evidence the same debt as the initial notes, which they replace, and will be governed by the same indenture by and among us, the subsidiary guarantors as discussed below, and U.S. Bank National Association, as trustee.

The following is a summary of the material provisions of the indenture governing the notes among Omega, the subsidiary guarantors and U.S. Bank National Association as trustee. It does not restate that agreement, and we urge you to read the indenture in its entirety, which is filed as Exhibit 4.1 to our Current Report on Form 8-K filed on February 10, 2010, because it, and not this description, defines your rights as a noteholder. Copies of the indenture are available upon request to Omega at the address indicated under "Incorporation of Documents by Reference" elsewhere in this prospectus.

Except as otherwise indicated, the following description relates to both the initial notes and the exchange notes, which are together referred to as the "notes." You can find the definitions of certain capitalized terms used in this description under the subheading "—Certain Definitions." The term "Issuer" as used in this section refers only to Omega Healthcare Investors, Inc. and not to any of its subsidiaries.

### General

The initial notes were issued in an aggregate principal amount of \$200 million. The exchange notes will be issued in an aggregate principal amount equal to the aggregate principal amount of the initial notes they replace. The notes are unsecured senior obligations of the Issuer and will mature on February 15, 2020. The notes will initially bear interest at a rate of 7½% per annum, payable semiannually to holders of record at the close of business on the February 15 or the August 15, immediately preceding the interest payment date on February 1 and August 1 of each year, commencing August 15, 2010.

Principal of, premium, if any, and interest on the notes will be payable, and the notes may be exchanged or transferred in accordance with the terms of the indenture.

The notes will be issued only in fully registered form, without coupons, in denominations of \$2,000 of principal amount and any integral multiple of \$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection with a registration of transfer.

Subject to the covenants described below under "—Covenants" and applicable law, the Issuer may issue additional notes under the indenture. The notes and any additional notes subsequently issued under the indenture will be treated as a single class for all purposes under the indenture.

## Guarantees and Subsidiary Guarantors

The notes are guaranteed on an unsecured senior basis by the Subsidiary Guarantors. The guarantees are unconditional regardless of the enforceability of the notes and the indenture. The notes are not guaranteed by our Unrestricted Subsidiaries.

Each future Restricted Subsidiary that subsequently guarantees Indebtedness of the Issuer or a Subsidiary Guarantor that ranks equally with or subordinate in right of payment to the notes (or the applicable Subsidiary Guarantee) will be required to execute a Subsidiary Guarantee. See "Covenants—Limitation on Issuances of Guarantees by Restricted Subsidiaries."

## Optional Redemption

*Optional Redemption.* Except as described below, the Issuer does not have the right to redeem any notes prior to February 15, 2015. The notes will be redeemable at the option of the Issuer, in whole or in part, at any time, and from time to time, on and after February 15, 2015, upon not less than 30 days' nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the 12-month period commencing February 15 of the years indicated below, in each case together with accrued and unpaid interest thereon to the redemption date:

<u>Year</u>	<u>Redemption Price</u>
2015	103.750%
2016	102.500%
2017	101.250%
2018 and thereafter	100.000%

*Optional Redemption upon Equity Offerings.* At any time, or from time to time, on or prior to February 15, 2013, the Issuer may, at its option, use the Net Cash Proceeds of one or more Equity Offerings to redeem up to 35% of the principal amount of the notes issued under the indenture at a redemption price of 107.50% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of redemption; *provided, however*, that:

- (1) at least 65% of the principal amount of notes issued under the indenture remains outstanding immediately after such redemption; and
- (2) the Issuer makes such redemption not more than 90 days after the consummation of any such Equity Offering.

## Selection and Notice of Redemption

In the event that the Issuer chooses to redeem less than all of the notes, selection of the notes for redemption will be made by the trustee either:

- (1) in compliance with the requirements of the principal national securities exchange, if any, on which the notes are then listed; or
- (2) on a *pro rata* basis, by lot or by such method as the trustee will deem fair and appropriate.

No notes of a principal amount of \$2,000 or less will be redeemed in part. If a partial redemption is made with the proceeds of an Equity Offering, the trustee will select the notes only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures) unless such method is otherwise prohibited. Notice of redemption will be mailed by first-class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date, interest will cease to accrue on notes or portions thereof called for redemption.

### **Sinking Fund**

There will be no sinking fund payments for the notes.

### **Ranking**

The notes are unsecured senior obligations of the Issuer, and rank equally in right of payment with other existing and future unsecured senior Indebtedness of the Issuer. The notes are effectively subordinated to all of the Issuer's and the Issuer's consolidated Subsidiaries' secured Indebtedness and structurally subordinated to all other Indebtedness of the non-guarantor Subsidiaries. As of June 30, 2010:

- (i) we had approximately \$1.2 billion of Indebtedness outstanding;
- (ii) we had approximately \$524 million of Secured Indebtedness (all of which would be effectively senior to the notes to the extent of the value of the underlying assets);
- (iii) we had approximately \$99 million of additional availability under our revolving credit facility (all of which would be effectively senior to the notes to the extent of the value of the underlying assets); and
- (iv) our non-guarantor Subsidiaries had approximately \$202 million of Indebtedness or other liabilities outstanding.

Of our existing subsidiaries, 44 have been designated as Unrestricted Subsidiaries and do not guarantee the notes. These Unrestricted Subsidiaries include Subsidiaries obligated on approximately \$182 million of indebtedness secured by their assets and \$20 million of unsecured Indebtedness. Except for our Unrestricted Subsidiaries, all of our other existing Subsidiaries are guarantors of the notes. The guarantees of our Subsidiary Guarantors will be unsecured senior obligations of such Subsidiary Guarantor and will rank equally in right of payment with all existing and future unsecured senior Indebtedness of such Subsidiary Guarantor. The guarantees of our Subsidiary Guarantors will be effectively subordinated to all of the Secured Indebtedness of such Subsidiary Guarantor, to the extent of the value of the underlying assets.

### **Certain Definitions**

Set forth below are definitions of certain terms contained in the indenture that are used in this description. Please refer to the indenture for the definition of other capitalized terms used in this description that are not defined below.

*"Acquired Indebtedness"* means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or that is assumed in connection with an Asset Acquisition from such Person by a Restricted Subsidiary and not incurred by such Person in connection with, or in anticipation of, such Person becoming a Restricted Subsidiary or such Asset Acquisition; provided, however, that Indebtedness of such Person that is redeemed, defeased, retired or otherwise repaid at the time of or immediately upon consummation of the transactions by which such Person becomes a Restricted Subsidiary or such Asset Acquisition shall not be Acquired Indebtedness.

*“Adjusted Consolidated Net Income”* means, for any period, the aggregate net income (or loss) (before giving effect to cash dividends on preferred stock of the Issuer or charges resulting from the redemption of preferred stock of the Issuer) of the Issuer and its Restricted Subsidiaries for such period determined on a consolidated basis in conformity with GAAP; provided, however, that the following items shall be excluded in computing Adjusted Consolidated Net Income, without duplication:

- (1) the net income of any Person, other than the Issuer or a Restricted Subsidiary, except to the extent of the amount of dividends or other distributions actually paid to the Issuer or any of its Restricted Subsidiaries by such Person during such period;
- (2) the net income of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;
- (3) any after-tax gains or losses attributable to Asset Sales; and
- (4) all extraordinary gains and extraordinary losses.

*“Adjusted Consolidated Net Tangible Assets”* means the total amount of assets of the Issuer and its Restricted Subsidiaries (less applicable depreciation, amortization and other valuation reserves), except to the extent resulting from write-ups of capital assets (excluding write-ups in connection with accounting for acquisitions in conformity with GAAP), after deducting from the total amount of assets:

- (1) all liabilities of the Issuer and its Restricted Subsidiaries that are classified as current liabilities in accordance with GAAP, excluding intercompany items; and
- (2) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent quarterly or annual consolidated balance sheet of the Issuer and its Restricted Subsidiaries, prepared in conformity with GAAP and filed with the SEC or provided to the trustee pursuant to the “SEC Reports and Reports to Holders” covenant.

*“Adjusted Total Assets”* means, for any Person, the sum of:

- (1) Total Assets for such Person as of the end of the fiscal quarter preceding the Transaction Date as set forth on the most recent quarterly or annual consolidated balance sheet of the Issuer and its Restricted Subsidiaries, prepared in conformity with GAAP and filed with the SEC or provided to the trustee pursuant to the “SEC Reports and Reports to Holders” covenant; and
- (2) any increase in Total Assets following the end of such quarter including, without limitation, any increase in Total Assets resulting from the application of the proceeds of any additional Indebtedness.

“*Affiliate*” means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, *control* (including, with correlative meanings, the terms “*controlling*,” “*controlled by*” and “*under common control with*”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“*Asset Acquisition*” means:

- (1) an investment by the Issuer or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Issuer or any of its Restricted Subsidiaries; *provided, however*, that such Person’s primary business is related, ancillary, incidental or complementary to the businesses of the Issuer or any of its Restricted Subsidiaries on the date of such investment; or
- (2) an acquisition by the Issuer or any of its Restricted Subsidiaries from any other Person of assets that constitute substantially all of a division or line of business, or one or more healthcare properties, of such Person; *provided, however*, that the assets and properties acquired are related, ancillary, incidental or complementary to the businesses of the Issuer or any of its Restricted Subsidiaries on the date of such acquisition.

“*Asset Disposition*” means the sale or other disposition by the Issuer or any of its Restricted Subsidiaries, other than to the Issuer or another Restricted Subsidiary, of:

- (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or
- (2) all or substantially all of the assets that constitute a division or line of business, or one or more healthcare properties, of the Issuer or any of its Restricted Subsidiaries.

“*Asset Sale*” means any sale, transfer or other disposition, including by way of merger, consolidation or sale-leaseback transaction, in one transaction or a series of related transactions by the Issuer or any of its Restricted Subsidiaries to any Person other than the Issuer or any of its Restricted Subsidiaries of:

- (1) all or any of the Capital Stock of any Restricted Subsidiary;
- (2) all or substantially all of the property and assets of an operating unit or business of the Issuer or any of its Restricted Subsidiaries; or
- (3) any other property and assets of the Issuer or any of its Restricted Subsidiaries outside the ordinary course of business of the Issuer or such Restricted Subsidiary and, in each case, that is not governed by the provisions of the indenture applicable to mergers, consolidations and sales of assets of the Issuer;

*provided, however*, that “*Asset Sale*” shall not include:

- sales or other dispositions of inventory, receivables and other current assets;
- the sale, conveyance, transfer, lease, disposition or other transfer of all or substantially all of the assets of the Issuer as permitted under “*Consolidation, Merger and Sale of Assets*;”

- any Restricted Payment permitted by the “Limitation on Restricted Payments” covenant or that constitutes a Permitted Investment;
- sales, transfers or other dispositions of assets with a fair market value not in excess of \$7.5 million in any transaction or series of related transactions;
- sales or other dispositions of assets for consideration at least equal to the fair market value of the assets sold or disposed of, to the extent that the consideration received would satisfy the second bullet of clause (1) of the second paragraph of the “Limitation on Asset Sales” covenant;
- sales or other dispositions of Temporary Cash Investments;
- the creation or realization of any Lien permitted under the indenture;
- transfers of damaged, worn-out or obsolete equipment or assets that, in the Issuer’s reasonable judgment, are no longer used or useful in the business of the Issuer or its Restricted Subsidiaries; or
- sales or other dispositions of any of the Closed Facilities as in existence on the Closing Date.

“Average Life” means at any date of determination with respect to any debt security, the quotient obtained by dividing:

(1) the sum of the products of:

- the number of years from such date of determination to the dates of each successive scheduled principal payment of such debt security; and
- the amount of such principal payment, by

(2) the sum of all such principal payments.

“Board of Directors” means, as to any Person, the board of directors (or similar governing body) of such Person or any duly authorized committee thereof.

“Board Resolution” means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the trustee.

“Business Day” means a day other than a Saturday, Sunday or other day on which banking institutions in New York or Maryland are authorized or required by law to close.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting), including partnership interests, whether general or limited, in the equity of such Person, whether outstanding on the Closing Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.



“*Capitalized Lease*” means, as applied to any Person, any lease of any property, whether real, personal or mixed, of which the discounted present value of the rental obligations of such Person as lessee, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

“*Capitalized Lease Obligations*” means the discounted present value of the rental obligations under a Capitalized Lease as reflected on the balance sheet of such Person as determined in conformity with GAAP.

“*Change of Control*” means the occurrence of one or more of the following events:

- (1) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Issuer to any “person” or “group” (as such terms are defined in Sections 13(d) and 14(d)(2) of the Exchange Act), together with any Affiliates thereof (whether or not otherwise in compliance with the provisions of the indenture);
- (2) a “person” or “group” (as such terms are defined in Sections 13(d) and 14(d)(2) of the Exchange Act), becomes the ultimate “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of the Voting Stock of the Issuer on a fully diluted basis;
- (3) the approval by the holders of Capital Stock of the Issuer of any plan or proposal for the liquidation or dissolution of the Issuer (whether or not otherwise in compliance with the provisions of the indenture); or
- (4) individuals who on the Closing Date constitute the Board of Directors (together with any new or replacement directors whose election by the Board of Directors or whose nomination by the Board of Directors for election by the Issuer’s shareholders was approved by a vote of at least a majority of the members of the Board of Directors then still in office who either were members of the Board of Directors on the Closing Date or whose election or nomination for election was so approved) cease for any reason to constitute a majority of the members of the Board of Directors then in office.

“*Closing Date*” means February 9, 2010.

“*Closed Facilities*” means each of:

- Parkview Convalescent Center, SNF, 2850-2895 Lewis Lane, Paris, TX 75460; and
- Jewett City Facility (aka Griswold Facility), SNF, 97 Preston Road, Griswold, CT 06351.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Common Stock*” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) that have no preference on liquidation or with respect to distributions over any other class of Capital Stock, including partnership interests, whether general or limited, of such Person’s equity, whether outstanding on the Closing Date or issued thereafter, including, without limitation, all series and classes of common stock.

“*Consolidated EBITDA*” means, for any period, Adjusted Consolidated Net Income for such period *plus*, to the extent such amount was deducted in calculating such Adjusted Consolidated Net Income (without duplication):

- (1) Consolidated Interest Expense;
- (2) income taxes (other than income taxes (either positive or negative) attributable to extraordinary and non-recurring gains or losses or sales of assets);
- (3) depreciation expense;
- (4) amortization expense; and
- (5) non-cash charges resulting from the write-down of the value of accounts receivable and/or notes receivable in an aggregate amount from January 1, 2009 not in excess of \$10 million; and
- (6) all other non-cash items reducing Adjusted Consolidated Net Income (other than items that will require cash payments and for which an accrual or reserve is, or is required by GAAP to be, made), *less* all non-cash items increasing Adjusted Consolidated Net Income, all as determined on a consolidated basis for the Issuer and its Restricted Subsidiaries in conformity with GAAP; *provided, however*, that, if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not already reduced in Adjusted Consolidated Net Income or otherwise reduced in accordance with GAAP) by an amount equal to:
  - the amount of the Adjusted Consolidated Net Income attributable to such Restricted Subsidiary; *multiplied by*
  - the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Issuer or any of its Restricted Subsidiaries.

“*Consolidated Interest Expense*” means, for any period, the aggregate amount of interest expense in respect of Indebtedness of the Issuer and the Restricted Subsidiaries during such period, all as determined on a consolidated basis in conformity with GAAP including, without limitation (without duplication):

- amortization of debt issuance costs, debt discount or premium and other financing fees and expenses;
- the interest portion of any deferred payment obligations;
- all commissions, discounts and other fees and expenses owed with respect to letters of credit and bankers' acceptance financing;
- the net costs associated with Interest Rate Agreements and Indebtedness that is Guaranteed or secured by assets of the Issuer or any of its Restricted Subsidiaries; and

- all but the principal component of rentals in respect of Capitalized Lease Obligations paid, accrued or scheduled to be paid or to be accrued by the Issuer and its Restricted Subsidiaries;

*excluding*, to the extent included in interest expense above, the amount of such interest expense of any Restricted Subsidiary if the net income of such Restricted Subsidiary is excluded in the calculation of Adjusted Consolidated Net Income pursuant to clause (2) of the definition thereof (but only in the same proportion as the net income of such Restricted Subsidiary is excluded from the calculation of Adjusted Consolidated Net Income pursuant to clause (2) of the definition thereof), as determined on a consolidated basis (without taking into account Unrestricted Subsidiaries) in conformity with GAAP.

“*Currency Agreement*” means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement.

“*Default*” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“*Disqualified Stock*” means any class or series of Capital Stock of any Person that by its terms or otherwise is:

- (1) required to be redeemed prior to the Stated Maturity of the notes;
- (2) redeemable at the option of the holder of such class or series of Capital Stock, at any time prior to the Stated Maturity of the notes; or
- (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the notes;

*provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the Stated Maturity of the notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in “Limitation on Asset Sales” and “Repurchase of Notes upon a Change of Control” covenants described below and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provisions prior to the Issuer’s repurchase of the notes as are required to be repurchased pursuant to the “Limitation on Asset Sales” and “Repurchase of Notes upon a Change of Control” covenants described below.

“*Equity Offering*” means a public or private offering of Capital Stock (other than Disqualified Stock) of the Issuer.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

“*Existing Note Indentures*” means the indenture governing the Issuer’s 7% Senior Notes due 2014 and the indenture governing the Issuer’s 7% Senior Notes due 2016 (each an “*Existing Note Indenture*”), as each such Existing Note Indenture may be supplemental from time to time.

“*fair market value*” means the price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors of the Issuer, whose determination shall be conclusive if evidenced by a Board Resolution.

“*Funds From Operations*” for any period means the consolidated net income of the Issuer and its Restricted Subsidiaries for such period determined in conformity with GAAP after adjustments for unconsolidated partnerships and joint ventures, plus depreciation of real property (including furniture and equipment) and other real estate assets and excluding (to the extent such amount was deducted in calculating such consolidated net income):

- (1) gains or losses from (a) the restructuring or refinancing of Indebtedness or (b) sales of properties;
- (2) non-cash asset impairment charges;
- (3) cash litigation charges incurred in an amount not to exceed \$10 million;
- (4) non-cash charges associated with the write-down of the value of accounts and/or notes receivable in an amount not to exceed \$10 million;
- (5) non-cash charges related to redemptions of Preferred Stock of the Issuer;
- (6) the write-off of financing costs in connection with the restructuring or refinancing of Indebtedness; and
- (7) any other non-cash charges associated with the sale or settlement of any Interest Rate Agreement or other hedging or derivative instruments.

“*GAAP*” means generally accepted accounting principles in the United States of America as in effect as of the Closing Date, including, without limitation, those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession. Except as otherwise specifically provided in the indenture, all ratios and computations contained or referred to in the indenture shall be computed in conformity with GAAP applied on a consistent basis.

“*GECC Term Loan*” means \$100 million term loan made pursuant to the Credit Agreement dated as of December 18, 2009, by and among NRS Ventures, L.L.C., as borrower, the lenders party thereto in their capacities as lenders thereunder and General Electric Capital Corporation, as administrative agent and a lender, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including one or more credit agreements, loan agreements, indentures or similar agreements extending the maturity of, refinancing, replacing or otherwise restructuring (including increasing the amount of available borrowings thereunder or adding Restricted Subsidiaries of the Issuer as additional borrowers or guarantors thereunder), and all or any portion of the Indebtedness under such agreement or agreements or any successor or replacement agreement or agreements and whether by the same or any other agent, lender or group of lenders.

“*Guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services (unless such purchase arrangements are on arm’s-length terms and are entered into in the ordinary course of business), to take-or-pay, or to maintain financial statement conditions or otherwise); or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

*provided, however*, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“*Incur*” means, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness, including an “Incurrence” of Acquired Indebtedness; *provided, however*, that neither the accrual of interest nor the accretion of original issue discount shall be considered an Incurrence of Indebtedness.

“*Indebtedness*” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) the face amount of letters of credit or other similar instruments (excluding obligations with respect to letters of credit (including trade letters of credit) securing obligations (other than obligations described in (1) or (2) above or (5), (6) or (7) below) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the third Business Day following receipt by such Person of a demand for reimbursement);
- (4) all unconditional obligations of such Person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services, except Trade Payables;
- (5) all Capitalized Lease Obligations;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness shall be the lesser of (A) the fair market value of such asset at that date of determination and (B) the amount of such Indebtedness;

- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person; and
- (8) to the extent not otherwise included in this definition or the definition of Consolidated Interest Expense, obligations under Currency Agreements and Interest Rate Agreements.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations of the type described above and, with respect to obligations under any Guarantee, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided, however*, that:

- the amount outstanding at any time of any Indebtedness issued with original issue discount shall be deemed to be the face amount with respect to such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at the date of determination in conformity with GAAP; and
- Indebtedness shall not include any liability for federal state, local or other taxes.

“*Interest Coverage Ratio*” means, on any Transaction Date, the ratio of:

- the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters prior to such Transaction Date for which reports have been filed with the SEC or provided to the trustee pursuant to the “SEC Reports and Reports to Holders” covenant (“*Four Quarter Period*”) to
- the aggregate Consolidated Interest Expense during such Four Quarter Period.

In making the foregoing calculation,

- (1) *pro forma* effect shall be given to any Indebtedness Incurred or repaid (other than in connection with an Asset Acquisition or Asset Disposition) during the period (“*Reference Period*”) commencing on the first day of the Four Quarter Period and ending on the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement), in each case as if such Indebtedness had been Incurred or repaid on the first day of such Reference Period;
- (2) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;
- (3) *pro forma* effect shall be given to Asset Dispositions and Asset Acquisitions and Permitted Mortgage Investments (including giving *pro forma* effect to the application of proceeds of any Asset Disposition and any Indebtedness Incurred or repaid in connection with any such Asset Acquisitions or Asset Dispositions) that occur during such Reference Period but subsequent to the end of the related Four Quarter Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

- (4) *pro forma* effect shall be given to asset dispositions and asset acquisitions (including giving *pro forma* effect to (i) the application of proceeds of any asset disposition and any Indebtedness Incurred or repaid in connection with any such asset acquisitions or asset dispositions and (ii) expense and cost reductions calculated on a basis consistent with Regulation S-X under the Exchange Act) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Issuer or any of its Restricted Subsidiaries during such Reference Period but subsequent to the end of the related Four Quarter Period and that would have constituted asset dispositions or asset acquisitions during such Reference Period but subsequent to the end of the related Four Quarter Period had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions and had occurred on the first day of such Reference Period;

*provided, however*, that to the extent that clause (3) or (4) of this paragraph requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition or asset acquisition or asset disposition, as the case may be, such *pro forma* calculation shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business, or one or more healthcare properties, of the Person that is acquired or disposed of to the extent that such financial information is available.

“*Interest Rate Agreement*” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement with respect to interest rates.

“*Investment*” in any Person means any direct or indirect advance, loan or other extension of credit (including without limitation by way of Guarantee or similar arrangement, but excluding advances to customers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable on the consolidated balance sheet of the Issuer and its Restricted Subsidiaries) or capital contribution to (by means of any transfer of cash or other property (tangible or intangible) to others or any payment for property or services solely for the account or use of others, or otherwise), or any purchase or acquisition of Capital Stock, bonds, notes, debentures or other similar instruments issued by, such Person and shall include:

- (1) the designation of a Restricted Subsidiary as an Unrestricted Subsidiary; and
- (2) the fair market value of the Capital Stock (or any other Investment), held by the Issuer or any of its Restricted Subsidiaries of (or in) any Person that has ceased to be a Restricted Subsidiary;

*provided, however*, that the fair market value of the Investment remaining in any Person that has ceased to be a Restricted Subsidiary shall be deemed not to exceed the aggregate amount of Investments previously made in such Person valued at the time such Investments were made, less the net reduction of such Investments. For purposes of the definition of “Unrestricted Subsidiary” and the “Limitation on Restricted Payments” covenant described below:

- “Investment” shall include the fair market value of the assets (net of liabilities (other than liabilities to the Issuer or any of its Restricted Subsidiaries)) of any Restricted Subsidiary at the time such Restricted Subsidiary is designated an Unrestricted Subsidiary;
- the fair market value of the assets (net of liabilities (other than liabilities to the Issuer or any of its Restricted Subsidiaries)) of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary shall be considered a reduction in outstanding Investments; and

- any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer.

“*Investment Grade Status*” means, with respect to the Issuer, when the notes have (1) a rating of both “Baa3” or higher from Moody’s and (2) a rating of “BBB-” or higher from S&P (or, if either such agency ceases to rate the notes for reasons outside the control of the Issuer, the equivalent investment grade credit rating from any other “nationally recognized statistical rating organization” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer as a replacement agency), in each case published by the applicable agency with no negative outlook.

“*Lien*” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to give any security interest).

“*Line of Credit*” means the Credit Agreement dated as of June 30, 2009, by and among the Restricted Subsidiaries of the Issuer now or hereafter party thereto as borrowers, the lenders party thereto in their capacities as lenders thereunder and Bank of America, N.A., as administrative agent, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including one or more credit agreements, loan agreements, indentures or similar agreements extending the maturity of, refinancing, replacing or otherwise restructuring (including increasing the amount of available borrowings thereunder or adding Restricted Subsidiaries of the Issuer as additional borrowers or guarantors thereunder), and all or any portion of the Indebtedness under such agreement or agreements or any successor or replacement agreement or agreements and whether by the same or any other agent, lender or group of lenders.

“*Moody’s*” means Moody’s Investors Service, Inc. and its successors.

“*Net Cash Proceeds*” means:

- (1) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments (except to the extent such obligations are financed or sold with recourse to the Issuer or any of its Restricted Subsidiaries) and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:
  - brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;
  - provisions for all taxes actually paid or payable as a result of such Asset Sale by the Issuer and its Restricted Subsidiaries, taken as a whole;
  - payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (A) is secured by a Lien on the property or assets sold or (B) is required to be paid as a result of such sale;



- amounts reserved by the Issuer and its Restricted Subsidiaries against any liabilities associated with such Asset Sale, including without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined on a consolidated basis in conformity with GAAP; and
- payments of retained liabilities (not constituting Indebtedness) relating to the assets sold at the time of, or within 30 days after, the date of such Asset Sale; and

- (2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments (except to the extent such obligations are financed or sold with recourse to the Issuer or any of its Restricted Subsidiaries) and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of attorney's fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of tax paid or payable as a result thereof.

"Offer to Purchase" means an offer to purchase notes by the Issuer from the holders commenced by mailing a notice to the trustee and each holder stating:

- (1) the covenant pursuant to which the offer is being made and that all notes validly tendered will be accepted for payment on a *pro rata* basis;
- (2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Payment Date*");
- (3) that any note not tendered will continue to accrue interest pursuant to its terms;
- (4) that, unless the Issuer defaults in the payment of the purchase price, any note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Payment Date;
- (5) that holders electing to have a note purchased pursuant to the Offer to Purchase will be required to surrender the note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Payment Date;
- (6) that holders will be entitled to withdraw their election if the Payment Agent receives, not later than the close of business on the third Business Day immediately preceding the Payment Date, a telegram, facsimile transmission or letter setting forth the name of such holder, the principal amount of notes delivered for purchase and a statement that such holder is withdrawing his election to have such notes purchased; and
- (7) that holders whose notes are being purchased only in part will be issued new notes equal in principal amount to the unpurchased portion of the notes surrendered; *provided, however*, that each note purchased and each new note issued shall be in a principal amount of \$2,000 or integral multiples of \$1,000 in excess thereof.

On the Payment Date, the Issuer shall

- accept for payment on a *pro rata* basis notes or portions thereof tendered pursuant to an Offer to Purchase;
- deposit with the Paying Agent money sufficient to pay the purchase price of all notes or portions thereof so accepted; and
- shall promptly thereafter deliver, or cause to be delivered, to the trustee all notes or portions thereof so accepted together with an Officers' Certificate specifying the notes or portions thereof accepted for payment by the Issuer.

The Paying Agent shall promptly mail to the holders of notes so accepted payment in an amount equal to the purchase price, and the trustee shall promptly authenticate and mail to such holders a new note equal in principal amount to any unpurchased portion of any note surrendered; *provided, however*, that each note purchased and each new note issued shall be in a principal amount of \$2,000 or integral multiples of \$1,000 in excess thereof. The Issuer will publicly announce the results of an Offer to Purchase as soon as practicable after the Payment Date. The Issuer will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Issuer is required to repurchase notes pursuant to an Offer to Purchase.

"*Pari Passu Indebtedness*" means any Indebtedness of the Issuer or any Subsidiary Guarantor that ranks *pari passu* in right of payment with the notes or the Guarantee thereof by such Subsidiary Guarantor, as applicable.

"*Permitted Investment*" means:

- (1) an Investment in the Issuer or any of its Restricted Subsidiaries or a Person that will, upon the making of such Investment, become a Restricted Subsidiary or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Issuer or any of its Restricted Subsidiaries; *provided, however*, that such person's primary business is related, ancillary, incidental or complementary to the businesses of the Issuer or any of its Restricted Subsidiaries on the date of such Investment;
- (2) investments in cash and Temporary Cash Investments;
- (3) Investments made by the Issuer or its Restricted Subsidiaries as a result of consideration received in connection with an Asset Sale made in compliance with the "Limitation on Asset Sales" covenant;
- (4) Investments represented by Guarantees that are otherwise permitted under the indenture;
- (5) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (6) stock, obligations or securities received in satisfaction of judgments;

(7) Permitted Mortgage Investments; and

(8) additional Investments not to exceed \$50 million at any time outstanding.

“*Permitted Mortgage Investment*” means any Investment in secured notes, mortgage, deeds of trust, collateralized mortgage obligations, commercial mortgage-backed securities, other secured debt securities, secured debt derivative or other secured debt instruments, so long as such investment relates directly or indirectly to real property that constitutes or is used as a skilled nursing home center, hospital, assisted living facility or other property customarily constituting an asset of a real estate investment trust specializing in healthcare or senior housing property.

“*Preferred Stock*” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) that have a preference on liquidation or with respect to distributions over any other class of Capital Stock, including preferred partnership interests, whether general or limited, or such Person’s preferred or preference stock, whether outstanding on the Closing Date or issued thereafter, including, without limitation, all series and classes of such preferred or preference stock.

“*Restricted Subsidiary*” means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

“*Secured Indebtedness*” means any Indebtedness secured by a Lien upon the property of the Issuer or any of its Restricted Subsidiaries.

“*Significant Subsidiary*,” with respect to any Person, means any restricted subsidiary of such Person that satisfies the criteria for a “significant subsidiary” set forth in Rule 1.02(w) of Regulation S-X under the Exchange Act.

“*S&P*” means Standard & Poor’s Ratings Services and its successors.

“*Stated Maturity*” means:

- (1) with respect to any debt security, the date specified in such debt security as the fixed date on which the final installment of principal of such debt security is due and payable; and
- (2) with respect to any scheduled installment of principal of or interest on any debt security, the date specified in such debt security as the fixed date on which such installment is due and payable.

“*Subsidiary*” means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person and the accounts of which would be consolidated with those of such Person in its consolidated financial statements in accordance with GAAP, if such statements were prepared as of such date.

“*Subsidiary Debt*” means all unsecured Indebtedness of which a Restricted Subsidiary is the primary obligor.

“*Subsidiary Guarantee*” means a Guarantee by each Subsidiary Guarantor for payment of the notes by such Subsidiary Guarantor. The Subsidiary Guarantee will be an unsecured senior obligation of each Subsidiary Guarantor and will be unconditional regardless of the enforceability of the notes and the indenture. Notwithstanding the foregoing, each Subsidiary Guarantee by a Subsidiary Guarantor shall provide by its terms that it shall be automatically and unconditionally released and discharged upon any sale, exchange or transfer, to any Person not an Affiliate of the Issuer, of all of the Capital Stock owned by the Issuer and its Restricted Subsidiaries in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not then prohibited by the indenture).

*“Subsidiary Guarantors”* means (i) each Restricted Subsidiary of the Issuer on the Closing Date and (ii) each other Person that is required to become a Guarantor by the terms of the Indenture after the Closing Date, in each case, until such Person is released from its Subsidiary Guarantee.

*“Temporary Cash Investment”* means any of the following:

- (1) direct obligations of the United States of America or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America or any agency thereof;
- (2) time deposits accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of \$250 million and has outstanding debt which is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money-market fund sponsored by a registered broker dealer or mutual fund distributor;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank meeting the qualifications described in clause (2) above;
- (4) commercial paper, maturing not more than 90 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Issuer) organized and in existence under the laws of the United States of America, any state of the United States of America with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P; and
- (5) securities with maturities of six months or less from the date of acquisition issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P or Moody’s.

*“Total Assets”* means the sum (without duplication) of:

- (1) Undepreciated Real Estate Assets; and
- (2) all other assets (excluding intangibles and accounts receivable) of the Issuer and its Restricted Subsidiaries on a consolidated basis determined in conformity with GAAP.

*“Total Unencumbered Assets”* as of any date means the sum of:

- (1) those Undepreciated Real Estate Assets not securing any portion of Secured Indebtedness; and

- (2) all other assets (but excluding intangibles and accounts receivable) of the Issuer and its Restricted Subsidiaries not securing any portion of Secured Indebtedness determined on a consolidated basis in conformity with GAAP.

“*Trade Payables*” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

“*Transaction Date*” means, with respect to the Incurrence of any Indebtedness by the Issuer or any of its Restricted Subsidiaries, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

“*Undepreciated Real Estate Assets*” means, as of any date, the cost (being the original cost to the Issuer or any of its Restricted Subsidiaries plus capital improvements) of real estate assets of the Issuer and its Restricted Subsidiaries on such date, before depreciation and amortization of such real estate assets, determined on a consolidated basis in conformity with GAAP.

“*Unrestricted Subsidiary*” means

- (1) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Issuer in the manner provided below; and
- (2) any Subsidiary of an Unrestricted Subsidiary.

Except during a Suspension Period, the Board of Directors of the Issuer may designate any Subsidiary (including any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, the Issuer or any of its Restricted Subsidiaries; *provided, however*, that:

- any Guarantee by the Issuer or any of its Restricted Subsidiaries of any Indebtedness of the Subsidiary being so designated shall be deemed an “Incurrence” of such Indebtedness and an “Investment” by the Issuer or such Restricted Subsidiary (or all, if applicable) at the time of such designation;
- either (i) the Subsidiary to be so designated has total assets of \$1,000 or less or (ii) if such Subsidiary has assets greater than \$1,000, such designation would be permitted under the “Limitation on Restricted Payments” covenant described below; and
- if applicable, the Incurrence of Indebtedness and the Investment referred to in the first bullet of this proviso would be permitted under the “Limitation on Indebtedness” and “Limitation on Restricted Payments” covenants described below.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided, however*, that:

- no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such designation; and

- all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately after such designation would, if Incurred at such time, have been permitted to be Incurred (and shall be deemed to have been Incurred) for all purposes of the indenture.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the trustee by promptly filing with the trustee a copy of the Board Resolution giving effect to such designation and an officers' certificate certifying that such designation complied with the foregoing provisions.

"*Unsecured Indebtedness*" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries that is not Secured Indebtedness.

"*U.S. Government Obligations*" means direct obligations of, obligations guaranteed by, or participations in pools consisting solely of obligations of or obligations guaranteed by, the United States of America for the payment of which obligations or guarantee the full faith and credit of the United States of America is pledged and that are not callable or redeemable at the option of the issuer thereof.

"*Voting Stock*" means with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"*Wholly Owned*" means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by individuals mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person.

### **Suspension of Covenants**

During a Suspension Period, the Issuer and its Restricted Subsidiaries will not be subject to the following corresponding provisions of the indenture:

- "—Certain Covenants—Limitation on Indebtedness";
- "—Certain Covenants—Maintenance of Total Unencumbered Assets";
- "—Certain Covenants—Limitation on Restricted Payments";
- "—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries";
- "—Certain Covenants—Limitation on Issuances of Guarantees by Restricted Subsidiaries";
- "—Certain Covenants—Limitation on Transactions with Affiliates"; and
- "—Certain Covenants—Limitation on Asset Sales."

All other provisions of the indenture will apply at all times during any Suspension Period so long as any notes remain outstanding thereunder.

"*Suspension Period*" means any period:

- (1) beginning on the date that:
  - (A) the notes have Investment Grade Status;
  - (B) no Default or Event of Default has occurred and is continuing; and

(C) the Issuer has delivered an officers' certificate to the Trustee certifying that the conditions set forth in clauses (A) and (B) above are satisfied; and

(2) ending on the date (the "*Reversion Date*") that the notes cease to have Investment Grade Status.

On each Reversion Date, all Indebtedness incurred during the Suspension Period prior to such Reversion Date will be deemed to have been outstanding on the Closing Date.

For purposes of calculating the amount available to be made as Restricted Payments under clause (C) of the first paragraph of the "—Limitation on Restricted Payments" covenant, calculations under that clause will be made with reference to the Transaction Date, as set forth in that clause. Accordingly, (x) Restricted Payments made during the Suspension Period not otherwise permitted pursuant to any of clauses (1) through (8) under the third paragraph under the "Limitation on Restricted Payments" covenant will reduce the amount available to be made as Restricted Payments under clause (C) of the first paragraph of such covenant; *provided, however*, that the amount available to be made as a Restricted Payment on the Transaction Date shall not be reduced to below zero solely as a result of such Restricted Payments, but may be reduced to below zero as a result of cumulative Funds from Operations for the purpose of the first bullet under clause (C) of the first paragraph of such covenant being a negative, and (y) the items specified in the first four bullets under clause (C) of the first paragraph of such covenant that occur during the Suspension Period will increase the amount available to be made as Restricted Payment under clause (C) of the first paragraph of such covenant. Any Restricted Payment made during the Suspension Period that are of the type described in the third paragraph of the "Limitation on Restricted Payments" covenant (other than the Restricted Payment referred to in clause (2) of the such third paragraph or an exchange of Capital Stock for Capital Stock or Indebtedness referred to in clause (3) or (4) of such third paragraph), and the Net Cash Proceeds from any issuance of Capital Stock referred to in clauses (3) and (4) of the third paragraph of the "Limitation on Restricted Payments" covenant shall be included in calculating the amounts permitted to be incurred under such clause (C) on each Reversion Date. For purposes of the "—Limitation on Asset Sales" covenant, on each Reversion Date, the unutilized Excess Proceeds will be reset to zero.

## **Covenants**

The indenture contains, among others, the following covenants:

### *Limitation on Indebtedness*

(1) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness) if, immediately after giving effect to the Incurrence of such additional Indebtedness and the receipt and application of the proceeds therefrom, the aggregate principal amount of all outstanding Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis determined in conformity with GAAP is greater than 60% of Adjusted Total Assets.

(2) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Subsidiary Debt or any Secured Indebtedness if, immediately after giving effect to the Incurrence of such additional Subsidiary Debt or Secured Indebtedness and the receipt and application of the proceeds therefrom, the aggregate principal amount of all outstanding Subsidiary Debt and Secured Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis determined in conformity with GAAP is greater than 40% of Adjusted Total Assets.

(3) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness other than the notes issued on the Closing Date and other Indebtedness existing on the Closing Date; *provided, however*, that the Issuer or any of its Restricted Subsidiaries may Incur Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Interest Coverage Ratio of the Issuer and its Restricted Subsidiaries on a consolidated basis would be greater than 2.0 to 1; *provided, further, however*, that the maximum amount of Indebtedness that may be incurred by Restricted Subsidiaries that are not Subsidiary Guarantors pursuant to this paragraph (3) (together with any refinancing or refunding thereof pursuant to clause (c) of paragraph (4) below) shall not exceed, at any time outstanding, 10% of the Total Assets of the Issuer and its Restricted Subsidiaries on a consolidated basis.

(4) Notwithstanding paragraphs (1), (2) or (3) above, the Issuer or any of its Restricted Subsidiaries (except as specified below) may Incur each and all of the following:

(A) Indebtedness outstanding under the Line of Credit at any time in an aggregate principal amount not to exceed \$350 million;

(B) Indebtedness owed to:

- the Issuer evidenced by an unsubordinated promissory note, or
- to any Restricted Subsidiary;

*provided, however*, that any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Issuer or any other Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (B);

(C) Indebtedness issued in exchange for, or the net proceeds of which are used to refinance or refund, outstanding Indebtedness (other than Indebtedness Incurred under clause (A), (B) or (D) of this paragraph (4)) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided, however*, that Indebtedness the proceeds of which are used to refinance or refund the notes or Indebtedness that ranks equally with or subordinate in right of payment to, the notes shall only be permitted under this clause (C) if:

- in case the notes are refinanced in part or the Indebtedness to be refinanced ranks equally with the notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, ranks equally with or is expressly made subordinate in right of payment to the remaining notes,
- in case the Indebtedness to be refinanced is subordinated in right of payment to the notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the notes at least to the extent that the Indebtedness to be refinanced is subordinated to the notes, and



- such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded;

*provided further, however*, that in no event may Indebtedness of the Issuer that ranks equally with or subordinate in right of payment to the notes be refinanced by means of any Indebtedness of any Restricted Subsidiary pursuant to this clause (C);

(D) Indebtedness:

- in respect of performance, surety or appeal bonds provided in the ordinary course of business,
- under Currency Agreements and Interest Rate Agreements; provided that such agreements (i) are designed solely to protect the Issuer or any of its Restricted Subsidiaries against fluctuations in foreign currency exchange rates or interest rates and (ii) do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in foreign currency exchange rates or interest rates or by reason of fees, indemnities and compensation payable thereunder, and
- arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of the Issuer or any of its Restricted Subsidiaries pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition), in a principal amount not to exceed the gross proceeds actually received by the Issuer and its Restricted Subsidiaries on a consolidated basis in connection with such disposition;

(E) Indebtedness of the Issuer, to the extent the net proceeds thereof are promptly:

- used to purchase notes tendered in an Offer to Purchase made as a result of a Change in Control, or
- deposited to defease the notes as described below under “Defeasance,” or
- deposited to discharge the obligations under the notes and indenture as described below under “Satisfaction and Discharge”;

(F) Guarantees of the notes and Guarantees of Indebtedness of the Issuer by any of our Restricted Subsidiaries provided the guarantee of such Indebtedness is permitted by and made in accordance with the “Limitation on Issuances of Guarantees by Restricted Subsidiaries” covenant described below; or

(G) additional Indebtedness of the Issuer and its Restricted Subsidiaries not to exceed \$60 million in aggregate principal amount at any time outstanding.

(5) Notwithstanding any other provision of this "Limitation on Indebtedness" covenant, the maximum amount of Indebtedness that the Issuer or any of its Restricted Subsidiaries may incur pursuant to this "Limitation on Indebtedness" covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, due solely to the result of fluctuations in the exchange rates of currencies.

(6) For purposes of determining any particular amount of Indebtedness under this "Limitation on Indebtedness" covenant,

- Indebtedness Incurred under the Line of Credit on or prior to the Closing Date shall be treated as Incurred pursuant to clause (A) of paragraph (4) of this "Limitation on Indebtedness" covenant, and
- Guarantees, Liens or obligations with respect to letters of credit supporting Indebtedness otherwise included in the determination of such particular amount shall not be included.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of permitted Indebtedness described in clauses (A) through (G) of paragraph (4) above or is entitled to be incurred pursuant to paragraph (3) above, the Issuer shall, in its sole discretion, classify (and may later reclassify) such item of Indebtedness and may divide and classify such Indebtedness in more than one of the types of Indebtedness described, except that Indebtedness incurred under the Line of Credit on the Closing Date shall be deemed to have been incurred under clause (A) of paragraph (4) above.

#### *Maintenance of Total Unencumbered Assets*

The Issuer and its Restricted Subsidiaries will maintain Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of the Unsecured Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis.

#### *Limitation on Restricted Payments*

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any distribution on or with respect to Capital Stock of the Issuer held by Persons other than the Issuer or any of its Restricted Subsidiaries, other than dividends or distributions payable solely in shares of its Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to acquire shares of such Capital Stock;
- (2) purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock) of the Issuer;
- (3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness of the Issuer that is subordinated in right of payment to the notes or the Subsidiary Guaranties of the notes; or
- (4) make an Investment, other than a Permitted Investment, in any Person (such payments or any other actions described in clauses (1) through (4) above being collectively "*Restricted Payments*") if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (A) a Default or Event of Default shall have occurred and be continuing,
- (B) the Issuer could not Incur at least \$1.00 of Indebtedness under paragraphs (1), (2) and (3) of the "Limitation on Indebtedness" covenant, or
- (C) the aggregate amount of all Restricted Payments (the amount, if other than in cash, to be determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a Board Resolution) made after the Closing Date shall exceed the sum of:
- 95% of the aggregate amount of the Funds From Operations (or, if the Funds From Operations is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning January 1, 2010 and ending on the last day of the last fiscal quarter preceding the Transaction Date for which reports have been filed with the SEC or provided to the Trustee pursuant to the "SEC Reports and Reports to Holders" covenant, *plus*
  - 100% of the aggregate Net Cash Proceeds received by the Issuer after the Closing Date from the issuance and sale permitted by the indenture of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Issuer, including from an issuance or sale permitted by the indenture of Indebtedness of the Issuer for cash subsequent to the Closing Date upon the conversion of such Indebtedness into Capital Stock (other than Disqualified Stock) of the Issuer, or from the issuance to a Person who is not a Subsidiary of the Issuer of any options, warrants or other rights to acquire Capital Stock of the Issuer (in each case, exclusive of any Disqualified Stock or any options, warrants or other rights that are redeemable at the option of the holder, or are required to be redeemed, prior to the Stated Maturity of the notes), *plus*
  - an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) in any Person after the Closing Date resulting from payments of interest on Indebtedness, dividends, repayments of loans or advances, or other transfers of assets, in each case to the Issuer or any of its Restricted Subsidiaries or from the Net Cash Proceeds from the sale of any such Investment (except, in each case, to the extent any such payment or proceeds are included in the calculation of Funds From Operations) or from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investments") not to exceed, in each case, the amount of Investments previously made by the Issuer and its Restricted Subsidiaries in such Person or Unrestricted Subsidiary, *plus*
  - the fair market value of noncash tangible assets or Capital Stock acquired in exchange for an issuance of Capital Stock (other than Disqualified Stock or Capital Stock issued in exchange for Capital Stock of the Issuer pursuant to clauses (3) or (4) of the second succeeding paragraph) of the Issuer subsequent to the Closing Date, *plus*
  - \$470 million.

Notwithstanding the foregoing, the Issuer may declare or pay any dividend or make any distribution that is necessary to maintain the Issuer's status as a REIT under the Code if:

- the aggregate principal amount of all outstanding Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis at such time is less than 60% of Adjusted Total Assets; and
- no Default or Event of Default shall have occurred and be continuing.

The foregoing provisions shall not be violated by reason of:

(1) the payment of any dividend within 60 days after the date of declaration thereof if, at said date of declaration, such payment would comply with the foregoing paragraph;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness that is subordinated in right of payment to the notes including premium, if any, and accrued and unpaid interest, with the proceeds of, or in exchange for, Indebtedness Incurred under clause (C) of paragraph (4) of the "Limitation on Indebtedness" covenant;

(3) the repurchase, redemption or other acquisition of Capital Stock of the Issuer or an Unrestricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the proceeds of an issuance of, shares of Capital Stock (other than Disqualified Stock) of the Issuer (or options, warrants or other rights to acquire such Capital Stock) within 90 days of such repurchase, redemption or other acquisition;

(4) the making of any principal payment on, or the repurchase, redemption, retirement, defeasance or other acquisition for value of, Indebtedness of the Issuer which is subordinated in right of payment to the notes in exchange for, or out of the proceeds of, an issuance of, shares of the Capital Stock (other than Disqualified Stock) of the Issuer (or options, warrants or other rights to acquire such Capital Stock) within 90 days of such principal payment, repurchase, redemption, retirement, defeasance or other acquisition;

(5) payments or distributions, to dissenting stockholders pursuant to applicable law pursuant to or in connection with a consolidation, merger or transfer of assets that complies with the provisions of the indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Issuer;

(6) the payment of regularly scheduled cash dividends on shares of cumulative preferred stock of the Issuer now or hereafter outstanding from time to time in an amount not to exceed \$9,250,000 per calendar year;

(7) the repurchase, redemption or other acquisition or retirement for value of any shares of Capital Stock of the Issuer held by any member of the Issuer's (or any of the Restricted Subsidiaries') management or other employees pursuant to (A) any management or employee equity subscription agreement, stock option agreement or similar agreement in an aggregate amount not to exceed \$1 million in the aggregate in any 12-month period or (B) the terms of any employee stock option plan of the Issuer for the purpose of paying employee withholding taxes with respect to such shares; or

(8) additional Restricted Payments in an aggregate amount not to exceed \$30 million;

*provided, however*, that, except in the case of clauses (1) and (3), no Default or Event of Default shall have occurred and be continuing or occur as a direct consequence of the actions or payments set forth therein.

Each Restricted Payment permitted pursuant to the immediately preceding paragraph (other than the Restricted Payment referred to in clause (2) of the immediately preceding paragraph or an exchange of Capital Stock for Capital Stock or Indebtedness referred to in clause (3) or (4) of the immediately preceding paragraph), and the Net Cash Proceeds from any issuance of Capital Stock referred to in clauses (3) and (4) of the immediately preceding paragraph, shall be included in calculating whether the conditions of clause (C) of the first paragraph of this "Limitation on Restricted Payments" covenant have been met with respect to any subsequent Restricted Payments.

*Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

- pay dividends or make any other distributions permitted by applicable law on any Capital Stock of such Restricted Subsidiary owned by the Issuer or any of its Restricted Subsidiaries,
- pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary,
- make loans or advances to the Issuer or any other Restricted Subsidiary, or
- transfer its property or assets to the Issuer or any other Restricted Subsidiary. The foregoing provisions shall not restrict any encumbrances or restrictions:

(1) existing on the Closing Date in the indenture, the Line of Credit and any other agreement in effect on the Closing Date as in effect on the Closing Date, and any extensions, refinancing, renewals or replacements of such agreements; *provided, however*, that the encumbrances and restrictions in any such extensions, refinancing, renewals or replacements are no less favorable in any material respect to the holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(2) existing under or by reason of applicable law;

(3) existing with respect to any Person or the property or assets of such Person acquired by the Issuer or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired;

(4) in the case of the last bullet in the first paragraph of this "Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" covenant:

- that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset,
- existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Issuer or any Restricted Subsidiary not otherwise prohibited by the indenture, or
- arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Issuer or any Restricted Subsidiary in any manner material to the Issuer and its Restricted Subsidiaries taken as a whole;

(5) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary;

(6) contained in the terms of any Indebtedness or any agreement pursuant to which such Indebtedness was issued if:

- the encumbrance or restriction applies only in the event of a payment default or a default with respect to a financial covenant contained in such Indebtedness or agreement,
- the encumbrance or restriction is not materially more disadvantageous to the holders of the notes than is customary in comparable financings (as determined by the good faith judgment of the Board of Directors of the Issuer), and
- the Board of Directors of the Issuer, in its good faith, determines that an such encumbrance or restriction will not materially affect the Issuer's ability to make principal or interest payments on the notes; or

(7) restrictions on the transfer of assets subject to any Lien permitted under the indenture imposed by the holder of such Lien.

Nothing contained in this "Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" covenant shall prevent the Issuer or any Restricted Subsidiary from restricting the sale or other disposition of property or assets of the Issuer or any of its Restricted Subsidiaries that secure Indebtedness of the Issuer or any of its Restricted Subsidiaries.

*Limitation on Issuances of Guarantees by Restricted Subsidiaries*

The Issuer will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee any Indebtedness of the Issuer or a Subsidiary Guarantor which ranks equally with or subordinate in right of payment to the notes (or the applicable Subsidiary Guarantee) ("*Guaranteed Indebtedness*"), unless:

(1) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the indenture providing for a Subsidiary Guarantee by such Restricted Subsidiary; and

(2) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee;

*provided, however,* that this paragraph shall not be applicable to any Guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not Incurred in connection with, or in contemplation of, such person becoming a Restricted Subsidiary. If the Guaranteed Indebtedness:

- ranks equally with the notes, then the Guarantee of such Guaranteed Indebtedness shall rank equally with, or subordinate to, the Subsidiary Guarantee; or
- is subordinate to the notes, then the Guarantee of such Guaranteed Indebtedness shall be subordinated to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the notes.

Any Subsidiary Guarantee by a Restricted Subsidiary may provide by its terms that it shall be automatically and unconditionally released and discharged upon:

- (1) any sale, exchange or transfer, to any Person not an Affiliate of the Issuer of all of Capital Stock held by the Issuer and its Restricted Subsidiaries in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the indenture), or
- (2) the release or discharge of the Guarantee which resulted in the creation of such Subsidiary Guarantee, except a discharge or release by or as a result of payment under such Guarantee.

#### *Limitation on Transactions with Affiliates*

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, renew or extend any transaction (including, without limitations, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any holder (or any Affiliate of such holder) of 5% or more of any class of Capital Stock of the Issuer or with any Affiliate of the Issuer or any of its Restricted Subsidiaries, except upon fair and reasonable terms no less favorable to the Issuer or such Restricted Subsidiary than could be obtained, at the time of such transaction or, if such transaction is pursuant to a written agreement, at the time of the execution of the agreement providing therefor, in a comparable arm's length transaction with a Person that is not such a holder or an Affiliate.

The foregoing limitation does not limit, and shall not apply to:

- (1) transactions (A) approved by a majority of the independent directors of the Board of Directors of the Issuer or (B) for which the Issuer or any Restricted Subsidiary delivers to the trustee a written opinion of a nationally recognized investment banking firm stating that the transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view;
- (2) any transaction solely between the Issuer and any of its Wholly Owned Restricted Subsidiaries or solely between Wholly Owned Restricted Subsidiaries;

- (3) the payment of reasonable and customary fees and expenses to directors of the Issuer who are not employees of the Issuer;
- (4) any Restricted Payments not prohibited by the "Limitation on Restricted Payments" covenant;
- (5) any employment agreement entered into by the Issuer or any Restricted Subsidiary with an employee of the Issuer or such Restricted Subsidiary in the ordinary course consistent with past practice; or
- (6) advances to employees of the Issuer or any Restricted Subsidiary for reasonable moving and relocation, entertainment and travel expenses and similar expenses in the ordinary course of business and consistent with past practice.

Notwithstanding the foregoing, any transaction or series of related transactions covered by the first paragraph of this "Limitation on Transactions with Affiliates" covenant and not covered by (2) through (6) of the immediately foregoing paragraph:

- the aggregate amount of which exceeds \$10 million in value must be approved or determined to be fair in the manner provided for in clause (1)(A) or (B) above; and
- the aggregate amount of which exceeds \$20 million in value, must be determined to be fair in the manner provided for in clause (1) (B) above.

#### *Limitation on Asset Sales*

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate any Asset Sale, unless:

- (1) the consideration received by the Issuer or such Restricted Subsidiary is at least equal to the fair market value of the assets sold or disposed of; and
- (2) at least 75% of the consideration received consists of cash or Temporary Cash Investments; *provided, however,* with respect to the sale of one or more healthcare properties that (A) up to 75% of the consideration may consist of indebtedness of the purchaser of such healthcare properties so long as such Indebtedness is secured by a first priority Lien on the healthcare property or properties sold and (B) up to 66 2/3% of the consideration may consist of indebtedness of the purchaser of such healthcare properties so long as such indebtedness is secured by a second priority Lien on the healthcare property or properties sold and such indebtedness together with all other indebtedness received pursuant to this clause (B) does not exceed \$7.5 million in aggregate principal amount at any time outstanding.

In the event and to the extent that the Net Cash Proceeds received by the Issuer or such Restricted Subsidiary from one or more Asset Sales occurring on or after the Closing Date in any period of 12 consecutive months exceed 5% of Adjusted Consolidated Net Tangible Assets (determined as of the date closest to the commencement of such 12-month period for which a consolidated balance sheet of the Issuer and its Restricted Subsidiaries has been filed with the SEC or provided to the Trustee pursuant to the "SEC Reports and Reports to Holders" covenant), then the Issuer shall or shall cause the relevant Restricted Subsidiary to:



(1) within 12 months after the date Net Cash Proceeds so received exceed 5% of Adjusted Consolidated Net Tangible Assets:

- apply an amount equal to such excess Net Cash Proceeds to permanently reduce Indebtedness under the Line of Credit or the GECC Term Loan, or
- invest an amount equal to such excess Net Cash Proceeds, or the amount not so applied pursuant to the foregoing bullet (or enter into a definitive agreement committing to so invest within six months after the date of such agreement), in property or assets (which may include Permitted Mortgage Investments) (other than current assets) of a nature or type or that are used in a business (or in a Restricted Subsidiary having property and assets of a nature or type, or engaged in a business) similar or related to the nature or type of the property and assets of, or the business of, the Issuer or any of its Restricted Subsidiaries existing on the date of such investment, and

(2) apply (no later than the end of the 12-month period referred to in clause (1)) such excess Net Cash Proceeds (to the extent not applied pursuant to clause (1)) as provided in the following paragraph of this "Limitation on Asset Sales" covenant.

The amount of such excess Net Cash Proceeds required to be applied (or to be committed to be applied) during such 12-month period as set forth in clause (1) of the preceding sentence and not applied as so required by the end of such period shall constitute "*Excess Proceeds*." If, as of the first day of any calendar month, the aggregate amount of Excess Proceeds not previously subject to an Offer to Purchase pursuant to this "Limitation on Asset Sales" covenant totals at least \$15 million, the Issuer must commence, not later than the fifteenth Business Day of such month, and consummate an Offer to Purchase from the holders of the notes and, to the extent required by the terms of any Pari Passu Indebtedness, to all holders of such Pari Passu Indebtedness on a *pro rata* basis an aggregate principal amount of notes (and Pari Passu Indebtedness) equal to the Excess Proceeds on such date, at a purchase price equal to 100% of the principal amount of the notes (and Pari Passu Indebtedness), plus, in each case, accrued and unpaid interest (if any) to the Payment Date.

#### **Repurchase of Notes upon a Change of Control**

The Issuer must commence, within 30 days of the occurrence of a Change of Control, and consummate an Offer to Purchase for all notes then outstanding, at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest (if any) to the Payment Date.

There can be no assurance that the Issuer will have sufficient funds available at the time of any Change of Control to make any debt payment (including repurchases of notes) required by the foregoing covenant (as well as any covenant that may be contained in other securities of the Issuer that might be outstanding at the time). The above covenant requiring the Issuer to repurchase the notes will, unless consents are obtained, require the Issuer to repay all indebtedness then outstanding which by its terms would prohibit such note repurchase, either prior to or concurrently with such note repurchase.

#### **SEC Reports and Reports to Holders**

Whether or not the Issuer is then required to file reports with the SEC, the Issuer shall file with the SEC all such reports and other information as it would be required to file with the SEC by Sections 13(a) or 15(d) under the Exchange Act if it was subject thereto; *provided, however*, that, if filing such documents by the Issuer with the SEC is not permitted under the Exchange Act, the Issuer shall provide such documents to the trustee and upon written request supply copies of such documents to any prospective holder. The Issuer shall supply the trustee and each holder or shall supply to the trustee for forwarding to each such holder, without cost to such holder, copies of such reports and other information.

## Events of Default

Events of Default under the indenture include the following:

- (1) default in the payment of principal of, or premium, if any, on any note when they are due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any note when they are due and payable, and such default continues for a period of 30 days;
- (3) default in the performance or breach of the provisions of the indenture applicable to mergers, consolidations and transfers of all or substantially all of the assets of the Issuer or the failure by the Issuer to make or consummate an Offer to Purchase in accordance with the "Limitations on Asset Sales" or "Repurchase of Notes upon a Change of Control" covenants;
- (4) the Issuer defaults in the performance of or breaches any other covenant or agreement of the Issuer in the indenture or under the notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for the earlier of (i) 60 consecutive days and (ii) such shorter period specified for comparable defaults under either Existing Note Indenture (or under any indenture pursuant to which the Issuer or a Subsidiary Guarantor has issued any indebtedness that refinances or refunds (x) the Indebtedness under such Existing Note Indenture or (y) such refinancing or refunding Indebtedness) after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the notes;
- (5) there occurs with respect to any issue or issues of Indebtedness of the Issuer or any Significant Subsidiary having an outstanding principal amount of \$10 million or more in the aggregate for all such issues of all such Persons, whether such Indebtedness now exists or shall hereafter be created,
  - an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and such Indebtedness has not been discharged in full or such acceleration has not been rescinded or annulled within 30 days of such acceleration and/or
  - the failure to make a principal payment at the final (but not any interim) fixed maturity and such defaulted payment shall not have been made, waived or extended within 30 days of such payment default;
- (6) any final judgment or order (not covered by insurance) for the payment of money in excess of \$10 million in the aggregate for all such final judgments or orders against all such Persons (treating any deductibles, self-insurance or retention as not covered by insurance):
  - shall be rendered against the Issuer or any Significant Subsidiary and shall not be paid or discharged, and

- there shall be any period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed \$10 million during which a stay of enforcement of such final judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(7) a court of competent jurisdiction enters a decree or order for:

- relief in respect of the Issuer or any Significant Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect,
- appointment of a receiver, liquidator, assignee custodian, trustee, sequestrator or similar official of the Issuer or any Significant Subsidiary or for all or substantially all of the property and assets of the Issuer or any Significant Subsidiary, or
- the winding up or liquidation of the affairs of the Issuer or any Significant Subsidiary and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(8) the Issuer or any Significant Subsidiary:

- commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under such law,
- consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or such Significant Subsidiary or for all or substantially all of the property and assets of the Issuer or such Significant Subsidiary, or
- effects any general assignment for the benefit of its creditors.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above that occurs with respect to the Issuer) occurs and is continuing under the indenture, the trustee or the holders of at least 25% in aggregate principal amount of the notes then outstanding, by written notice to the Issuer (and to the trustee if such notice is given by the holders), may, and the trustee at the request of the holders of at least 25% in aggregate principal amount of the notes then outstanding shall, declare the principal of, premium, if any, and accrued interest on the notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued interest shall be immediately due and payable. In the event of a declaration of acceleration because an Event of Default set forth in clause (5) above has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default triggering such Event of Default pursuant to clause (5) shall be remedied or cured by the Issuer or the relevant Significant Subsidiary or waived by the holders of the relevant Indebtedness within 60 days after the declaration of acceleration with respect thereto.

If an Event or Default specified in clause (7) or (8) above occurs with respect to the Issuer, the principal of, premium, if any, and accrued interest on the notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder. The holders of at least a majority in principal amount of the outstanding notes by written notice to the Issuer and to the trustee, may waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

- all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the notes that have become due solely by such declaration of acceleration, have been cured or waived, and
- the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

As to the waiver of defaults, see “—Modification and Waiver.”

The holders of at least a majority in aggregate principal amount of the outstanding notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee. However, the trustee may refuse to follow any direction that conflicts with law or the indenture, that may involve the trustee in personal liability, or that the trustee determines in good faith may be unduly prejudicial to the rights of holders of notes not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from holders of notes. A holder may not pursue any remedy with respect to the indenture or the notes unless:

- (1) the holder gives the trustee written notice of a continuing Event of Default;
- (2) the holders of at least 25% in aggregate principal amount of outstanding notes make a written request to the trustee to pursue the remedy;
- (3) such holder or holders offer the trustee indemnity satisfactory to the trustee against any costs, liability or expense;
- (4) the trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and
- (5) during such 60-day period, the holders of a majority in aggregate principal amount of the outstanding notes do not give the trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any holder of a note to receive payment of the principal of, premium, if any, or interest on, such note or to bring suit for the enforcement of any such payment on or after the due date expressed in the notes, which right shall not be impaired or affected without the consent of the holder.

The indenture requires certain officers of the Issuer to certify, on or before a date not more than 90 days after the end of each fiscal year, that a review has been conducted of the activities of the Issuer and its Restricted Subsidiaries and of its performance under the indenture and that the Issuer has fulfilled all obligations thereunder, or, if there has been a default in fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Issuer will also be obligated to notify the trustee of any default or defaults in the performance of any covenants or agreements under the indenture.

## Consolidation, Merger and Sale of Assets

The Issuer will not consolidate with or merge with or into, or sell, convey, transfer, lease or otherwise dispose of all or substantially of its property and assets (as an entirety or substantially an entirety in one transaction or a series of related transactions) to, any Person or permit any Person to merge with or into the Issuer unless:

(1) the Issuer shall be the continuing Person, or the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or that acquired or leased such property and assets of the Issuer shall be a corporation organized and validly existing under the laws of the United States of America or any state or jurisdiction thereof and shall expressly assume, by a supplemental indenture, executed and delivered to the trustee, all of the obligations of the Issuer on the notes and under the indenture;

(2) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a *pro forma* basis the Issuer, or any Person becoming the successor obligor of the notes, as the case may be, could incur at least \$1.00 of Indebtedness under paragraphs (1), (2) and (3) of the "Limitation on Indebtedness" covenant; *provided, however*, that this clause (3) shall not apply to a consolidation or merger with or into a Wholly Owned Restricted Subsidiary with a positive net worth; *provided further, however*, that, in connection with any such merger or consolidation, no consideration (other than Capital Stock (other than Disqualified Stock) in the surviving Person or the Issuer) shall be issued or distributed to the holders of Capital Stock of the Issuer; and

(4) the Issuer delivers to the trustee an officers' certificate (attaching the arithmetic computations to demonstrate compliance with clause (3) above) and an opinion of counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture complies with this covenant and that all conditions precedent provided for herein relating to such transaction have been complied with;

*provided, however*, that clause (3) above does not apply if, in the good faith determination of the Board of Directors of the Issuer, whose determination shall be evidenced by a Board Resolution, the principal purpose of such transaction is to change the state of domicile of the Issuer; *provided further, however*, that any such transaction shall not have as one of its purposes the evasion of the foregoing limitations.

## Defeasance

The Issuer may, at its option and at any time, elect to have its obligations and the obligations of the Subsidiary Guarantors discharged with respect to the outstanding notes ("*Legal Defeasance*"). Legal Defeasance means that the Issuer and the Subsidiary Guarantors shall be deemed to have paid and discharged the entire indebtedness represented by the notes and the Subsidiary Guarantees, and the indenture shall cease to be of further effect as to all outstanding notes and Subsidiary Guarantees, except as to

(1) rights of holders to receive payments in respect of the principal of and interest on the notes when such payments are due from the trust funds referred to below,

(2) the Issuer's obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes, and the maintenance of an office or agency for payment and money for security payments held in trust,

- (3) the rights, powers, trust, duties, and immunities of the trustee, and the Issuer's obligation in connection therewith, and
- (4) the Legal Defeasance provisions of the indenture.

In addition, the Issuer may, at its option and at any time, elect to have its obligations and the obligations if the Subsidiary Guarantors released with respect to most of the covenants under the indenture, except as described otherwise in the indenture ("*Covenant Defeasance*"), and thereafter any omission to comply with such obligations shall not constitute a Default. In the event Covenant Defeasance occurs, certain Events of Default (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) will no longer apply. Covenant Defeasance will not be effective until such bankruptcy, receivership, rehabilitation and insolvency events no longer apply. The Issuer may exercise its Legal Defeasance option regardless of whether it previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the trustee, in trust, for the benefit of the holders, U.S. legal tender, U.S. Government Obligations or a combination thereof, in such amounts as will be sufficient (without reinvestment) in the opinion of a nationally recognized firm of independent public accountants selected by the Issuer, to pay the principal of and interest on the notes on the stated date for payment or on the redemption date of the notes,
- (2) in the case of Legal Defeasance, the Issuer shall have delivered to the trustee an opinion of counsel in the United States confirming that:
  - (a) the Issuer has received from, or there has been published by the Internal Revenue Service, a ruling, or
  - (b) since the date of the indenture, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon this opinion of counsel shall confirm that, the holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred,

- (3) in the case of Covenant Defeasance, the Issuer shall have delivered to the trustee an opinion of counsel in the United States reasonably acceptable to the trustee confirming that the holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the Covenant Defeasance had not occurred,

- (4) no Default shall have occurred and be continuing on the date of such deposit (other than a Default resulting from the borrowing of funds to be applied to such deposit),

- (5) the Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a Default under the Indenture or a default under any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound (other than any such Default or default resulting solely from the borrowing of funds to be applied to such deposit),

(6) the Issuer shall have delivered to the trustee an officers' certificate stating that the deposit was not made by it with the intent of preferring the holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others, and

(7) the Issuer shall have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that the conditions provided for in, in the case of the officers' certificate, clauses (1) through (6) and, in the case of the opinion of counsel, clauses (2) and/or (3) and (5) of this paragraph have been complied with.

If the funds deposited with the trustee to effect Covenant Defeasance are insufficient to pay the principal of and interest on the notes when due, then our obligations and the obligations of the Subsidiary Guarantors under the indenture will be revived and no such defeasance will be deemed to have occurred.

### **Satisfaction and Discharge**

The indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the notes, as expressly provided for in the indenture) as to all outstanding notes when

(1) either:

(a) all the notes theretofore authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the trustee for cancellation; or

(b) all notes not theretofore delivered to the trustee for cancellation (1) have become due and payable or (2) will become due and payable within one year, or are to be called for redemption within one year, under arrangements reasonably satisfactory to the trustee for the giving of notice of redemption by the trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the notes not theretofore delivered to the trustee for cancellation, for principal of, premium, if any, and interest on the notes to the date of maturity or redemption, as the case may be, together with irrevocable instructions from the Issuer directing the trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Issuer has paid all other sums payable under the indenture by the Issuer; and

(3) the Issuer has delivered to the trustee an officers' certificate and an opinion of counsel stating that all conditions precedent under the indenture relating to the satisfaction and discharge of the indenture have been complied with.

## Modification and Waiver

Subject to certain limited exceptions, modifications and amendments of the indenture may be made by the Issuer and the trustee with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding notes; *provided, however*, that no such modification or amendment may, without the consent of each holder affected thereby:

- (1) change the Stated Maturity of the principal of, or any installment of interest on, any note,
- (2) reduce the principal amount of, or premium, if any, or interest on, any note,
- (3) change the place of payment of principal of, or premium, if any, or interest on, any note,
- (4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the Redemption Date) of any note,
- (5) reduce the above-stated percentages of outstanding notes the consent of whose holders is necessary to modify or amend the indenture,
- (6) waive a default in the payment of principal of, premium, if any, or interest on the notes,
- (7) voluntarily release a Subsidiary Guarantor of the notes, except as permitted by the indenture,
- (8) reduce the percentage or aggregate principal amount of outstanding notes the consent of whose holders is necessary for waiver of compliance with certain provisions of the indenture or for waiver of certain defaults, or
- (9) modify or change any provisions of the indenture affecting the ranking of the notes or the Subsidiary Guarantees in any manner adverse to the holders of the notes.

## No Personal Liability of Incorporators, Stockholders, Officers, Directors, or Employees

The indenture provides that no recourse for the payment of the principal of, premium, if any, or interest on any of the notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Issuer in the indenture, or in any of the notes or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Issuer or the Subsidiary Guarantors or of any successor Person thereof. Each holder, by accepting the notes, waives and releases all such liability.

## Concerning the Trustee

The indenture provides that, except during the continuance of a Default, the trustee will not be liable, except for the performance of such duties as are specifically set forth in the indenture. If an Event of Default has occurred and is continuing, the trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The indenture and provisions of the Trust Indenture Act of 1939 incorporated by reference into the indenture contain limitations on the rights of the trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The trustee is permitted to engage in other transactions; *provided, however*, that if it acquires any conflicting interest, it must eliminate such conflict or resign.



## CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH INVESTOR IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX CONSEQUENCES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY SUCH INVESTOR FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH INVESTOR UNDER THE INTERNAL REVENUE CODE OF 1986 (AS AMENDED); (B) ANY SUCH DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION AND MARKETING OF THE MATTERS ADDRESSED HEREIN; AND (C) EACH SUCH INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

The following is a summary of certain U.S. federal income tax (and, with respect to non-U.S. holders (as defined below) estate tax) consequences relating to the purchase, ownership and disposition of the notes, but does not purport to be an analysis of all potential tax effects. This summary is based on the Internal Revenue Code of 1986, as amended, or the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all of which are subject to change (possibly with retroactive effect) or to different interpretations. This summary does not address the tax consequences to subsequent purchasers of the notes and is limited to persons who purchase the notes for cash at original issue and at the offering price and hold the notes as capital assets within the meaning of Section 1221 of the Code. It does not discuss all of the tax consequences that may be relevant to a holder in light of the holder's particular circumstances (such as the application of the alternative minimum tax) or to holders subject to special rules such as financial institutions, tax-exempt entities, U.S. holders (as defined below) whose "functional currency" is not the U.S. dollar, insurance companies, partnerships, other pass-through entities and investors in those entities, dealers in securities or foreign currencies, persons holding notes as part of a hedge, straddle, "constructive sale," "conversion" or other integrated transaction, persons subject to U.S. federal estate or gift tax arising from the purchase, ownership, or disposition of the notes, or former U.S. citizens or long-term residents subject to taxation as expatriates under Section 877 of the Code or the effect of any state, local or foreign laws. In addition, this summary also does not discuss tax consequences to an owner of a note held through any entity treated as a partnership for U.S. federal income tax purposes or other pass-through entity. We have not sought and will not seek any rulings from the Internal Revenue Service, or the IRS, with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the notes or that any such position would not be sustained.

We believe that the exchange of the initial notes for the exchange notes, which are debt securities identical to the initial notes, but registered under the Securities Act, pursuant to the exchange offer will not constitute a taxable exchange for U.S. federal income tax purposes. As a result, we believe that (1) a holder will not recognize taxable gain or loss as a result of exchanging such holder's initial notes for exchange notes; (2) the holding period of the exchange notes received by the holder should include the holding period of such holder's initial notes; and (3) the adjusted tax basis of the exchange notes received should be the same as the adjusted tax basis of the initial notes exchanged therefore immediately before the exchange.

**PLEASE CONSULT YOUR OWN TAX ADVISER REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION AND THE CONSEQUENCES OF FEDERAL ESTATE OR GIFT TAX LAWS, STATE, LOCAL AND FOREIGN TAX LAWS AND TAX TREATIES.**

As used herein, the term “U.S. holder” means a beneficial owner of a note that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or if a valid election is in place to treat the trust as a United States person.

Except as modified for estate tax purposes, as used herein, the term “non-U.S. holder” means a beneficial owner of a note that is, for U.S. federal income tax purposes, an individual, corporation, estate, or trust and is not a U.S. holder.

In certain circumstances, we may be obligated to pay you amounts in excess of stated interest or principal on the notes. For example, as described in “Description of Notes—Repurchase at the Option of Holders—Change of Control,” upon a change of control, you may require us to repurchase the notes at a price that will include an additional amount in excess of the principal of the notes. Our obligation to pay such excess amounts may implicate the provisions of the Treasury regulations relating to “contingent payment debt instruments.” Under these regulations, however, one or more contingencies will not cause a debt instrument to be treated as a contingent payment debt instrument if, as of the issue date, each such contingency is “remote” or is considered to be “incidental.” We believe and intend to take the position that the foregoing contingencies should be treated as remote and/or incidental. Our determination is binding on you unless you disclose your contrary position in the manner required by applicable Treasury regulations. Our determination is not, however, binding on the IRS, and if the IRS successfully challenged this determination, it could affect the timing and amount of a holder’s income and could cause the gain from the sale or other disposition of a note to be treated as ordinary income, rather than capital gain. This disclosure assumes that the notes will not be considered contingent payment debt instruments. Holders are urged to consult their own tax advisors regarding the potential application to the notes of the contingent payment debt regulations and the consequences thereof.

#### **Tax Consequences To U.S. Holders**

This section applies to you if you are a U.S. holder.

##### *Payments of Stated Interest*

Stated interest on a note will generally be taxable to you as ordinary income at the time it either accrues or is received in accordance with your regular method of accounting for federal income tax purposes.

### *Sales, Exchange, Retirement, Redemption or Disposition of the Notes*

Upon the sale, exchange, retirement, redemption or other disposition of a note, you will recognize gain or loss equal to the difference between the amount realized and your adjusted tax basis in the note. Your adjusted tax basis in a note will generally equal the cost of the note to you. The amount realized excludes any amounts attributable to accrued but unpaid stated interest which will be includable in income as interest (taxable as ordinary income) to the extent not previously included in income. Any gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, retirement, redemption or other disposition, the note has been held for more than one year. For non-corporate holders, certain preferential tax rates may apply to gain recognized as long-term capital gain. The deductibility of net capital losses is subject to limitation. A U.S. Holder who acquired a note with market discount will generally be required to treat any gain recognized upon the sale, retirement, redemption or other disposition of the note as ordinary income rather than capital gain to the extent of the accrued market discount, unless the U.S. Holder has elected to include market discount in income as it accrues. Subject to a de minimis exception, "market discount" generally equals the excess of the stated redemption price at the maturity of a note over the U.S. Holder's initial tax basis in the note, which generally will equal the U.S. Holder's purchase price for the note in the open market.

### *Exchange Offer*

The exchange of initial notes for exchange notes will not be a taxable sale or exchange. As a result, you will not recognized taxable gain or loss upon receipt of exchange notes, your basis in the notes will carry over to the exchange notes received and the holding period of the exchange notes will include the holding period of the initial notes.

### **Tax Consequences to Non-U.S. Holders**

This section applies to you if you are a non-U.S. holder.

### *Payments of Interest*

Subject to the discussions below concerning effectively connected income and backup withholding, payments of interest on the notes by us or any paying agent to you will not be subject to U.S. federal withholding tax, provided that (a) pursuant to the "portfolio interest" exception (i) you do not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote, (ii) you are not a controlled foreign corporation (within the meaning of the Code) that is related, directly or indirectly, to us, (iii) you are not a bank receiving interest on the notes on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of your trade or business and (iv) you certify to us or our paying agent on IRS Form W-8BEN (or appropriate substitute form), under penalties of perjury, that you are not a United States person, provided that if you hold the note through a financial institution or other agent acting on your behalf, you provide appropriate documentation to your agent and your agent provides certification under penalties of perjury to us or our paying agent that it has received such a Form W-8BEN (or suitable substitute form from you or a qualifying intermediary and furnishes us or our agent with a copy or (b) you are entitled to the benefits of an income tax treaty under which such interest is exempt from U.S. federal withholding tax, and you or your agent provides to us a properly executed IRS Form W-8BEN (or an appropriate substitute form evidencing eligibility for the exemption). Additional certifications and procedures may be required if the notes are held through intermediaries. Payments of interest on the notes that do not meet the above-described requirements and that are not effectively connected with your conduct of a U.S. trade or business will be subject to a U.S. federal income tax of 30% (or such lower rate as provided by an applicable income tax), collected by means of withholding.

### *Sale, Exchange, Retirement, Redemption or Disposition of the Notes*

Subject to the discussion below concerning effectively connected income and backup withholding, you generally will not be subject to U.S. federal income tax on any gain realized on the sale, exchange, or other disposition of a note unless you are an individual who is present in the United States for at least 183 days during the taxable year of disposition and certain other conditions are met, in which case you will be subject to a 30% United States federal income tax on the gain derived from the sale, which may be offset by certain U.S. source capital losses.

### *Exchange Offer*

As discussed above under "Tax Consequences to U.S. Holders," the exchange of initial notes for exchange notes will not be a taxable sale or exchange.

### *Effectively Connected Income*

The preceding discussion assumes that the interest and gain received by the non-U.S. holder is not effectively connected with the conduct by such non-U.S. holder of a trade or business in the United States. If you are engaged in a trade or business in the United States and your investment in a note is effectively connected with such trade or business, although you will be exempt from the 30% withholding tax (provided a required certification, generally on IRS form W-8ECI, is provided), you generally will be subject to regular U.S. federal income tax at graduated rates on any interest and gain with respect to the notes in the same manner as if you were a U.S. holder, and if you are a foreign corporation you may also be subject to a branch profits tax at 30% (or such lower rate provided by an applicable income tax treaty) on your effectively connected earnings and profits attributable to such interest and gain. If you are eligible for the benefits of a tax treaty, any effectively connected income or gain will be subject to U.S. federal income tax only if it is also attributable to a permanent establishment maintained by you in the United States.

### **Information Reporting and Backup Withholding**

If you are a U.S. holder, information reporting will generally apply to payments of interest on the notes or the proceeds of the sale or other disposition (including a retirement or redemption) of the notes. Generally, backup withholding (currently at a rate of 28%) will apply to such payments and proceeds if:

- you fail to furnish a taxpayer identification number, or TIN, in the prescribed manner;
- the IRS notifies us that the TIN furnished by you is incorrect;
- you are subject to backup withholding because you failed to report properly the receipt of reportable interest or dividend payments; or
- you fail to certify under penalties of perjury that you are not subject to backup withholding.

If you are a non-U.S. holder, generally, backup withholding does not apply to payments of interest if the certification described above under “—Tax Consequences to Non-U.S. Holders— Payments of Interest” is provided to us (provided that we have no actual knowledge or reason to know that you are a United States person). Information reporting may still apply to payments of interest even if a certification is provided and interest is exempt from such withholding. Payments of proceeds made to a non-U.S. holder upon a sale or other disposition (including a retirement or redemption) of notes by (i) a U.S. office of a broker will be subject to information reporting and backup withholding unless the above-mentioned certification is provided to us and (ii) a foreign office of a foreign broker, will not be subject to information reporting or backup withholding, unless the broker has certain connections with the United States, in which case information reporting (but generally not backup withholding) will apply (except where the broker has in its records documentary evidence that the beneficial owner is not a United States person and certain other conditions are met or the beneficial owner otherwise establishes an exemption). Backup withholding may apply to any payment that the broker is required to report if the broker has actual knowledge or reason to know that the payee is a United States person. In addition to the foregoing, we must report annually to the IRS and to each non-U.S. holder on IRS Form 1042-S the entire amount of interest paid to you. This information may also be made available to the tax authorities in the country you reside under the provisions of an applicable income tax treaty or other agreement.

Holders of notes should consult their tax advisers regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom and the procedure for obtaining such an exemption, if available. Any amounts withheld from a payment to you under the backup withholding rules will be allowed as a refund or credit against your federal income tax liability, provided that the required information is timely furnished to the IRS. Some holders (including, among others, corporations) are generally not subject to information reporting and backup withholding.

### **U.S. Federal Estate Taxes**

A note held by an individual who is a non-U.S. holder (as specifically defined for estate tax purposes) at the time of death will not be includable in the decedent's gross estate for U.S. estate tax purposes, provided that such holder or beneficial owner did not at the time of death actually or constructively own 10% or more of the combined voting power of all of our classes of stock entitled to vote, and provided that, at the time of death, payments with respect to such note would not have been effectively connected with the conduct by such holder of a trade or business in the United States. At present, U.S. estate tax is not imposed on the estate of a decedent whose death occurs in 2010. However, there have been a number of bills introduced before Congress that would re-instate the estate tax for decedents that die in 2010, including reinstatement on a basis that is retroactive to January 1, 2010. Under present law, U.S. estate tax is imposed on the estate of a decedent whose death occurs after December 31, 2010.

### **Possible Legislative or Other Actions Affecting Tax Consequences**

Prospective holders of our notes should recognize that the present federal income tax treatment of investment in our company may be modified by legislative, judicial or administrative action at any time and that any of these actions may affect investments and commitments previously made. The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in federal tax laws and interpretations thereof could adversely affect the tax consequences of investment in our company.

### **State and Local Taxes**

We may be and you may be subject to state or local taxes in other jurisdictions such as those in which we may be deemed to be engaged in activities or own property or other interests. The state and local tax treatment of us may not conform to the federal income tax consequences discussed above.

## PLAN OF DISTRIBUTION

If you are a broker-dealer and hold initial notes for your own account as a result of market-making activities or other trading activities and you receive exchange notes in exchange for initial notes in the exchange offer, then you may be a statutory underwriter and must acknowledge that you will deliver a prospectus in connection with any resale of these exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired as a result of market-making activities or other trading activities. Unless you are a broker-dealer, you must acknowledge that you are not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in a distribution of exchange notes. We have agreed, for a period of 90 days after consummation of the exchange offer to make available a prospectus meeting the requirements of the Securities Act to any broker-dealer for use in connection with any resale of any such exchange notes acquired.

Neither we nor any subsidiary guarantor will receive any proceeds in connection with the exchange offer or any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of these methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealers or the purchasers of any such exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offer and any broker-dealer that participates in a distribution of such exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of exchange notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. By acknowledging that it will deliver a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 90 days after consummation of the exchange offer, we will make available a prospectus meeting the requirements of the Securities Act to any broker-dealer for use in connection with any resale of exchange notes. We have agreed to pay all expenses incident to our obligations in connection with the exchange offer, other than commissions, counsel fees and concessions of any broker-dealer, and will indemnify the holders of initial notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act.

## LEGAL MATTERS

Certain legal matters will be passed on for us by Bryan Cave LLP, Atlanta, Georgia.

## EXPERTS

The consolidated financial statements and schedules of Omega Healthcare Investors, Inc. appearing in Omega Healthcare Investors, Inc. Annual Report (Form 10-K) for the year ended December 31, 2009, and the effectiveness of Omega Healthcare Investors, Inc.'s internal control over financial reporting as of December 31, 2009 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Ernst & Young LLP, independent auditors, has audited the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I and II, included in our Current Report on Form 8-K/A dated December 22, 2009, for the year ended December 31, 2008, the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II, included in our Current Report on Form 8-K dated May 7, 2010, for the year ended December 31, 2009, and the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III, included in our Current Report on Form 8-K dated May 7, 2010, for the year ended December 31, 2009, which are incorporated by reference in this prospectus and elsewhere in the registration statement. These financial statements are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

## INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with the SEC, which means that we can disclose important information to you by referring to our other filings with the SEC. The information that we incorporate by reference is considered a part of this prospectus and information that we file later with the SEC will automatically update and supersede the information contained in this prospectus. We incorporate by reference the following documents (File No. 1-11316) we filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, other than information in these documents that is not deemed to be filed with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 1, 2010;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed with the SEC on May 10, 2010 and for the quarter ended June 30, 2010, filed with the SEC on August 6, 2010;
- our current reports\* on Form 8-K, filed with the SEC on January 15, 2010, February 4, 2010, February 10, 2010, March 31, 2010, April 16, 2010, April 20, 2010, May 7, 2010, June 14, 2010, June 25, 2010 and June 30, 2010;
- the description of our common stock contained in our Registration Statement on Form 8-A, filed with the SEC on August 4, 2002, and any amendments or reports filed for the purpose of updating that description; and
- our Proxy Statement on Schedule 14A, relating to the annual meeting of stockholders held on June 9, 2010, filed with the SEC on April 30, 2010.

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\* We are not incorporating and will not incorporate by reference into this prospectus past or future information on reports furnished or that will be furnished under Items 2.02 and/or 7.01 of, or otherwise with, Form 8-K.

All documents we file later with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this prospectus and prior to the termination of the offering of our securities as described in this prospectus will be deemed to be incorporated by reference into this prospectus, other than information in the documents that is not deemed to be filed with the SEC. A statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded to the extent that a statement contained in any subsequently filed document that is incorporated by reference into this prospectus, modifies or supersedes that statement. Any statements so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge to each person to whom this prospectus is delivered, upon written or oral request of any person, a copy of any or all of the documents incorporated herein by reference, other than exhibits to the documents, unless the exhibits are specifically incorporated by reference into the documents that this prospectus incorporates. Requests for copies in writing or by telephone should be directed to:

Omega Healthcare Investors, Inc.  
200 International Circle  
Suite 3500  
Hunt Valley, MD 21030  
Attn: Chief Financial Officer  
(410) 427-1700

#### **WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at its public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available to the public at the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov), as well as on our website at [www.omegahealthcare.com](http://www.omegahealthcare.com). You may inspect information that we file with the NYSE at the offices of the NYSE at 20 Broad Street, New York, New York 10005. Information on our website is not incorporated by reference herein and our web address is included as an inactive textual reference only.





**Omega Healthcare Investors, Inc.  
Exchange Offer**

**\$200,000,000 7½% Senior Notes due 2020  
for \$200,000,000 7½% Senior Notes due 2020  
that have been registered under the Securities Act of 1933**

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## PART II

### INFORMATION NOT REQUIRED IN THE PROSPECTUS

#### Item 20. Indemnification of Directors and Officers

The articles of incorporation and bylaws of Omega provide for indemnification of directors and officers to the full extent permitted by Maryland law.

Section 2-418 of the General Corporation Law of the State of Maryland generally permits indemnification of any director or officer with respect to any proceedings unless it is established that: (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and was either committed in bad faith or the result of active and deliberate dishonesty; (b) the director or officer actually received an improper personal benefit in money, property or services; or (c) in the case of a criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. The indemnity may include judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the director or officer in connection with the proceedings. However, a corporation may not indemnify a director or officer who shall have been adjudged to be liable to the corporation, or who instituted a proceeding against the corporation (unless such proceeding was brought to enforce the indemnification provisions of Section 2-418, or the charter, bylaws, a resolution of the board of directors of the corporation or an agreement approved by the board of directors). In addition, a director may not be indemnified under Section 2-418 in respect of any proceeding charging improper personal benefit to the director, whether or not involving action in the director's official capacity, in which the director was adjudged to be liable on the basis that personal benefit was improperly received. The termination of any proceeding by judgment, order or settlement does not create a presumption that the director or officer did not meet the requisite standard of conduct required for permitted indemnification. The termination of any proceeding by conviction, or plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the director or officer did not meet that standard of conduct. A director or officer who has been successful on the merits or otherwise, in the defense of any proceeding referred to above shall be indemnified against any reasonable expenses incurred by the director or officer in connection with the proceeding. As noted below, the SEC may limit the corporation's obligation to provide this indemnification.

Omega has also entered into indemnity agreements with the officers and directors of Omega that provide that Omega will, subject to certain conditions, pay on behalf of the indemnified party any amount which the indemnified party is or becomes legally obligated to pay because of any act or omission or neglect or breach of duty, including any actual or alleged error or misstatement or misleading statement, which the indemnified party commits or suffers while acting in the capacity as an officer or director of Omega. Once an initial determination is made by Omega that a director or officer did not act in bad faith or for personal benefit, the indemnification provisions contained in the charter, bylaws, and indemnity agreements would require Omega to advance any reasonable expenses incurred by the director or officer, and to pay the costs, judgments, and penalties determined against a director or officer in a proceeding brought against them.

Insofar as indemnification for liabilities arising under the Securities Act is permitted to directors and officers of the registrants pursuant to the above-described provisions, the registrants understand that the SEC is of the opinion that such indemnification contravenes federal public policy as expressed in said act and therefore is unenforceable.

**Item 21. Exhibits and Financial Statement Schedules.**

- (a) *Exhibits.* Reference is made to the Index of Exhibits filed as part of this registration statement.
- (b) *Financial Statement Schedules.* All schedules have been omitted because they are not applicable or because the required information is shown in the financial statements or notes thereto.

**Item 22. Undertakings.**

- (a) The undersigned registrants hereby undertake:
- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
- (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) That, for purposes of determining any liability under the Securities Act of 1933, each filing of a registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities and Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (c) The undersigned registrants hereby undertake as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(d) The registrants undertake that every prospectus (i) that is filed pursuant to paragraph (c) immediately preceding, or (ii) that purports to meet the requirements of section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(e) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(f) The undersigned registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(g) The undersigned registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, C. Taylor Pickett has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hunt Valley, State of Maryland, on this 9<sup>th</sup> day of August, 2010.

OMEGA HEALTHCARE INVESTORS, INC.

By: /s/ C. Taylor Pickett  
C. Taylor Pickett  
Chief Executive Officer

## POWER OF ATTORNEY

**KNOW ALL MEN BY THESE PRESENTS**, that each person whose signature appears below constitutes and appoints C. Taylor Pickett and Robert O. Stephenson, or either of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this registration statement and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto either of said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that either of said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on August 9, 2010.

<u>Signature</u>	<u>Position</u>
<u>/s/ Taylor Pickett</u> C. Taylor Pickett	Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Robert O. Stephenson</u> Robert O. Stephenson	Chief Financial Officer (Principal Financial Officer)
<u>/s/ Michael D. Ritz</u> Michael D. Ritz	Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Bernard J. Korman</u> Bernard J. Korman	Chairman of the Board of Directors
<u>/s/ Thomas F. Franke</u> Thomas F. Franke	Director
<u>/s/ Harold J. Kloosterman</u> Harold J. Kloosterman	Director
<u>/s/ Edward Lowenthal</u> Edward Lowenthal	Director
<u>/s/ Stephen D. Plavin</u> Stephen D. Plavin	Director

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, C. Taylor Pickett has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hunt Valley, State of Maryland, on this 9<sup>th</sup> day of August, 2010.

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Arizona Lessor - Infinia, Inc.  
Baldwin Health Center, Inc.  
Bayside Alabama Healthcare Second, Inc.  
Bayside Arizona Healthcare Associates, Inc.  
Bayside Arizona Healthcare Second, Inc.  
Bayside Colorado Healthcare Associates, Inc.  
Bayside Colorado Healthcare Second, Inc.  
Bayside Indiana Healthcare Associates, Inc.  
Bayside Street II, Inc.  
Bayside Street, Inc.  
Canton Health Care Land, Inc.  
Carnegie Gardens LLC  
Center Healthcare Associates, Inc.  
Cherry Street – Skilled Nursing, Inc.  
Colonial Gardens, LLC  
Colorado Lessor - Conifer, Inc.  
Copley Health Center, Inc.  
CSE Albany LLC  
CSE Amarillo LLC  
CSE Anchorage LLC  
CSE Arden L.P.  
CSE Augusta LLC  
CSE Bedford LLC  
CSE Blountville LLC  
CSE Bolivar LLC  
CSE Cambridge LLC  
CSE Cambridge Realty LLC  
CSE Camden LLC  
CSE Canton LLC  
CSE Casablanca Holdings II LLC  
CSE Casablanca Holdings LLC  
CSE Cedar Rapids LLC  
CSE Centennial Village  
CSE Chelmsford LLC  
CSE Chesterton LLC  
CSE Claremont LLC  
CSE Corpus North LLC  
CSE Crane LLC  
CSE Denver Iiff LLC  
CSE Denver LLC  
CSE Douglas LLC  
CSE Dumas LLC  
CSE Elkton LLC  
CSE Elkton Realty LLC  
CSE Fairhaven LLC  
CSE Fort Wayne LLC  
CSE Frankston LLC  
CSE Georgetown LLC  
CSE Green Bay LLC  
CSE Hilliard LLC  
CSE Huntingdon LLC

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CSE Huntsville LLC  
CSE Indianapolis-Continental LLC  
CSE Indianapolis-Greenbriar LLC  
CSE Jacinto City LLC  
CSE Jefferson City LLC  
CSE Jeffersonville-Hillcrest Center LLC  
CSE Jeffersonville-Jennings House LLC  
CSE Kerrville LLC  
CSE King L.P.  
CSE Kingsport LLC  
CSE Knightdale L.P.  
CSE Lake City LLC  
CSE Lake Worth LLC  
CSE Lakewood LLC  
CSE Las Vegas LLC  
CSE Lawrenceburg LLC  
CSE Lenoir L.P.  
CSE Lexington Park LLC  
CSE Lexington Park Realty LLC  
CSE Ligonier LLC  
CSE Live Oak LLC  
CSE Logansport LLC  
CSE Lowell LLC  
CSE Marianna Holdings LLC  
CSE Memphis LLC  
CSE Mobile LLC  
CSE Moore LLC  
CSE North Carolina Holdings I LLC  
CSE North Carolina Holdings II LLC  
CSE Omro LLC  
CSE Orange Park LLC  
CSE Orlando-Pinar Terrace Manor LLC  
CSE Orlando-Terra Vista Rehab LLC  
CSE Pennsylvania Holdings  
CSE Piggott LLC  
CSE Pilot Point LLC  
CSE Ponca City LLC  
CSE Port St. Lucie LLC  
CSE Richmond LLC  
CSE Ripley LLC  
CSE Ripon LLC  
CSE Safford LLC  
CSE Salina LLC  
CSE Seminole LLC  
CSE Shawnee LLC  
CSE Spring Branch LLC  
CSE Stillwater LLC  
CSE Taylorsville LLC  
CSE Texarkana LLC  
CSE Texas City LLC  
CSE The Village LLC  
CSE Upland LLC  
CSE Walnut Cove L.P.  
CSE West Point LLC  
CSE Whitehouse LLC  
CSE Williamsport LLC  
CSE Winter Haven LLC  
CSE Woodfin L.P.  
CSE Yorktown LLC  
Dallas – Skilled Nursing, Inc.

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Delta Investors I, LLC  
Delta Investors II, LLC  
Desert Lane LLC  
Dixon Health Care Center, Inc.  
Florida Lessor – Crystal Springs, Inc.  
Florida Lessor – Emerald, Inc.  
Florida Lessor – Lakeland, Inc.  
Florida Lessor – Meadowview, Inc.  
Florida Real Estate Company, LLC  
Georgia Lessor - Bonterra/Parkview, Inc.  
Greenbough, LLC  
Hanover House, Inc.  
Heritage Texarkana Healthcare Associates, Inc.  
House of Hanover, Ltd  
Hutton I Land, Inc.  
Hutton II Land, Inc.  
Hutton III Land, Inc.  
Indiana Lessor – Jeffersonville, Inc.  
Indiana Lessor – Wellington Manor, Inc.  
Jefferson Clark, Inc.  
LAD I Real Estate Company, LLC  
Lake Park – Skilled Nursing, Inc.  
Leatherman 90-1, Inc.  
Leatherman Partnership 89-1, Inc.  
Leatherman Partnership 89-2, Inc.  
Long Term Care – Michigan, Inc.  
Long Term Care – North Carolina, Inc.  
Long Term Care Associates – Illinois, Inc.  
Long Term Care Associates – Indiana, Inc.  
Long Term Care Associates – Texas, Inc.  
Meridian Arms Land, Inc.  
North Las Vegas LLC  
NRS Ventures, L.L.C.  
OHI (Connecticut), Inc.  
OHI (Florida), Inc.  
OHI (Illinois), Inc.  
OHI (Indiana), Inc.  
OHI (Iowa), Inc.  
OHI (Kansas), Inc.  
OHI Asset (CA), LLC  
OHI Asset (CO), LLC  
OHI Asset (CT) Lender, LLC  
OHI Asset (FL), LLC  
OHI Asset (ID), LLC  
OHI Asset (IL), LLC  
OHI Asset (IN), LLC  
OHI Asset (LA), LLC  
OHI Asset (MI/NC), LLC  
OHI Asset (MO), LLC  
OHI Asset (OH) Lender, LLC  
OHI Asset (OH) New Philadelphia, LLC  
OHI Asset (OH), LLC  
OHI Asset (PA) Trust  
OHI Asset (PA), LLC  
OHI Asset (SMS) Lender, Inc.  
OHI Asset (TX), LLC  
OHI Asset CSB LLC  
OHI Asset CSE – E, LLC  
OHI Asset CSE – U, LLC  
OHI Asset Essex (OH), LLC

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OHI Asset II (CA), LLC  
OHI Asset II (FL), LLC  
OHI Asset II (PA) Trust  
OHI Asset III (PA) Trust  
OHI Asset IV (PA) Silver Lake Trust  
OHI Asset, LLC  
OHI of Texas, Inc.  
OHI Sunshine, Inc.  
OHI Tennessee, Inc.  
OHIMA, Inc.  
Omega (Kansas), Inc.  
Omega TRS I, Inc.  
Orange Village Care Center, Inc.  
OS Leasing Company  
Panama City Nursing Center LLC  
Parkview – Skilled Nursing, Inc.  
Pavillion North Partners, Inc.  
Pavillion North, LLP  
Pavillion Nursing Center North, Inc.  
Pine Texarkana Healthcare Associates, Inc.  
Reunion Texarkana Healthcare Associates, Inc.  
San Augustine Healthcare Associates, Inc.  
Skilled Nursing – Gaston, Inc.  
Skilled Nursing – Herrin, Inc.  
Skilled Nursing – Hicksville, Inc.  
Skilled Nursing – Paris, Inc.  
Skyler Maitland LLC  
South Athens Healthcare Associates, Inc.  
St. Mary's Properties, Inc.  
Sterling Acquisition Corp.  
Sterling Acquisition Corp. II  
Suwanee, LLC  
Texas Lessor – Stonegate GP, Inc.  
Texas Lessor – Stonegate, Limited, Inc.  
Texas Lessor – Stonegate, LP  
Texas Lessor – Treemont, Inc.  
The Suburban Pavilion, Inc.  
Washington Lessor – Silverdale, Inc.  
Waxahachie Healthcare Associates, Inc.  
West Athens Healthcare Associates, Inc.  
Wilcare, LLC

By: /s/ C. Taylor Pickett  
C. Taylor Pickett  
Chief Executive Officer

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**POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS**, that each person who signature appears below constitutes and appoints C. Taylor Pickett and Robert O. Stephenson, or either of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this registration statement and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto either of said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that either of said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on August 9, 2010.

<b>Signature</b>	<b>Position</b>
<hr/> <i>/s/ Taylor Pickett</i> C. Taylor Pickett	Chief Executive Officer (Principal Executive Officer)
<hr/> <i>/s/ Robert O. Stephenson</i> Robert O. Stephenson	Chief Financial Officer (Principal Financial Officer)
<hr/> <i>/s/ Michael D. Ritz</i> Michael D. Ritz	Chief Accounting Officer
<hr/> <i>/s/ Robert O. Stephenson</i> Robert O. Stephenson	Sole Director, Officer of General Partner, Officer of Sole Member, Officer of Managing Trustee or Officer of Trustee

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## INDEX OF EXHIBIT

<b>Exhibit No.</b>	<b>Exhibit</b>
3.0	Amended and Restated Bylaws, as amended as of January 16, 2007 (Incorporated by reference to Exhibit 3.1 to the Company's Form S-11, filed on January 29, 2007).
3.1	Articles of Amendment and Restatement of Omega Healthcare Investors, Inc. (Incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on June 14, 2010).
3.2	Form of Articles of Incorporation for each of the following subsidiaries of Omega Healthcare Investors, Inc.: Arizona Lessor—Infinia, Inc. Colorado Lessor—Conifer, Inc. Florida Lessor—Crystal Springs, Inc. Florida Lessor—Emerald, Inc. Florida Lessor—Lakeland, Inc. Florida Lessor—Meadowview, Inc. Georgia Lessor—Bonterra/Parkview, Inc. Indiana Lessor—Jeffersonville, Inc. Indiana Lessor—Wellington Manor, Inc. Texas Lessor—Stonegate GP, Inc. Texas Lessor—Stonegate Limited, Inc. Texas Lessor—Treemont, Inc. Washington Lessor—Silverdale, Inc.
3.3	Form of Bylaws for each of the following subsidiaries of Omega Healthcare Investors, Inc.*: Arizona Lessor—Infinia, Inc. Colorado Lessor—Conifer, Inc. Florida Lessor—Crystal Springs, Inc. Florida Lessor—Emerald, Inc. Florida Lessor—Lakeland, Inc. Florida Lessor—Meadowview, Inc. Georgia Lessor—Bonterra/Parkview, Inc. Indiana Lessor—Jeffersonville, Inc. Indiana Lessor—Wellington Manor, Inc. Texas Lessor—Stonegate GP, Inc. Texas Lessor—Stonegate Limited, Inc. Texas Lessor—Treemont, Inc. Washington Lessor—Silverdale, Inc.
3.4	Articles of Incorporation of Baldwin Health Center, Inc.
3.5	Articles of Incorporation of Pavillion North Partners, Inc..
3.6	Articles of Incorporation of Pavillion Nursing Center North, Inc..
3.7	Form of Bylaws for the following subsidiaries of Omega Healthcare Investors, Inc.: Baldwin Health Center, Inc. Pavillion North Partners, Inc. Pavillion Nursing Center North, Inc.
3.8	Articles of Incorporation of Bayside Alabama Healthcare Second, Inc.
3.9	Bylaws of Bayside Alabama Healthcare Second, Inc.*
3.10	Form of Articles of Incorporation for the following subsidiaries of Omega Healthcare Investors, Inc.: Bayside Arizona Healthcare Associates, Inc. Bayside Arizona Healthcare Second, Inc.

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- 3.11 Form of Bylaws for the following subsidiaries of Omega Healthcare Investors, Inc.\*:  
Bayside Arizona Healthcare Associates, Inc.  
Bayside Arizona Healthcare Second, Inc.
- 3.12 Form of Articles of Incorporation for the following subsidiaries of Omega Healthcare Investors, Inc.:  
Bayside Colorado Healthcare Associates, Inc.  
Bayside Colorado Healthcare Second, Inc.
- 3.13 Form of Bylaws for the following subsidiaries of Omega Healthcare Investors, Inc.\*:  
Bayside Colorado Healthcare Associates, Inc.  
Bayside Colorado Healthcare Second, Inc.
- 3.14 Articles of Incorporation of Bayside Indiana Healthcare Associates, Inc.\*
- 3.15 Bylaws of Bayside Indiana Healthcare Associates, Inc.\*
- 3.16 Certificate of Incorporation of Bayside Street II, Inc.\*
- 3.17 Bylaws of Bayside Street II, Inc.\*
- 3.18 Articles of Incorporation of Bayside Street, Inc.
- 3.19 Bylaws of Bayside Street, Inc.\*
- 3.20 Form of Articles of Incorporation for the following subsidiaries of Omega Healthcare Investors, Inc.:  
Canton Health Care Land, Inc.  
Hutton I Land, Inc.  
Hutton II Land, Inc.  
Hutton III Land, Inc.  
Leatherman 90-1, Inc.  
Meridian Arms Land, Inc.  
St. Mary's Properties, Inc.
- 3.21 Articles of Incorporation of Copley Health Center, Inc.
- 3.22 Articles of Incorporation of Hanover House, Inc.
- 3.23 Form of Articles of Incorporation for the following subsidiaries of Omega Healthcare Investors, Inc.:  
Leatherman Partnership 89-1, Inc.  
Leatherman Partnership 89-2, Inc.
- 3.24 Articles of Incorporation of Orange Village Care Center, Inc.
- 3.25 Articles of Incorporation of The Suburban Pavilion, Inc.
- 3.26 Articles of Incorporation of Dixon Health Care Center, Inc.
- 3.27 Form of Bylaws for the following subsidiaries of Omega Healthcare Investors, Inc.:  
Canton Health Care Land, Inc.  
Copley Health Center, Inc.  
Dixon Health Care Center, Inc.  
Hanover House, Inc.  
Hutton I Land, Inc.  
Hutton II Land, Inc.  
Hutton III Land, Inc.  
Leatherman 90-1, Inc.  
Leatherman Partnership 89-1, Inc.  
Leatherman Partnership 89-2, Inc.  
Meridian Arms Land, Inc.  
Orange Village Care Center, Inc.  
St. Mary's Properties, Inc.  
The Suburban Pavilion, Inc.
- 3.28 Partnership Agreement for Texas Lessor—Stonegate, L.P.\*
-

- 3.29 Form of Certificate of Formation for each of the following subsidiaries of Omega Healthcare Investors, Inc.:  
Center Healthcare Associates, Inc.  
Heritage Texarkana Healthcare Associates, Inc.  
Pine Texarkana Healthcare Associates, Inc.  
Reunion Texarkana Healthcare Associates, Inc.  
San Augustine Healthcare Associates, Inc.  
South Athens Healthcare Associates, Inc.  
Waxahachie Healthcare Associates, Inc.  
West Athens Healthcare Associates, Inc.
- 3.30 Form of Bylaws for each of the following subsidiaries of Omega Healthcare Investors, Inc.\*:  
Center Healthcare Associates, Inc.  
Heritage Texarkana Healthcare Associates, Inc.  
Pine Texarkana Healthcare Associates, Inc.  
Reunion Texarkana Healthcare Associates, Inc.  
San Augustine Healthcare Associates, Inc.  
South Athens Healthcare Associates, Inc.  
Waxahachie Healthcare Associates, Inc.  
West Athens Healthcare Associates, Inc.
- 3.31 Form of Certificate of Formation for each of the following subsidiaries of Omega Healthcare Investors, Inc.:  
Cherry Street—Skilled Nursing Center, Inc.  
Dallas Skilled Nursing, Inc.  
Lake Park Skilled Nursing, Inc.  
Long Term Care Associates—Texas, Inc.  
Parkview—Skilled Nursing, Inc.
- 3.32 Form of Bylaws for each of the following subsidiaries of Omega Healthcare Investors, Inc.\*:  
Cherry Street—Skilled Nursing Center, Inc.  
Dallas Skilled Nursing, Inc.  
Lake Park Skilled Nursing, Inc.  
Long Term Care Associates—Texas, Inc.  
Parkview—Skilled Nursing, Inc.
- 3.33 Form of Articles of Organization for the following subsidiaries of Omega Healthcare Investors, Inc.:  
Colonial Gardens, LLC  
Wilcare, LLC
- 3.34 Articles of Organization of House of Hanover, Ltd.
- 3.35 Form of Operating Agreement for the following subsidiaries of Omega Healthcare Investors, Inc.\*:  
Colonial Gardens, LLC  
House of Hanover, Ltd.  
Wilcare, LLC
- 3.36 Form of Certificate of Formation for the following subsidiaries of Omega Healthcare Investors, Inc.:  
CSE Albany LLC  
CSE Amarillo LLC  
CSE Augusta LLC  
CSE Bedford LLC  
CSE Cambridge LLC  
CSE Cambridge Realty LLC  
CSE Canton LLC  
CSE Cedar Rapids LLC
-

CSE Chelmsford LLC  
CSE Chesterton LLC  
CSE Claremont LLC  
CSE Denver LLC  
CSE Douglas LLC  
CSE Dumas LLC  
CSE Elkton LLC  
CSE Elkton Realty LLC  
CSE Fort Wayne LLC  
CSE Frankston LLC  
CSE Georgetown LLC  
CSE Green Bay LLC  
CSE Hilliard LLC  
CSE Huntsville LLC  
CSE Indianapolis-Continental LLC  
CSE Indianapolis-Greenbriar LLC  
CSE Jeffersonville-Hillcrest Center LLC  
CSE Jeffersonville-Jennings House LLC  
CSE Kingsport LLC  
CSE Lake City LLC  
CSE Lake Worth LLC  
CSE Lakewood LLC  
CSE Las Vegas LLC  
CSE Lawrenceburg LLC  
CSE Lexington Park LLC  
CSE Lexington Park Realty LLC  
CSE Ligonier LLC  
CSE Live Oak LLC  
CSE Logansport LLC  
CSE Lowell LLC  
CSE Mobile LLC  
CSE Moore LLC  
CSE North Carolina Holdings I LLC  
CSE North Carolina Holdings II LLC  
CSE Omro LLC  
CSE Orange Park LLC  
CSE Orlando-Pinar Terrace Manor LLC  
CSE Orlando-Terra Vista Rehab LLC  
CSE Piggott LLC  
CSE Pilot Point LLC  
CSE Ponca City LLC  
CSE Port St. Lucie LLC  
CSE Richmond LLC  
CSE Safford LLC  
CSE Salina LLC  
CSE Seminole LLC  
CSE Shawnee LLC  
CSE Stillwater LLC  
CSE Taylorsville LLC  
CSE Texas City LLC  
CSE Upland LLC  
CSE Winter Haven LLC  
CSE Yorktown LLC

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Form of Second Amended and Restated Limited Liability Company Agreement for the following subsidiaries of Omega Healthcare

Investors, Inc.:

CSE Albany LLC  
CSE Amarillo LLC  
CSE Augusta LLC  
CSE Bedford LLC  
CSE Cambridge Realty LLC  
CSE Canton LLC  
CSE Cedar Rapids LLC  
CSE Chelmsford LLC  
CSE Chesterton LLC  
CSE Claremont LLC  
CSE Denver LLC  
CSE Douglas LLC  
CSE Dumas LLC  
CSE Elkton Realty LLC  
CSE Fort Wayne LLC  
CSE Frankston LLC  
CSE Georgetown LLC  
CSE Green Bay LLC  
CSE Hilliard LLC  
CSE Huntsville LLC  
CSE Indianapolis-Continental LLC  
CSE Indianapolis-Greenbriar LLC  
CSE Jeffersonville-Hillcrest Center LLC  
CSE Jeffersonville-Jennings House LLC  
CSE Kingsport LLC  
CSE Lake City LLC  
CSE Lake Worth LLC  
CSE Lakewood LLC  
CSE Las Vegas LLC  
CSE Lawrenceburg LLC  
CSE Lexington Park Realty LLC  
CSE Ligonier LLC  
CSE Live Oak LLC  
CSE Logansport LLC  
CSE Lowell LLC  
CSE Mobile LLC  
CSE Moore LLC  
CSE North Carolina Holdings I LLC  
CSE North Carolina Holdings II LLC  
CSE Omro LLC  
CSE Orange Park LLC  
CSE Orlando-Pinar Terrace Manor LLC  
CSE Orlando-Terra Vista Rehab LLC  
CSE Piggott LLC  
CSE Pilot Point LLC  
CSE Ponca City LLC  
CSE Port St. Lucie LLC  
CSE Richmond LLC  
CSE Safford LLC  
CSE Salina LLC  
CSE Seminole LLC  
CSE Shawnee LLC

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- CSE Stillwater LLC
  - CSE Taylorsville LLC
  - CSE Texas City LLC
  - CSE Upland LLC
  - CSE Winter Haven LLC
  - CSE Yorktown LLC
  - 3.38 Second Amended and Restated Limited Liability Company Agreement for CSE Cambridge LLC
  - 3.39 Second Amended and Restated Limited Liability Company Agreement for CSE Elkton LLC
  - 3.40 Second Amended and Restated Limited Liability Company Agreement for CSE Lexington Park LLC
  - 3.41 Form of Certificate of Formation for the following subsidiaries of Omega Healthcare Investors, Inc.:
    - CSE Anchorage LLC
    - CSE Blountville LLC
    - CSE Bolivar LLC
    - CSE Camden LLC
    - CSE Denver Iliff LLC
    - CSE Fairhaven LLC
    - CSE Huntingdon LLC
    - CSE Jefferson City LLC
    - CSE Memphis LLC
    - CSE Ripley LLC
    - CSE Texarkana LLC
    - CSE West Point LLC
    - CSE Whitehouse LLC
  - 3.42 Certificate of Formation of Carnegie Gardens LLC.
-



- 3.43 Certificate of Formation of CSE Marianna Holdings LLC.
- 3.44 Certificate of Formation of Panama City Nursing Center LLC.
- 3.45 Certificate of Formation of Skyler Maitland LLC.
- 3.46 Form of Amended and Restated Limited Liability Company Agreement for the following subsidiaries of Omega Healthcare Investors, Inc.:
- Carnegie Gardens LLC
  - CSE Anchorage LLC
  - CSE Blountville LLC
  - CSE Bolivar LLC
  - CSE Camden LLC
  - CSE Denver Iliff LLC
  - CSE Fairhaven LLC
  - CSE Huntingdon LLC
  - CSE Jefferson City LLC
  - CSE Marianna Holdings LLC.
  - CSE Memphis LLC
  - CSE Ripley LLC
  - CSE Texarkana LLC
  - CSE West Point LLC
  - CSE Whitehouse LLC
  - Panama City Nursing Center LLC
  - Skyler Maitland LLC
- 3.47 Form of Certificate of Limited Partnership for each of the following subsidiaries of Omega Healthcare Investors, Inc.:
- CSE Arden L.P.
  - CSE King L.P.
  - CSE Knightdale L.P.
  - CSE Lenoir L.P.
  - CSE Walnut Cove L.P.
  - CSE Woodfin L.P.
- 3.48 Form of Second Amended and Restated Limited Partnership Agreement for each of the following subsidiaries of Omega Healthcare Investors, Inc.:
- CSE Arden L.P.
  - CSE King L.P.
  - CSE Knightdale L.P.
  - CSE Lenoir L.P.
  - CSE Walnut Cove L.P.
  - CSE Woodfin L.P.
- 3.49 Certificate of Formation for CSE Casablanca Holdings LLC.
- 3.50 Amended and Restated Limited Liability Company Agreement for CSE Casablanca Holdings LLC.
- 3.51 Certificate of Formation for CSE Casablanca Holdings II LLC.
- 3.52 Amended and Restated Limited Liability Company Agreement for CSE Casablanca Holdings II LLC.
- 3.53 Certificate of Trust for CSE Centennial Village.
- 3.54 Trust Agreement for CSE Centennial Village.
- 3.55 Form of Certificate of Formation for the following subsidiaries of Omega Healthcare Investors, Inc.:
- CSE Corpus North LLC
  - CSE Jacinto City LLC
  - CSE Kerrville LLC
  - CSE Ripon LLC
-

- CSE Spring Branch LLC
  - CSE The Village LLC
  - CSE Williamsport LLC
  - 3.56 Certificate of Formation for Desert Lane LLC.
  - 3.57 Certificate of Formation of North Las Vegas LLC.
  - 3.58 Form of Second Amended and Restated Limited Liability Company Agreement for each of the following subsidiaries of Omega Healthcare Investors, Inc.:
    - CSE Corpus North LLC
    - CSE Jacinto City LLC
    - CSE Kerrville LLC
    - CSE Ripon LLC
    - CSE Spring Branch LLC
    - CSE The Village LLC
    - CSE Williamsport LLC
    - Desert Lane LLC
    - North Las Vegas LLC
  - 3.59 Certificate of Formation for CSE Crane LLC.
  - 3.60 Amended and Restated Limited Liability Company Agreement for CSE Crane LLC.
  - 3.61 Certificate of Trust for CSE Pennsylvania Holdings.
  - 3.62 Trust Agreement for CSE Pennsylvania Holdings.
  - 3.63 Form of Articles of Organization for each of the following subsidiaries of Omega Healthcare Investors, Inc.:
    - Delta Investors I, LLC
    - Delta Investors II, LLC
  - 3.64 Form of Operating Agreement for each of the following subsidiaries of Omega Healthcare Investors, Inc.\*:
    - Delta Investors I, LLC
    - Delta Investors II, LLC
  - 3.65 Articles of Organization for Florida Real Estate Company, LLC.
  - 3.66 Second Amended and Restated Operating Agreement for Florida Real Estate Company, LLC.
  - 3.67 Articles of Incorporation of Jefferson Clark, Inc.\*
  - 3.68 Bylaws of Jefferson Clark, Inc.\*
  - 3.69 Articles of Incorporation of Long Term Care—Michigan, Inc.
  - 3.70 Bylaws of Long Term Care—Michigan, Inc.\*
  - 3.71 Articles of Incorporation of Long Term Care—North Carolina, Inc.\*
  - 3.72 Bylaws of Long Term Care—North Carolina, Inc.\*
  - 3.73 Form of Articles of Incorporation for each of the following subsidiaries of Omega Healthcare Investors, Inc.:
    - Long Term Care Associates—Illinois, Inc.
    - Skilled Nursing—Herrin, Inc.
    - Skilled Nursing—Paris, Inc.
  - 3.74 Form of Bylaws for each of the following subsidiaries of Omega Healthcare Investors, Inc.\*:
    - Long Term Care Associates—Illinois, Inc.
    - Skilled Nursing—Herrin, Inc.
    - Skilled Nursing—Paris, Inc.
  - 3.75 Form of Articles of Incorporation for each of the following subsidiaries of Omega Healthcare Investors, Inc.:
    - Long Term Care Associates—Indiana, Inc.
    - OHI (Indiana), Inc.
    - Skilled Nursing—Gaston, Inc.
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- 3.76 Form of Bylaws for each of the following subsidiaries of Omega Healthcare Investors, Inc.\*:  
Long Term Care Associates—Indiana, Inc.  
OHI (Indiana), Inc.  
Skilled Nursing—Gaston, Inc.
  - 3.77 Certificate of Formation of NRS Ventures, LLC.
  - 3.78 Limited Liability Company Agreement for NRS Ventures, LLC.
  - 3.79 Certificate of Incorporation of OHI (Connecticut), Inc.\*
  - 3.80 Bylaws of OHI (Connecticut), Inc.\*
  - 3.81 Articles of Incorporation of OHI (Florida), Inc.\*
  - 3.82 Bylaws of OHI (Florida), Inc.\*
  - 3.83 Articles of Incorporation of OHI (Illinois), Inc.\*
  - 3.84 Bylaws of OHI (Illinois), Inc.\*
  - 3.85 Articles of Incorporation of OHI (Iowa), Inc.
  - 3.86 Bylaws of OHI (Iowa), Inc.\*
  - 3.87 Articles of Incorporation of OHI (Kansas), Inc.\*
  - 3.88 Bylaws of OHI (Kansas), Inc.\*
  - 3.89 Form of Certificate of Formation for the following subsidiaries of Omega Healthcare Investors, Inc.\*:  
OHI Asset (CA), LLC  
OHI Asset (FL), LLC  
OHI Asset (ID), LLC  
OHI Asset (IN), LLC  
OHI Asset (LA), LLC  
OHI Asset (MI/NC), LLC  
OHI Asset (MO), LLC  
OHI Asset (OH), LLC  
OHI Asset (OH) Lender, LLC  
OHI Asset (OH) New Philadelphia, LLC  
OHI Asset (PA), LLC  
OHI Asset (TX), LLC  
OHI Asset, LLC
  - 3.90 Form of Limited Liability Company Agreement for the following subsidiaries of Omega Healthcare Investors\*:  
OHI Asset (CA), LLC  
OHI Asset (FL), LLC  
OHI Asset (ID), LLC  
OHI Asset (IN), LLC  
OHI Asset (LA), LLC  
OHI Asset (MI/NC), LLC  
OHI Asset (MO), LLC  
OHI Asset (OH), LLC  
OHI Asset (OH) Lender, LLC  
OHI Asset (OH) New Philadelphia, LLC  
OHI Asset (PA), LLC  
OHI Asset (TX), LLC  
OHI Asset, LLC
  - 3.91 Certificate of Formation of OHI Asset (CO), LLC.
  - 3.92 Limited Liability Company Agreement for OHI Asset (CO), LLC.
  - 3.93 Certificate of Formation of OHI Asset (CT) Lender, LLC.\*
  - 3.94 Limited Liability Company Agreement for OHI Asset (CT) Lender, LLC.\*
  - 3.95 Certificate of Formation of OHI Asset (IL), LLC.
  - 3.96 Limited Liability Company Agreement for OHI Asset (IL), LLC.
  - 3.97 Certificate of Trust for OHI Asset (PA) Trust.
  - 3.98 Declaration of Trust for OHI Asset (PA) Trust.
-

- 3.99 Articles of Incorporation of OHI Asset (SMS) Lender, Inc.
  - 3.100 Bylaws for OHI Asset (SMS) Lender, Inc.
  - 3.101 Form of Certificate of Formation for the following subsidiaries of Omega Healthcare Investors:
    - OHI Asset CSB LLC
    - OHI Asset CSE-E, LLC
    - OHI Asset CSE-U, LLC
  - 3.102 Form of Limited Liability Company Agreement for the following subsidiaries of Omega Healthcare Investors:
    - OHI Asset CSB LLC
    - OHI Asset CSE-E, LLC
    - OHI Asset CSE-U, LLC
  - 3.103 Certificate of Formation of OHI Asset Essex (OH), LLC.
  - 3.104 Limited Liability Company Agreement for OHI Asset Essex (OH), LLC.
  - 3.105 Certificate of Formation of OHI Asset II (CA), LLC.
  - 3.106 Limited Liability Company Agreement for OHI Asset II (CA), LLC.
  - 3.107 Certificate of Formation of OHI Asset II (FL), LLC.
  - 3.108 Limited Liability Company Agreement for OHI Asset II (FL), LLC.
  - 3.109 Form of Certificate of Trust for the following subsidiaries of Omega Healthcare Investors:
    - OHI Asset II (PA) Trust
    - OHI Asset III (PA) Trust
  - 3.110 Form of Declaration of Trust for the following subsidiaries of Omega Healthcare Investors\*:
    - OHI Asset II (PA) Trust
    - OHI Asset III (PA) Trust
  - 3.111 Certificate of Trust for OHI Asset IV (PA) Silver Lake Trust.
  - 3.112 Declaration of Trust for OHI Asset IV (PA) Silver Lake Trust.
  - 3.113 Articles of Incorporation of OHI of Texas, Inc.
  - 3.114 Bylaws of OHI of Texas, Inc.
  - 3.115 Articles of Incorporation of OHI Sunshine, Inc.
  - 3.116 Bylaws of OHI Sunshine, Inc.\*
  - 3.117 Articles of Incorporation of OHI Tennessee, Inc.
  - 3.118 Bylaws of OHI Tennessee, Inc.
  - 3.119 Articles of Organization of OHIMA, Inc.
  - 3.120 Bylaws of OHIMA, Inc.\*
  - 3.121 Articles of Incorporation of Omega (Kansas), Inc.
  - 3.122 Bylaws of Omega (Kansas), Inc.\*
  - 3.123 Articles of Incorporation of Omega TRS I, Inc.
  - 3.124 Bylaws of Omega TRS I, Inc.\*
  - 3.125 Form of Articles of Incorporation for each of the following subsidiaries of Omega Healthcare Investors, Inc.:
    - OS Leasing Company
    - Sterling Acquisition Corp.
    - Sterling Acquisition Corp. II
  - 3.126 Form of Bylaws for each of the following subsidiaries of Omega Healthcare Investors, Inc.\*:
    - OS Leasing Company
    - Sterling Acquisition Corp.
    - Sterling Acquisition Corp. II
  - 3.127 Certificate of Limited Partnership for Pavillion North, LLP.
  - 3.128 Partnership Agreement for Pavillion North, LLP.
  - 3.129 Articles of Incorporation for Skilled Nursing – Hicksville, Inc.
  - 3.130 Bylaws for Skilled Nursing – Hicksville, Inc.\*
-

3.131	Certificate of Formation for Greenbough LLC.
3.132	Certificate of Formation for LAD I Real Estate Company, LLC.
3.133	Certificate of Formation for Suwanee, LLC.
3.134	Form of Second Amended and Restated Limited Liability Company Agreement for the following subsidiaries of Omega Healthcare Investors, Inc.: Greenbough LLC LAD I Real Estate Company, LLC Suwanee, LLC
3.135	Certificate of Formation for Texas Lessor – Stonegate, LP.
5	Opinion of Bryan Cave LLP.
12.1	Ratio of Earnings to Fixed Charges.
21	Subsidiaries of Omega Healthcare Investors, Inc.
23.1	Consent of Ernst & Young LLP with respect to Omega Healthcare Investors, Inc. audited financial statements.
23.2	Consent of Ernst & Young LLP with respect to the Healthcare Real Estate Carve Out of CapitalSource Inc.: Closings I and II for the year ended December 31, 2008.
23.3	Consent of Ernst & Young LLP with respect to the Healthcare Real Estate Carve Out of CapitalSource Inc.: Closing II for the year ended December 31, 2009, and Healthcare Real Estate Carve Out of CapitalSource Inc.: Closing III for the year ended December 31, 2009.
23.4	Consent of Bryan Cave LLP (included in Exhibit 5.1)
24	Power of Attorney (included on Signature Page).
25	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of U.S. Bank National Association.
99.1	Form of Letter of Transmittal relating to 7½% Senior Notes due 2020.
99.2	Form of Notice of Guaranteed Delivery.
99.3	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
99.4	Form of Letter to Clients.

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\* Incorporated by reference to the applicable exhibit to the Company's Registration Statements on Form S-4 relating to (i) the Company's 7% Senior Notes due 2014 (filed with the SEC on February 24, 2006) and (ii) the Company's 7% Senior Notes due 2016 (filed with the SEC on July 26, 2004).

State of Maryland  
Department of  
Assessments and Taxation



**Robert L. Ehrlich, Jr.**  
*Governor*

**Ronald W. Wineholt**  
*Director*

**Paul B. Anderson**  
*Administrator*

Charter Division

THE CORPORATION TRUST INCORPORATED  
300 E LOMBARD ST  
BALTIMORE MD 21202-3219

This letter is to confirm acceptance of the following filing:

ENTITY NAME : \_\_\_\_\_  
DEPARTMENT ID : \_\_\_\_\_  
TYPE OF REQUEST : RESOLUTION  
DATE FILED : 07-17-2003  
TIME FILED : 03:33-PM  
RECORDING FEE : \$25.00  
EXPEDITED FEE : \$50.00  
FILING NUMBER : \_\_\_\_\_  
CUSTOMER ID : 0001167917  
WORK ORDER NUMBER : 0000765930

PLEASE VERIFY THE INFORMATION CONTAINED IN THIS LETTER. NOTIFY THIS DEPARTMENT IN WRITING IF ANY INFORMATION IS INCORRECT. INCLUDE THE CUSTOMER ID AND THE WORK ORDER NUMBER ON ANY INQUIRIES.

**301 West Preston Street, Baltimore, Maryland 21201** 0002426141  
**Telephone (410) 767-1350**  
**MRS (Maryland Relay Service) (800) 735-2258 TT/Voice**  
**Fax (410) 333-7097**

This Form is Used by Entity. The Fee is \$10.00.

RESOLUTION TO CHANGE PRINCIPAL OFFICE OR RESIDENT AGENT

The directors/stockholders/general partner/authorized person of \_\_\_\_\_

(Name of Entity)

organized under the laws of Maryland, passes the following resolution:  
(State)

[CHECK APPLICABLE BOX(ES)]

The principal office is changed from: (old address)

to: (new address)

The name and address of the resident agent is changed from:

Corporation Service Company  
11 E. Chase Street Baltimore, MD 21207

to:

THE CORPORATION TRUST INCORPORATED  
300 East Lombard Street, Baltimore, Maryland 21202

I certify under penalties of perjury the foregoing is true.

/s/ Michael E. Jones  
Secretary or Assistant Secretary  
General Partner  
Authorized Person  
Michael E. Jones, Vice President

I hereby consent to my designation in this document as resident agent for this entity.

THE CORPORATION TRUST INCORPORATED  
SIGNED /s/ Linda Tyndell  
Resident Agent  
Linda Tyndell, Asst. Sec.

Mail to: State Department of Assessments & Taxation, 301 W. Preston Street, Room 801, Baltimore, MD 21201

**ARTICLES OF INCORPORATION FOR A STOCK CORPORATION**

**FIRST:** The undersigned Jennifer J. Bakhuyzen  
whose address is c/o Dykema Gossett, PLLC, 300 Ottawa Ave., N.W., Suite 700 Grand Rapids, Michigan 49503,  
being at least eighteen years of age, do(es) hereby form a corporation under the laws of the State of Maryland.

**SECOND:** The name of the corporation is \_\_\_\_\_

**THIRD:** The purposes for which the corporation is formed are as follows:  
To engage in any activity within the purposes for which corporations may be organized under the Business Corporation Act of Maryland

**FOURTH:** The street address of the principal office of the corporation in Maryland is \_\_\_\_\_  
9690 Deereco Road, Suite 100, Timonium Maryland 21093

**FIFTH:** The name of the resident agent of the corporation in Maryland is \_\_\_\_\_  
CSC-Lawyers Incorporating Service Company  
whose address is \_\_\_\_\_  
11 East Chase Street, Baltimore, MD 21202

**SIXTH:** The corporation has authority to issue 1,000 shares at \$ 0.01 par value per share.

**SEVENTH:** The number of directors of the corporation shall be 3 which number may be increased or decreased pursuant to the bylaws of the corporation, and so long as there are less than three (3) stockholders, the number of directors may be less than three (3) but not less than the number of stockholders, and the name(s) of the director(s) who shall act until the first meeting or until their successors are duly chosen and qualified is/are \_\_\_\_\_  
C. Taylor Pickett, Robert Stephenson, and Daniel Booth.

IN WITNESS WHEREOF, I have signed these articles and acknowledge the same to be my act.

I hereby consent to my designation in this document as resident agent for this corporation.

**SIGNATURE(S) OF INCORPORATOR(S):**

**SIGNATURE OF RESIDENT AGENT LISTED IN FIFTH:**

/s/ Jennifer J. Bakhuyzen  
\_\_\_\_\_  
\_\_\_\_\_

/s/ Sylvia M. White  
Sylvia M. White Authorized Representative for CSC-Lawyers Incorporating Service Company

**RETURN TO:**

Jennifer J. Bakhuyzen  
c/o Dykema Gossett, PLLC  
300 Ottawa Ave, N.W., Suite 700  
Grand Rapids, Michigan 49503

CUST ID : 0000814182  
WORK ORDER : 0000553156  
DATE : 02-14-2002 02:09 PM  
AMT. PAID : \$40.00

2002 FEB 14 A 10:31



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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
CORPORATION BUREAU  
206 NORTH OFFICE BUILDING  
P. O. BOX 8722  
HARRISBURG, PA 17105-8722  
WWW.DOS.STATE.PA.US/CORPS

**BALDWIN HEALTH CENTER, INC.**

THE CORPORATION BUREAU IS HAPPY TO SEND YOU YOUR FILED DOCUMENT. PLEASE NOTE THE FILE DATE AND THE SIGNATURE OF THE SECRETARY OF THE COMMONWEALTH. THE CORPORATION BUREAU IS HERE TO SERVE YOU AND WANTS TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA.

IF YOU HAVE ANY QUESTIONS PERTAINING TO THE CORPORATION BUREAU, PLEASE VISIT OUR WEB SITE LOCATED AT WWW.DOS.STATE.PA.US/CORPS OR PLEASE CALL OUR MAIN INFORMATION TELEPHONE NUMBER (717)787-1057. FOR ADDITIONAL INFORMATION REGARDING BUSINESS AND / OR UCC FILINGS, PLEASE VISIT OUR ONLINE "SEARCHABLE DATABASE" LOCATED ON OUR WEB SITE.

ENTITY NUMBER : **872959**

MICROFILM NUMBER: **2005093**

MICROFILM START - END : **702 - 703**

CT CORP  
COUNTER  
PA

---

**PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU**

Statement of Change of Registered Office (15 Pa.C.S.)

Entity Number  
872959

- Domestic Business Corporation (§ 1507)
- Foreign Business Corporation (§ 4144)
- Domestic Nonprofit Corporation (§ 5507)
- Foreign Nonprofit Corporation (§ 6144)
- Domestic Limited Partnership (§ 8506)

Name		
Address		
CT CORP COUNTER		
City	State	Zip Code

**Document will be returned to the name and address you enter to the left.**

Fee: \$70

Filed in the Department of State on	SEP 15 2005
/s/ [ILLEGIBLE]	
Secretary of the Commonwealth	

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned corporation or limited partnership, desiring to effect a change of registered office, hereby states that:

1. The name is: Baldwin Health Center, Inc.
--

2. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:				
(a) Number and street	City	State	Zip	County
C/O Wiggins/Garfeild Associates, Suite 1, 617, The Bigelow,	Pittsburgh,	Pennsylvania	15219	Allegheny
(b) Name of Commercial Registered Office Provider				County
c/o:				

3. Complete part (a) or (b):				
(a) The address to which the registered office of the corporation or limited partnership in this Commonwealth is to be changed is:				
Number and street	City	State	Zip	County
(b) The registered office of the corporation or limited partnership shall be provided by:				
c/o: CT Corporation System		Philadelphia		
Name of Commercial Registered Office Provider		County		

4. *Strike out if a limited partnership:*

Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer thereof this

29 day of Aug., 2005

Baldwin Health Center, Inc.

\_\_\_\_\_  
Name of Corporation/Limited Partnership

/s/ [ILLEGIBLE]

\_\_\_\_\_  
Signature

CFO

\_\_\_\_\_  
Title



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

MAY 28, 1996

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

I DO HEREBY CERTIFY THAT,

BALDWIN HEALTH CENTER, INC.

is duly incorporated under the laws of the Commonwealth of Pennsylvania and remains a subsisting corporation so far as the records of this office show, as of the date herein.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

/s/ [ILLEGIBLE]

Secretary of the Commonwealth

CFEN

# Commonwealth of Pennsylvania



## Department of State

To All to Whom These Presents Shall Come, Greeting:

**Whereas,** In. and by Article VIII of the *Business Corporation Law*, approved the fifth day of May, Anno Domini one thousand nine hundred and thirty-three, P. L. 364, as amended, the Department of State is authorized and required to issue a

### CERTIFICATE OF AMENDMENT

evidencing the amendment of the Articles of Incorporation of a business corporation organized under or subject to the provisions of that Law, and

**Whereas,** The stipulations and conditions of that Law pertaining to the amendment of Articles of Incorporation have been fully complied with by

BALDWIN HEALTH CENTER, INC.

**Therefore, Know Ye,** That subject to the Constitution of this Commonwealth and under the authority of the *Business Corporation Law*, I do by these presents, which I have caused to be sealed with the Great Seal of the Commonwealth, extend the rights and powers of the corporation named above, in accordance with the terms and provisions of the Articles of Amendment presented by it to the Department of State, with full power and authority to use and enjoy such rights and powers, subject to all the provisions and restrictions of the *Business Corporation Law* and all other applicable laws of this Commonwealth.

**Given** under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 8th day of April in the year of our Lord one thousand nine hundred and eighty-six and of the Commonwealth the two hundred tenth.

/s/ [ILLEGIBLE]

Secretary of the Commonwealth

Applicant's Account No. \_\_\_\_\_

DSCB:BCL-806 (Rev. 8-72)

Filing Fee: \$40  
AB-2

86231967  
872959

Articles of  
Amendment-  
Domestic Business Corporation

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
CORPORATION BUREAU

Filed this APR 8 1986 day of \_\_\_\_\_, A. D. 19

Commonwealth of Pennsylvania  
Department of State

/s/ [ILLEGIBLE]

Secretary of the Commonwealth

In compliance with the requirements of section 806 of the Business Corporation Law, act of May 5, 1933 (P. L. 364) (15 P. S. §1806), the undersigned corporation, desiring to amend its Articles, does hereby certify that:

1. The name of the corporation is:

BALDWIN HEALTH CENTER, INC.

2. The location of its registered office in this Commonwealth is (the Department of State is hereby authorized to correct the following statement to conform to the records of the Department):

c/o WIGGINS/GARFIELD ASSOCIATES, SUITE 1617, THE BIGELOW

(NUMBER)

(STREET)

PITTSBURGH

Pennsylvania

15219

(CITY)

(ZIP CODE)

3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law Act of May 5, 1933, P.L. 364, as amended

4. The date of its incorporation is: June 6, 1985

5. (Check, and if appropriate, complete one of the following):

The meeting of the shareholders of the corporation at which the amendment was adopted was held at the time and place and pursuant to the kind and period of notice herein stated.

Time: The \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Place: \_\_\_\_\_

Kind and period of notice \_\_\_\_\_

The amendment was adopted by a consent in writing, setting forth the action so taken, signed by all of the shareholders entitled to vote thereon and filed with the Secretary of the corporation.

6. At the time of the action of shareholders:

(a) The total number of shares outstanding was:

1000 shares of common stock

(b) The number of shares entitled to vote was:

1000 shares of common stock

P. O. Naly Co., 427 Fourth Ave., Pgh., Pa. 15219

7. In the action taken by the shareholders:

(a) The number of shares voted in favor of the amendment was:

1000 shares

(b) The number of shares voted against the amendment was:

-0-

8. The amendment adopted by the shareholders, set forth in full, is as follows:

The amendment is set forth in full on Exhibit A which is attached hereto and made a part hereof.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer and its corporate seal, duly attested by another such officer, to be hereunto affixed this 4th day of April, 19 86.

BALDWIN HEALTH CENTER, INC.

(NAME OF CORPORATION)

Attest:

By:

/s/ [ILLEGIBLE]

(SIGNATURE)

/s/ Hollis Garfield

(SIGNATURE)

Executive Vice President

(TITLE: PRESIDENT, VICE PRESIDENT, ETC.)

Assistant Secretary

(TITLE: SECRETARY, ASSISTANT SECRETARY, ETC.)

(CORPORATE SEAL)

INSTRUCTIONS FOR COMPLETION OF FORM:

- A. Any necessary copies of Form DSCB:17.2 (Consent to Appropriation of Name) or Form DSCB:17.3 (Consent to Use of Similar Name) shall accompany Articles of Amendment effecting a change of name.
- B. Any necessary governmental approvals shall accompany this form.
- C. Where action is taken by partial written consent pursuant to the Articles, the second alternate of Paragraph 5 should be modified accordingly.
- D. If the shares of any class were entitled to vote as a class, the number of shares of each class so entitled and the number of shares of all other classes entitled to vote should be set forth in Paragraph 6(b).
- E. If the shares of any class were entitled to vote as a class, the number of shares of such class and the number of shares of all other classes voted for and against such amendment respectively should be set forth in Paragraphs 7(a) and 7(b).
- F. BCL §807 (15 P. S. §1807) requires that the corporation shall advertise its intention to file or the filing of Articles of Amendment. Proofs of publication of such advertising should not be delivered to the Department, but should be filed with the minutes of the corporation.

DEPT OF STATE  
APR [ILLEGIBLE] PM '86

EXHIBIT A  
TO  
ARTICLES OF AMENDMENT  
OF BALDWIN HEALTH CENTER, INC.

1. Article III of the Articles of Incorporation of Baldwin Health Center, Inc. is hereby amended so as to read in its entirety as follows:

ARTICLE III  
PURPOSES

The purposes for which the Corporation is formed are to engage in and to do any lawful acts concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law of the Commonwealth of Pennsylvania, including by way of illustration and not limitation, (i) to create a private corporation to acquire and construct nursing home projects, and to operate the same; (ii) to enable the financing of the construction of any such nursing home projects with the assistance of mortgage insurance under the National Housing Act, as amended; (iii) to enter into, perform and carry out contracts of any kind necessary or desirable in connection with the accomplishment of the purposes of the Corporation, including, expressly, any contract or contracts with the Secretary of Housing and Urban Development which may be necessary or desirable to comply with the requirements of the National Housing Act, as amended, and the Regulations of the Secretary thereunder relating to the regulation or restriction of mortgagors as to rents, sales, charges, capital structure, rate of return and methods of operation; (iv) to acquire any property, real or personal, in fee or under lease, or any rights therein or appurtenant thereto, necessary for the construction and operation of any such projects; and (v) to borrow money, and to issue evidence of indebtedness, and to secure the same by mortgage, deed of trust, pledge or other lien in furtherance of any or all the objects of the Corporation's business in connection with said projects; and

---



2. Article V of the Articles of Incorporation of Baldwin Health Center, Inc. is hereby amended so as to read in its entirety as follows:

ARTICLE V  
Authorized Shares

The aggregate number of shares of stock which the Corporation shall have authority to issue is one hundred thousand (100,000) shares of common stock, and the par value of each of such shares shall be one dollar (\$1.00); and

3. The Articles of Incorporation of Baldwin Health Center, Inc. are hereby amended to add a new Article VIII, which shall read in its entirety as follows:

ARTICLE VIII  
POWERS

The Corporation shall have the power to do and perform all things necessary or incidental to the accomplishment of the purposes set forth in Article III hereof, including by way of illustration and not limitation, the power and authority to enter into a Regulatory Agreement with the Secretary of Housing and Urban Development.

No. \_\_\_\_\_ Terms, 19 \_\_\_\_\_

**Proof of Publication of Notice in Post-Gazette and Sun-Telegraph**

Under Act No. 587, Approved May 16, 1929, P.L. 1784, as last amended by Act No. 409 of September 29, 1951

State of Pennsylvania, County of Allegheny, ss: P. Larson, being duly sworn, deposes and says that the Post-Gazette and Sun-Telegraph, a newspaper of general circulation published in the City of Pittsburgh, County and State aforesaid, was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Post-Gazette and Sun-Telegraph has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said Post-Gazette and Sun-Telegraph, a newspaper of general circulation on the following dates, viz:

and the 28th day of June, A.D. 1985.

Affiant further deposes that he/she is an agent for the Pittsburgh Press Company, a corporation and agency of PG Publishing Company, a corporation and publisher of the Post-Gazette and Sun-Telegraph; that, as such agent, affiant is duly authorized to verify the foregoing statement under oath; that affiant is not interested in the subject matter of the aforesaid notice or publication; and that all allegations in the foregoing statement as to time, place and character of publication are true.

/s/ P. Larson

Pittsburgh Press Company, agency of PG Publishing Company

Sworn to and subscribed before me this 28th day of June, 1985.

/s/ Mary E. Wazenegger

MARY E. WAZENEGGER, Notary Public  
Pittsburgh, Allegheny County, Pa.  
My Commission Expires February 18, 1988

**Statement of Advertising Costs**

Wiggins/Garfield Assoc.

1617 The Bigelow

Pittsburgh, Pa. 15219

To Pittsburgh Press Company, agency of  
Post-Gazette and Sun-Telegraph, Dr.

For publishing the notice or advertisement attached  
hereto on the above stated dates

\$ \_\_\_\_\_

Probating same

\$ \_\_\_\_\_

Total

\$ 76.90

**Copy of notice or publication**

[ILLEGIBLE]

**Publisher's Receipt for Advertising Costs**

Pittsburgh Press Company, agency of THE PG PUBLISHING COMPANY, publisher of the Post-Gazette and Sun-Telegraph, a newspaper of general circulation, hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid.

Office  
Boulevard of the Allies  
PITTSBURGH, PA. 15230  
Phone 263-1338

Pittsburgh Press Company, agency of PG PUBLISHING COMPANY, a Corporation, Publisher of Post-Gazette and Sun-Telegraph, a Newspaper of General Circulation

By \_\_\_\_\_

I hereby certify that the foregoing is the original Proof of Publication and Receipt for the Advertising costs in the subject matter of said notice.

\_\_\_\_\_  
Attorney for



IN RE: CORPORATE CHARTER  
BALDWIN HEALTH CENTER, INC.

No. \_\_\_\_\_ Term, 19 \_\_\_\_\_

**Proof of Publication of Notice in Pittsburgh Legal Journal**  
UNDER ACT OF MAY 16, 1929, P.L. 1784, AS LAST AMENDED BY ACT 520, OF JULY 5, 1947.

State of Pennsylvania, }  
County of Allegheny, } ss:

WILLIAM A. HUDSON, a designated agent of the Publisher of the P ITTSBURGH LEGAL JOURNAL, being duly sworn, deposes and says that the P ITTSBURGH LEGAL JOURNAL is a legal newspaper which is published by The Allegheny County Bar Association at the offices of its printer, 620 Second Avenue, Pittsburgh, Allegheny County, Pennsylvania; and that the P ITTSBURGH LEGAL JOURNAL was established as a weekly newspaper on April 23, 1853, and as a daily legal newspaper on January 4, 1926, since which date said daily newspaper has been regularly issued in said County, and that a copy of the printed notice or publication which is attached hereto is exactly the same as it was printed and published in the regular editions and issues of the said daily legal newspaper on the following dates, vis:

\_\_\_\_\_ and the 26th day of June, AD. 1985

Affiant further deposes that he is an agent duly authorized by the publisher of said P ITTSBURGH LEGAL JOURNAL, to verify the foregoing statement under oath and also declares that affiant is not interested in the subject matter of the aforesaid notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

/s / William A. Hudson

\_\_\_\_\_  
William A. Hudson, Agent for the Publisher of the Pittsburgh Legal Journal

Sworn to and subscribed before me this

26th day of June, 1985

/s/ Elizabeth M. Keib

**ELIZABETH M. KEIB**, Notary Public  
Pittsburgh, Allegheny County, Pa.  
My Commission Expires April 7, 1986.

**Statement of Advertising Costs**

Wiggins/Garfield Associates  
Attention: Hollis J. Garfield, Esquire  
Suite 1617  
The Bigelow  
Pittsburgh, PA 15219

TO PITTSBURGH LEGAL JOURNAL

For publishing the notice or advertisement attached hereto on the above stated dates	\$ 70.00
Probating same	\$ 1.00
Total	\$ 71.00

**PITTSBURGH LEGAL JOURNAL**

**Copy of Notice or publication**

HOLLIS J. GARFIELD; WIGGINS/GARFIELD ASSOCIATES, Attys., Suite 1617, The Bigelow, Pgh., PA 15219. Notice is hereby given that Articles of Incorporation were filed with and approved by the Department of State of the Commonwealth of Pennsylvania, at Harrisburg, PA, on the 6th day of June, 1985, for the purpose of obtaining a Certificate of Incorporation of a business corporation which was organized under the Business Corporation Law of the Commonwealth of Pennsylvania, approved May 5, 1933, P. L. 364, as amended. The name of the corporation is **BALDWIN HEALTH CENTER, INC.** The purpose or purposes for which it was organized. To engage in and do any lawful acts concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law of the Commonwealth of Pennsylvania, and for these purposes to have, possess and enjoy all the rights, benefits and privileges of said Act of Assembly.

PAID  
JUL 2 1985

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# Commonwealth of Pennsylvania



March 21, 1986

To All to Whom These Presents Shall Come; Greeting:

*I DO HEREBY CERTIFY, That from an examination of the indices and corporate records of this department, it appears that on June 6, 1985, a Certificate of Incorporation was issued to a Pennsylvania corporation entitled*

*"BALDWIN HEALTH CENTER, INC."*

*I DO FURTHER CERTIFY, That no proceedings in dissolution adversely affecting the corporate existence of the foregoing have subsequently been filed.*

*WHEREFORE, it appears that this corporation remains a presently subsisting corporation as of the date hereof.*

*IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the Commonwealth to be affixed, the day and year above written.*

/s/ [ILLEGIBLE]

Secretary of the Commonwealth

[ILLEGIBLE]

Commonwealth of Pennsylvania  
Department of State



**CERTIFICATE OF INCORPORATION**

Office of the Secretary of the Commonwealth

To All to Whom These Presents Shall Come, Greeting:

**Whereas**, Under the provisions of the Laws of the Commonwealth, the Secretary of the Commonwealth is authorized and required to issue a "Certificate of Incorporation" evidencing the incorporation of an entity.

**Whereas**, The stipulations and conditions of the Law have been fully complied with by

BALDWIN HEALTH CENTER, INC.

**Therefore, Know Ye**, That subject to the Constitution of this Commonwealth, and under the authority of the Laws thereof, I do by these presents, which I have caused to be sealed with the Great Seal of the Commonwealth, declare and certify the creation, erection and incorporation of the above in deed and in law by the name chosen hereinbefore specified.

Such corporation shall have and enjoy and shall be subject to all the powers, duties, requirements, and restrictions, specified and enjoined in and by the applicable laws of this Commonwealth.



**Given** under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 6th day of June in the year of our Lord one thousand nine hundred and eighty-five and of the Commonwealth the two hundred ninth

/s/ William R. Davis

Secretary of the Commonwealth

0872959

REED SMITH SHAW & MCCLAY ESQS

---

Filed in the Department of State on  
the 6<sup>th</sup> day of June 1985  
/s/ William R. Davis  
Secretary of the Commonwealth

---

BEFORE THE DEPARTMENT OF STATE

872959

COMMONWEALTH OF PENNSYLVANIA

85431205

ARTICLES OF )  
INCORPORATION OF )  
 )  
BALDWIN HEALTH CENTER, INC. )  
 )

TO THE HONORABLE, THE SECRETARY OF THE COMMONWEALTH:

In compliance with the requirements of section 204 of the Business Corporation Law of the Commonwealth of Pennsylvania, Act of May 5, 1933, P.L. 364, as amended, the undersigned, desiring to be incorporated as a business corporation, does hereby certify in these Articles of Incorporation as follows:

ARTICLE I  
Name

The name of the corporation is BALDWIN HEALTH CENTER, INC. (hereinafter referred to as the "Corporation").

---



ARTICLE II  
Registered Office

The location and post office address of the initial registered office of the Corporation in the Commonwealth of Pennsylvania is c/o Wiggins/Garfield Associates, Suite 1617, The Bigelow, Pittsburgh, PA 15219.

ARTICLE III  
Purposes

The purposes for which the Corporation is formed are to engage in and to do any lawful acts concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law of the Commonwealth of Pennsylvania.

ARTICLE IV  
Terms of Existence

The term for which the Corporation is to exist is perpetual.

ARTICLE V  
Authorized Shares

The aggregate number of shares of stock which the corporation shall have authority to issue is one thousand (1000) shares of common stock, and the par value of each of such shares shall be one dollar (\$1.00).

ARTICLE VI  
Incorporator

The name and post office address of the incorporator of the Corporation and the number and class of shares subscribed to by such incorporator are as follows:

<u>Name</u>	<u>Address</u>	<u>Number and Class of Shares</u>
Hollis J. Garfield	Suite 1617 The Bigelow Pittsburgh, PA 15219	Two Hundred shares of common stock \$1.00 par value

ARTICLE VII  
Board of Directors

The business and affairs of the Corporation shall be managed by a Board of Directors which shall consist of such number of Directors, not less than three nor more than four, as shall from time to time be fixed by, or in the manner provided in, the Bylaws.

The names and addresses of those persons who are to act as Directors until the election and qualification of their respective successors, and who shall constitute the number of Directors of the Corporation until changed as provided in the Bylaws, are:

<u>Name</u>	<u>Address</u>
Sidney Garfield	26055-A Emery Road Cleveland, OH 44128
Evelyn Garfield	26055-A Emery Road Cleveland, OH 44128
Hollis Garfield	Suite 1617, The Bigelow Pittsburgh, PA 15219

IN TESTIMONY WHEREOF, the incorporator has signed and sealed these Articles of Incorporation this 6th day of June, 1985.

/s/ Hollis J. Garfield (SEAL)  
Hollis J. Garfield

---

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
CORPORATION BUREAU  
206 NORTH OFFICE BUILDING  
P. O. BOX 8722  
HARRISBURG, PA 17105-8722  
WWW.DOS.STATE.PA.US/CORPS

**PAVILLION NORTH PARTNERS, INC.**

THE CORPORATION BUREAU IS HAPPY TO SEND YOU YOUR FILED DOCUMENT. PLEASE NOTE THE FILE DATE AND THE SIGNATURE OF THE SECRETARY OF THE COMMONWEALTH . THE CORPORATION BUREAU IS HERE TO SERVE YOU AND WANTS TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA.

IF YOU HAVE ANY QUESTIONS PERTAINING TO THE CORPORATION BUREAU, PLEASE VISIT OUR WEB SITE LOCATED AT WWW.DOS.STATE.PA.US/CORPS OR PLEASE CALL OUR MAIN INFORMATION TELEPHONE NUMBER (717)787-1057. FOR ADDITIONAL INFORMATION REGARDING BUSINESS AND / OR UCC FILINGS, PLEASE VISIT OUR ONLINE "SEARCHABLE DATABASE" LOCATED ON OUR WEB SITE.

ENTITY NUMBER : **3295726**

MICROFILM NUMBER : **2005093**

MICROFILM START - END : **700 - 701**

CT CORP  
COUNTER

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**PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU**

Statement of Change of Registered Office (15 Pa.C.S.)

Entity Number  
3295726

- Domestic Business Corporation (§ 1507)
- Foreign Business Corporation (§ 4144)
- Domestic Nonprofit Corporation (§ 5507)
- Foreign Nonprofit Corporation (§ 6144)
- Domestic Limited Partnership (§ 8506)

Name		
Address <span style="float: right;"><i>CT CORP-COUNTER</i></span>		
City	State	Zip Code

Document will be returned to the name and address you enter to the left.  
↔

Fee: \$70

Filed in the Department of State on SEP 15 2005

/s/ Pedro A. Corte's  
Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned corporation or limited partnership, desiring to effect a change of registered office, hereby states that:

1. The name is:  
Pavillion North Partners, Inc.

2. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
<u>9800 Old Perry Highway</u>	<u>Wexford</u>	<u>Pennsylvania</u>	<u>15090</u>	<u>Allegheny</u>
(b) Name of Commercial Registered Office Provider				County
<u>c/o:</u>				

3. Complete part (a) or (b):

(a) The address to which the registered office of the corporation or limited partnership in this Commonwealth is to be changed is:

Number and street	City	State	Zip	County

(b) The registered office of the corporation or limited partnership shall be provided by:

<u>c/o: C T Corporation System</u>	<u>Philadelphia</u>
Name of Commercial Registered Office Provider	County

4. *Strike out if a limited partnership:*

Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer thereof this

29 day of Aug., 2005.

Pavillion North Partners, Inc.

Name of Corporation/Limited Partnership

/s/ [ILLEGIBLE]

Signature

CFO

Title

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
CORPORATION BUREAU  
206 NORTH OFFICE BUILDING  
P. O. BOX 8722  
HARRISBURG, PA 17105-8722  
WWW.DOS.STATE.PA.US/CORPS

**PAVILLION NORTH PARTNERS, INC.**

THE CORPORATION BUREAU IS HAPPY TO SEND YOU YOUR FILED DOCUMENT. PLEASE NOTE THE FILE DATE AND THE SIGNATURE OF THE SECRETARY OF THE COMMONWEALTH. THE CORPORATION BUREAU IS HERE TO SERVE YOU AND WANTS TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA.

IF YOU HAVE ANY QUESTIONS PERTAINING TO THE CORPORATION BUREAU, PLEASE VISIT OUR WEB SITE LOCATED AT WWW.DOS.STATE.PA.US/CORPS OR PLEASE CALL OUR MAIN INFORMATION TELEPHONE NUMBER (717)787-1057. FOR ADDITIONAL INFORMATION REGARDING BUSINESS AND / OR UCC FILINGS, PLEASE VISIT OUR ONLINE "SEARCHABLE DATABASE" LOCATED ON OUR WEBSITE.

ENTITY NUMBER : **3295726**

MICROFILM NUMBER: **2005034**

MICROFILM START - END : **531 - 532**

PATRICIA A JUNKER  
KLEET ROONEY LIEBER & SCHORLING  
FAX # 412-392-2128

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**Articles of Incorporation  
of  
Pavillion North Partners, Inc.**

1. The name of the corporation is  
**Pavillion North Partners, Inc.**
2. The address of the initial registered office of the corporation in Pennsylvania (which is located in Allegheny County) is:

9800 Old Perry Highway  
Wexford, PA 15090
3. The corporation is incorporated under the Business Corporation Law of 1988, as amended.
4. The aggregate number of shares that the corporation shall have authority to issue is 10,000 shares of common stock, \$0.01 par value per share. The board of directors shall have the full authority permitted by law to divide the authorized and unissued shares into classes or series, or both, and to determine for any such class or series its designation and the number of shares of the class or series and the voting rights, preferences, limitations and special rights, if any, of the shares of the class or series.
5. The shareholders shall not have the right to cumulate their votes for the election of directors.
6. Subject only to the limitations in 15 Pa.C.S. § 1713(b)(1), a director of the corporation shall not be personally liable, as such, for monetary damages for any action taken or failure to take any action unless:
  - (1) the director has breached or failed to perform the duties of his or her office under 15 Pa.C.S. Subch. 17B; and
  - (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

2005 MAR 31 PM 3:11

PA. DEPT OF STATE



7. These articles of incorporation may be amended in the manner prescribed at the time by statute, and all rights conferred upon shareholders herein are granted subject to this reservation.
8. The name and address of the incorporator are:

Patricia A. Junker  
c/o Klett Rooney Lieber & Schorling  
One Oxford Centre, 40<sup>th</sup> Floor  
Pittsburgh, PA 15219

IN TESTIMONY WHEREOF, the incorporator has signed these Articles of Incorporation on March 31, 2005.

/s/ Patricia A. Junker  
Patricia A. Junker

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**Proof of Publication of Notice in Post-Gazette**

Under Act No. 587, Approved May 16, 1929, P.L. 1784, as last amended by Act No. 409 of September 29, 1951

Commonwealth of Pennsylvania, County of Allegheny, ss: M. Goodwin, being duly sworn, deposes and says that the Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 and the Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the \_\_\_\_\_ regular \_\_\_\_\_ editions and issues of the said Post-Gazette a newspaper of general circulation on the Following dates, viz:

April 13, 2005

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Post-Gazette; that, as such agent, affiant is duly authorized to verify the foregoing statement under oath; that affiant is not interested in the subject matter of the aforesaid notice or publication; and that all allegations in the foregoing statement as to time, place and character of publication are true.

/s/ M. Goodwin

PG Publishing Company

Sworn to and subscribed before me this day of:

April 13, 2005

/s/ Mary E. Wazenegger

**COMMONWEALTH OF PENNSYLVANIA**

Notarial Seal

Mary E. Wazenegger, Notary Public  
City of Pittsburgh, Allegheny County  
My Commission Expires Feb. 18, 2008

Member, Pennsylvania Association of Notaries

**STATEMENT OF ADVERTISING COSTS**

Klett Rooney Lieber & Schorling  
Attn: Pat Junker  
One Oxford Ctr. 40th. Fl.  
Pittsburgh Pa. 15219

To PG Publishing Company

Total

\$107.10

**COPY OF NOTICE OR PUBLICATION**

CHARTER NOTICE  
FOR PENNSYLVANIA  
CORPORATION

Notice is hereby given that Articles of Incorporation were filed with the Department of State of the Commonwealth of Pennsylvania, for a business corporation, with the name of Pavillion North Partners, Inc., which was incorporated under the provisions of the Pennsylvania Business Corporation Law of 1988, as amended.

**Publisher's Receipt for Advertising Costs**

PG PUBLISHING COMPANY, publisher of the Post-Gazette, a newspaper of general circulation, hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid.

Office  
Boulevard of the Allies  
PITTSBURGH, PA 15230  
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of Post-Gazette,  
a Newspaper of General Circulation

By \_\_\_\_\_

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

\_\_\_\_\_  
Attorney for



Articles of Incorporation  
Pavillion North Partners, Inc.

**Proof of Publication Notice in Pittsburgh Legal Journal**

UNDER ACT OF MAY 16, 1929, P.L. 1784, AS LAST AMENDED BY ACT 520, OF JULY 5, 1947

State of Pennsylvania }  
County of Allegheny, } ss:

Jennifer Pulice, a designated agent of the Publisher of the PITTSBURGH LEGAL JOURNAL, being duly sworn, deposes and says that the PITTSBURGH LEGAL JOURNAL is a legal newspaper which is published by the Allegheny County Bar Association at the offices at 400 Koppers Building, Pittsburgh, Allegheny County, Pennsylvania; and that the PITTSBURGH LEGAL JOURNAL was established as a weekly newspaper on April 23, 1853, and as a daily legal newspaper on January 4, 1926, since which date said daily newspaper has been regularly issued in said County, and that a copy of the printed notice or publication which is attached hereto is exactly the same as it was printed and published in the regular editions and issues of the said daily legal newspaper on the FOLLOWING DATES, viz:

15th Day of April 2005.

Affiant further deposes that she is an agent duly authorized by the publisher of said PITTSBURGH LEGAL JOURNAL, to verify the foregoing statement under oath and also declares that affiant is not interested in the subject matter of the aforesaid notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

/s/ Jennifer Pulice

Jennifer Pulice Agent for the Publisher of the PITTSBURGH LEGAL JOURNAL

Sworn to and subscribed before me this 15th Day of April 2005.

/s/ Margaret Ann Lewis

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal

Margaret Ann Lewis, Notary Public

City of Pittsburgh, Allegheny County

My Commission Expires Nov. 16, 2008

Member, Pennsylvania Association of Notaries

**Statement of Advertising Costs**

Klett Rooney Lieber & Schorling PC  
One Oxford Ctr  
301 Grant St, 40th Fl  
Pittsburgh PA 15219

TO PITTSBURGH LEGAL JOURNAL

For Publishing the notice or advertisement attached hereto on the above stated dates	\$ 61.00
Proof Fees	\$ 1.00
Total Invoice ADP -0136286	\$ 62.00

**Copy of Notice or Publication**

Notice is hereby given that Articles of Incorporation were filed with the Department of State of the Commonwealth of Pennsylvania, for a business corporation which has been incorporated under the provisions of Business Corporation Law of 1988. The name of the corporation is **PAVILLION NORTH PARTNERS, INC.** 1F 105

**Publisher's Receipt for Advertising Costs**

The PITTSBURGH LEGAL JOURNAL hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid.

Business Office — 400 Koppers Building  
Pittsburgh, PA 15219  
Established 1853-Phone 412 261 — 6255

PITTSBURGH LEGAL JOURNAL      PAID 4/21/2005  
BY \_\_\_\_\_

I Hereby certify that the foregoing is the original Proof of Publication and Receipt for the Advertising costs in the subject matter of said notice.

---

*Attorney for*

---

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
CORPORATION BUREAU  
206 NORTH OFFICE BUILDING  
P. O. BOX 8722  
HARRISBURG, PA 17105-8722  
WWW.DOS.STATE.PA.US/CORPS

**PAVILLION NURSING CENTER NORTH, INC.**

THE CORPORATION BUREAU IS HAPPY TO SEND YOU YOUR FILED DOCUMENT. PLEASE NOTE THE FILE DATE AND THE SIGNATURE OF THE SECRETARY OF THE COMMONWEALTH. THE CORPORATION BUREAU IS HERE TO SERVE YOU AND WANTS TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA.

IF YOU HAVE ANY QUESTIONS PERTAINING TO THE CORPORATION BUREAU, PLEASE VISIT OUR WEB SITE LOCATED AT WWW.DOS.STATE.PA.US/CORPS OR PLEASE CALL OUR MAIN INFORMATION TELEPHONE NUMBER (717)787-1057. FOR ADDITIONAL INFORMATION REGARDING BUSINESS AND / OR UCC FILINGS, PLEASE VISIT OUR ONLINE "SEARCHABLE DATABASE" LOCATED ON OUR WEB SITE.

ENTITY NUMBER: **267625**

MICROFILM NUMBER: **2005093**

MICROFILM START - END: **698 - 699**

CT CORP  
COUNTER  
PA

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PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Statement of Change of Registered Office (15 Pa.C.S.)

Entity Number  
267625

- Domestic Business Corporation (§ 1507)  
 Foreign Business Corporation (§ 4144)  
 Domestic Nonprofit Corporation (§ 5507)  
 Foreign Nonprofit Corporation (§ 6144)  
 Domestic Limited Partnership (§ 8506)

Name

CT CORP-COUNTER

Address

City

State

Zip Code

Document will be returned to the  
name and address you enter to  
the left.

←

Fee: \$70

Filed in the Department of State on SEP 15  
2005

/s/ Pedro A Corte's

Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned corporation or limited partnership, desiring to effect a change of registered office, hereby states that:

1. The name is:

Pavillion Nursing Center North, Inc.

2. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
North Hills Nursing Center, 9800 Old Perry Highway, McCandless,		Pennsylvania	15090	Allegheny

(b) Name of Commercial Registered Office Provider	County
c/o:	

3. Complete part (a) or (b):

(a) The address to which the registered office of the corporation or limited partnership in this Commonwealth is to be changed is:

Number and street	City	State	Zip	County

(b) The registered office of the corporation or limited partnership shall be provided by:

c/o: C T Corporation System	Philadelphia
Name of Commercial Registered Office Provider	County

4. *Strike out if a limited partnership:*

Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer thereof this

29 day of Aug., 2005.

\_\_\_\_\_  
Pavillion Nursing Center North, Inc.  
Name of Corporation/Limited Partnership

\_\_\_\_\_  
/s/ [ILLEGIBLE]

Signature

\_\_\_\_\_  
CFO

Title



# Commonwealth of Pennsylvania



Department of State

Office of the  
Secretary of the Commonwealth

To all to whom these Presents shall come, Greeting:

WHEREAS, Under the provisions of the Business Corporation Law, approved the 5th day of May, Anno Domini one thousand nine hundred and thirty-three, P. L. 364, as amended, the Department of State is authorized and required to issue a

### CERTIFICATE OF INCORPORATION

evidencing the incorporation of a business corporation organized under the terms of that law.

AND WHEREAS, The stipulations and conditions of that law have been fully complied with by the persons desiring to incorporate as

PAVILLION NURSING CENTER NORTH, INC.

THEREFORE, KNOW YE, That subject to the Constitution of this Commonwealth and under the authority of the Business Corporation Law, I do by these presents, which I have caused to be sealed with the Great Seal of the Commonwealth, create, erect, and incorporate the incorporators of and the subscribers to the shares of the proposed corporation named above, their associates and successors, and also those who may thereafter become subscribers or holders of the shares of such corporation, into a body politic and corporate in deed and in law by the name chosen hereinbefore specified, which shall exist perpetually and shall be invested with and have and enjoy all the powers, privileges, and franchises incident to a business corporation and be subject to all the duties, requirements, and restrictions specified and enjoined in and by the Business Corporation Law and all other applicable laws of this Commonwealth.

GIVEN under my Hand and the Great Seal of the  
Commonwealth, at the City of Harrisburg,  
this 15th day of February  
in the year of our Lord one thousand nine  
hundred and seventy-two and of  
the Commonwealth the one hundred and  
ninety-sixth

\_\_\_\_\_  
/s/ C. Delores Tucker

\_\_\_\_\_  
Secretary of the Commonwealth ec

**Commonwealth of Pennsylvania**  
**Department of State**  
**Corporation Bureau**

ARTICLES  
OF  
INCORPORATION

In compliance with the requirements of the Business Corporation Law, approved the 5th day of May, A.D. 1933, P.L. 364, as amended, the undersigned, all of whom are of full age\* desiring that they may be incorporated as a business corporation, do hereby certify:

1. The name of the corporation is:

PAVILLION NURSING CENTER NORTH, INC.

2. The location and post office address of its initial registered office in this Commonwealth is:

North Hills Nursing Center, 9800 Old Perry Highway, McCandless Township,

Number

Street

City

County

Allegheny County

3. The purpose or purposes of the corporation which shall be organized under this Act are as follows: (\*\*)

(a) To acquire by purchase, lease, exchange or otherwise, to hold, own, use, manage, improve, mortgage, and to sell, lease, mortgage, exchange, and otherwise deal in, real estate and any interest or right therein; to own, rebuild, repair, manage and control, lease, buy and sell, houses, apartments, offices, stores, and any and all other types of buildings and structures; and to make and obtain loans on real estate, and to sell, buy, hold, own, and otherwise deal in, mortgages, notes, land contracts, leases, and other evidences of indebtedness secured by real estate or by a lien thereon or any interest therein.

(b) To manufacture, purchase or otherwise acquire, sell, assign and transfer, exchange or otherwise dispose of, and to invest, trade, deal in or deal with goods, wares and merchandise and personal property of every class and description.

(continued on attached page)

4. The term of its existence is:

perpetual.

5. The aggregate number of shares which the corporation shall have authority to issue is: (\*\*\*)

250 shares -- all of which shall be without par value.

The amount of stated capital with which the corporation shall begin business is Five Hundred Dollars (\$500.00).

(\*) *One or more corporations or natural persons of full age may incorporate a business corporation under the provisions of this Act.*

(\*\*) *It shall not be permissible or necessary to set forth any powers enumerated in Section 302 of the Act.*

(\*\*\*) *There should be set forth the number and par value of all shares having par value; the number of shares without par value; and the stated capital applicable thereto. If the shares are to be divided into classes, a description of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights granted to, or imposed upon, the shares of each class.*

FILING FEE — \$40.00 + 1.00 excise tax

NOTE: Excise Tax at the rate of 1/5th of 1% (\$2.00 per \$1,000) will be due and payable at the time of filing of the Articles, computed by multiplying the number of authorized shares having par value by their par value, or if shares of no par stock are authorized, then on the stated capital applicable thereto as well.

ONLY A CLEARLY LEGIBLE ORIGINAL SHOULD BE SUBMITTED. SIGNATURES SHOULD BE IN BLACK INK.

ARTICLES OF INCORPORATION -- PAVILLION NURSING CENTER NORTH, INC.

Purposes of the Corporation (cont.)

(c) To purchase, acquire, hold, mortgage, pledge, hypothecate, loan money upon, exchange, sell and otherwise deal in personal property and real property of every kind, character and description whatsoever and wheresoever situated, and any interest therein.

(d) To run, lease, manage or otherwise control a nursing home, rest home or convalescent home; to operate same in this corporation or using this as a holding company for operation of same.

EACH PURPOSE specified in any clause or paragraph as listed above shall be deemed to be independent of all other purposes therein specified and shall not be limited or restricted by reference to or inference from the terms of any other clause or paragraph of these Articles of Incorporation.

PROVIDED, HOWEVER, that all medical treatment will be provided by duly licensed physicians or surgeons and nurses.

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**AMENDED AND RESTATED BYLAWS**

**OF [Company]**

*Effective [Date]*

**I.  
OFFICES**

The principal office of [Company] (the "Company") shall be at such place within Pennsylvania or Maryland as the Board of Directors of the Company (the "Board") shall from time to time determine. The Company also may have offices at such other places as the business of the Company may require.

**II.  
SEAL**

The Company may have a seal in such form as the Board may from time to time determine. The seal, if so authorized, may be used by causing it or a facsimile to be impressed, affixed or copied.

**III.  
CAPITAL**

**3.1 ISSUANCE.**

The shares of capital stock of the Company (the "Shares") shall be issued in such amounts, at such times, for such consideration and on such terms as the Board shall deem advisable, subject to the Company's Articles of Incorporation (the "Articles") and the laws of the State of Pennsylvania.

**3.2 CERTIFICATES.**

The Shares shall be represented by certificates signed by the President and Secretary. Each such certificate shall state upon its face that the Company is formed under the laws of Pennsylvania, the person to whom it is issued, the number and class of Shares, and the designation of the series, if any, that the certificate represents, and such other provisions as may be required by Pennsylvania law.

**3.3 TRANSFER.**

The Shares are transferable only on the books of the Company upon surrender of the certificate therefor, properly endorsed for transfer, and the presentation of such evidences of ownership and validity of the assignment as the Company may require.

---

### **3.4 REGISTRATION.**

The Company shall be entitled to treat the person in whose name any Share is registered as the owner thereof for purposes of dividends and other distributions in the course of business, or in the course of recapitalization, merger, plan of share exchange, reorganization, sale of assets, liquidation or otherwise and for the purpose of votes, approvals and consents by shareholders of the Company ("Shareholders"), and for the purpose of notices to Shareholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other person, whether or not the Company shall have notice thereof, save as expressly required by the laws of Pennsylvania.

### **3.5 REPLACEMENT.**

Upon the presentation to the Company of a proper affidavit attesting the loss, destruction or mutilation of any certificate for Shares, the Board shall direct the issuance of a new certificate to replace the certificate so alleged to be lost, destroyed or mutilated. The Board may require as a condition precedent to the issuance of a new certificate a bond or agreement of indemnity, in such form and amount, and with such sureties as the Board may direct or approve.

## **IV. SHAREHOLDERS**

### **4.1 MEETINGS.**

Meetings of Shareholders shall be held at the principal office of the Company or at such other place as determined by the Board and stated in the notice of meeting. The annual meeting of Shareholders shall be held on the first Monday of March at 10:30 o'clock in the morning. Directors shall be elected at each annual meeting and such other business transacted as may come before the meeting. Special meetings of Shareholders may be called by the Board, the CEO (if such office is filled), the President or any Director, and shall be called by the Secretary at the written request of Shareholders holding a majority of the outstanding Shares and entitled to vote. The request shall state the purpose or purposes for which the meeting is to be called.

### **4.2 NOTICE.**

Except as otherwise provided by statute or the Articles, written notice of the time, place and purposes of a meeting of Shareholders shall be given not fewer than ten nor more than 60 days before the date of the meeting to each Shareholder of record entitled to vote at the meeting, either personally or by mailing such notice to his last address as it appears on the books of the Company. No notice need be given of an adjourned meeting of the Shareholders provided the time and place to which such meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting a notice of the adjourned meeting shall be given to each Shareholder of record on the new record date entitled to notice as provided in this Bylaw.

#### **4.3 DATES.**

The Board may fix in advance a date as the record date for the purpose of determining Shareholders entitled to notice of and to vote at a meeting of Shareholders or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purpose of determining Shareholders entitled to receive payment of a dividend or allotment of a right, or for the purpose of any other action. The date fixed shall not be more than 60 nor less than ten days before the date of the meeting, nor more than 60 days before any other action. In such case only such Shareholders as shall be Shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or adjournment thereof, or to express consent or to dissent from such proposal, or to receive payment of such dividend or to receive such allotment of rights, or to participate in any other action, as the case may be, notwithstanding any transfer of any stock on the books of the Company, or otherwise, after any such record date. Nothing in this Bylaw shall affect the rights of a Shareholder and his transferee or transferor as between themselves.

#### **4.4 LISTS.**

The Secretary of the Company or the agent of the Company having charge of the stock transfer records for Shares shall make and certify a complete list of the Shareholders entitled to vote at a Shareholders' meeting or any adjournment thereof. The list shall be arranged alphabetically within each class and series, with the address of, and the number of Shares held by, each Shareholder, be available for inspection by shareholders at the offices of the Company at least five days prior to the date of such meeting, be produced at the meeting, be subject to inspection by any Shareholder during the meeting, and be prima facie evidence of the Shareholders entitled to examine the list or vote.

#### **4.5 QUORUM.**

Unless a greater or lesser quorum is required in the Articles or by the laws of Pennsylvania, the Shareholders present at a meeting in person or by proxy who, as of the record date for such meeting, were holders of a majority of the outstanding Shares entitled to vote at the meeting shall constitute a quorum. Whether or not a quorum is present, a meeting of Shareholders may be adjourned by a vote of the Shares present in person or by proxy. When the holders of a class or series of Shares are entitled to vote separately on an item of business, this Bylaw applies in determining the presence of a quorum of such class or series for transaction of such item of business.

#### **4.6 PROXIES.**

A Shareholder entitled to vote at a meeting of Shareholders or to express consent or dissent without a meeting may authorize other persons to act for the Shareholder by proxy. A proxy shall be signed by the Shareholder or the Shareholder's authorized agent or representative.

#### **4.7 VOTING.**

Each outstanding Share is entitled to one vote on each matter submitted to a vote, unless otherwise provided in the Articles. When an action, other than the election of directors, is to be taken by a vote of the Shareholders, it shall be authorized by a majority of the votes cast by the holders of Shares entitled to vote thereon, unless a greater vote is required by the Articles or by the laws of Pennsylvania. Except as otherwise provided by the Articles, directors shall be elected by a plurality of the votes cast at any election.

**V.**  
**DIRECTORS**

**5.1 NUMBER.**

The business and affairs of the Company shall be managed by a Board of one director. No director need be a resident of Pennsylvania or Maryland or a Shareholder.

**5.2 TENURE.**

Directors shall be elected at each annual meeting of the Shareholders, each to hold office until the next annual meeting of Shareholders and until the director's successor is elected and qualified, or until the director's resignation or removal. A director may resign by written notice to the Company. The resignation is effective upon its receipt by the Company or a subsequent time as set forth in the notice of resignation. A director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the Shares entitled to vote at an election of directors.

**5.3 VACANCIES.**

Vacancies in the Board occurring by reason of death, resignation, removal, increase in the number of directors or otherwise shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board, unless filled by proper action of the Shareholders. Each person so elected shall be a director for a term of office continuing only until the next election of directors by the Shareholders. A vacancy that will occur at a specific date, by reason of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the newly elected director may not take office until the vacancy occurs.

**5.4 MEETINGS.**

The Board shall meet each year immediately after the annual meeting of the Shareholders, or within three days of such time excluding Sundays and legal holidays if such later time is deemed advisable, at the place where such meeting of the Shareholders has been held or such other place as the Board may determine, for the purpose of election of officers and consideration of such business that may properly be brought before the meeting; provided, that if less than a majority of the directors appear for an annual meeting of the Board the holding of such annual meeting shall not be required and the matters which might have been taken up therein may be taken up at any later special or annual meeting, or by consent resolution. Regular meetings of the Board may be held at such times and places as the majority of the directors may from time to time determine at a prior meeting or as shall be directed or approved by the vote or written consent of all directors. Special meetings of the Board may be called by the President and shall be called by the Secretary upon the written request of any director.

#### **5.5 NOTICES.**

No notice shall be required for annual or regular meetings of the Board or for adjourned meetings, whether regular or special. Three days' written notice shall be given for special meetings of the Board, and such notice shall state the time, place and purposes of the meeting.

#### **5.6 QUORUM.**

A majority of the Board then in office, or of the members of a committee thereof, constitutes a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the acts of the Board or of the committee, except as a larger vote may be required by the laws of Pennsylvania. A member of the Board or of a committee designated by the Board may participate in a meeting by means of conference telephone by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

#### **5.7 COMMITTEES.**

The Board may, by resolution passed by a majority of the whole Board, appoint three or more members of the Board as an executive committee to exercise all powers and authorities of the Board in management of the business and affairs of the Company, except that the committee shall not have power or authority to (a) amend the Articles; (b) adopt an agreement of merger or consolidation; (c) recommend to Shareholders the sale, lease or exchange of all or substantially all of the Company's property and assets; (d) recommend to Shareholders a dissolution of the Company or revocation of a dissolution; (e) amend these Bylaws; (f) fill vacancies in the Board; or (g) unless expressly authorized by the Board, declare a dividend or authorize the issuance of stock. The Board from time to time may, by like resolution, appoint such other committees of one or more directors to have such authority as shall be specified by the Board in the resolution making such appointments. The Board may designate one or more directors as alternate members of any committee who may replace an absent or disqualified member at any meeting thereof.

#### **5.8 DISSENT.**

A director who is present at a meeting of the Board, or a committee thereof of which the director is a member, at which action on a corporate matter is taken is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company promptly after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a written dissent with the Secretary of the Company within a reasonable time after the director has knowledge of the action.



**5.9 COMPENSATION.**

The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the Company as directors or officers.

**VI.  
PROCEDURES**

**6.1 NOTICE.**

All notices of meetings to be given to Shareholders, directors or any committee of directors may be given by mail, overnight courier, telefax or e-mail to any Shareholder, director or committee member at his last address as it appears on the books of the Company. Such notice shall be deemed to be given at the time when the same shall be mailed or otherwise dispatched.

**6.2 WAIVER.**

Notice of the time, place and purpose of any meeting of Shareholders, directors or committee of directors may be waived by mail, overnight courier, telefax or e-mail, either before or after the meeting, or in such other manner as may be permitted by the laws of Pennsylvania. Attendance of a person at any meeting of Shareholders, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except as follows:

(a) In the case of a Shareholder, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, or unless with respect to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, the Shareholder objects to considering the matter when it is presented.

(b) In the case of a director, unless he or she at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

**6.3 CONSENT.**

Any action required or permitted at any meeting of directors or committee thereof may be taken without a meeting, without prior notice and without a vote, if all directors or committee members entitled to vote thereon consent thereto in writing, before or after the action is taken. Any action required or permitted at any meeting of Shareholders may be taken without a meeting, without prior notice and without a vote, if all Shareholders entitled to vote thereon consent thereto in writing, before or after the action is taken or if such action otherwise satisfies the Articles and Pennsylvania law.

**VII.  
OFFICERS**

**7.1 NUMBER.**

The Board shall elect or appoint a President, a Secretary and a Treasurer, and may elect a Chief Executive Officer (the "CEO"), a Chief Operating Officer (the "COO"), and/or one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. Any two or more of the above offices, except those of President and Vice President, may be held by the same person. No officer shall execute or verify an instrument in more than one capacity if the instrument is required by law, the Articles or these Bylaws to be executed, acknowledged, or verified by one or more officers.

**7.2 TERM.**

An officer shall hold office for the term for which he is elected or appointed and until his successor is elected or appointed and qualified, or until his resignation or removal. An officer may resign by written notice to the Company. The resignation is effective upon its receipt by the Company or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his contract rights, if any. The appointment of an officer does not of itself create contract rights.

**7.3 VACANCIES.**

The Board may fill any vacancies in any office occurring for whatever reason.

**7.4 AUTHORITY.**

All officers, employees and agents of the Company shall have such authority and perform such duties in the conduct and management of the business and affairs of the Company as may be designated by the Board and these Bylaws.

**VIII.  
DUTIES**

**8.1 CEO.**

The CEO, if any is appointed, shall preside at all meetings of the Shareholders at which the CEO is present. The CEO shall be the chief executive officer of the Company, shall see that all resolutions of the Board are carried into effect, and shall have the general powers of supervision usually vested in the chief executive officer of a corporation. Subject to any contrary directives by the Board, the CEO shall hold (a) authority to direct (and commit) the Company's resources toward the achievement of the Company's goals, (b) authority to vote all securities or other interests of other corporations and business organizations held by the Company, and (c) any further authority as may hereafter be vested in him by the Board.

## **8.2 PRESIDENT.**

In the absence of the CEO, the President shall hold and exercise all authority ascribed to the CEO. In addition, the President shall exercise any and all authority as may be granted to him by the Board, and, subject only to the directives of the CEO, shall ensure that all resolutions of the Board are carried into effect. In the absence of the COO, the President shall also hold and exercise all authority ascribed to the COO. In the absence of the Secretary and any Assistant Secretary, the President may exercise the authority otherwise reserved to the Secretary.

## **8.3 COO.**

The COO shall be the chief operating officer of the Company. The President shall have the general powers of management usually vested in the chief operating officer of a corporation, and, subject to any contrary directives by the Board, shall hold (a) authority to supervise corporation personnel and to implement the directives of the Board, the President and the CEO, and (b) any further authority as may hereafter be vested in him by the Board.

## **8.4 VICE PRESIDENTS.**

The Vice Presidents, in order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. The Vice Presidents shall in any event assume operating responsibility for those aspects of the Company's business referenced in any specific title of the particular Vice President, and shall perform such other duties as may be delegated by the Board, the CEO, the COO or the President. In any event, any Vice President whose title includes the phrase chief financial officer shall be deemed to have been charged with the responsibility for the Company's finances, shall have been granted custody of corporate funds and securities, shall be obligated to keep full and accurate accounts of receipts and disbursements in books of the Company, and shall deposit all moneys and other value in the name and to the credit of the Company in such depositories as may be designated by the Board. Moreover, any Vice President whose title includes the phrase general counsel shall be deemed to have been charged with the responsibility for the Company's legal affairs and shall be deemed the Company's principal liaison with the Company's outside counsel and regulatory authorities.

## **8.5 SECRETARY.**

The Secretary shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the Shareholders and of the Board, and shall keep in safe custody the seal of the Company and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by the signature of the Secretary, or by the signature of the Treasurer or an Assistant Secretary. The Secretary may delegate any of the duties, powers and authorities of the Secretary to one or more Assistant Secretaries, unless such delegation is disapproved by the Board.

**8.6     TREASURER.**

Subject to the authority of any Vice President charged with the responsibility for the Company's finances, the Treasurer shall have the custody of corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books of the Company and shall deposit all moneys and other value in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall render to the President and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the Company. The Treasurer may delegate any of his or her duties, powers and authorities to one or more Assistant Treasurers unless such delegation is disapproved by the Board.

**8.7     ASSISTANTS.**

The Assistant Secretaries, in order of their seniority, shall perform the duties and exercise the powers and authorities of the Secretary in case of the Secretary's absence or disability. The Assistant Treasurers, in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform such duties as may be delegated by the Secretary and Treasurer, respectively, and also such duties as the Board may prescribe.

**IX.  
ACTIONS**

**9.1     PAYMENT.**

All checks, drafts, notes, bonds, bills of exchange and orders for payment of money of the Company may, subject to any contrary resolution adopted by the Board from time to time, be signed by the CEO, the President or any other officer as may be authorized by the Board.

**9.2     CONTRACTS.**

The Board may in any instance designate the officer and/or agent who shall have authority to execute any contract, conveyance, mortgage or other instrument on behalf of the Company, or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the CEO or President may execute the same in the name and on behalf of the Company and may affix the corporate seal thereto.

**X.  
RECORDS**

**10.1   MAINTENANCE.**

The proper officers and agents of the Company shall keep and maintain such books, records and accounts of the Company's business and affairs, minutes of the proceedings of its Shareholders, Board and committees, if any, and such stock ledgers and lists of Shareholders, as the Board shall deem advisable, and as shall be required by the laws of Pennsylvania and other states or jurisdictions empowered to impose such requirements. Books, records and minutes may be kept within or without Pennsylvania in a place which the Board shall determine.

## **10.2 RELIANCE.**

In discharging his or her duties, a director or an officer of the Company, when acting in good faith, may rely upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (a) one or more directors, officers, or employees of the Company, or of a business organization under joint control or common control, whom the director or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence, or (c) a committee of the board of which he or she is not a member if the director or officer reasonably believes the committee merits confidence. A director or officer may not rely on any information if he or she has knowledge concerning the matter that makes reliance otherwise permitted unwarranted.

## **XI. INDEMNIFICATION**

### **11.1 PERSONAL.**

Subject to all of the other provisions of this Article XI, the Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Company) by reason that the person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another entity or enterprise, against expenses (including reasonable attorneys' fees), judgments, penalties and amounts paid in settlement reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders, and, with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

## **11.2 DERIVATIVE.**

Subject to all of the provisions of this Article XI, the Company shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees) and amounts paid in settlement reasonably incurred by the person in connection with such action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders. However, indemnification shall not be made for any claim, issue or matter in which such person has been found liable to the Company unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred.

## **11.3 EXPENSES.**

To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 11.1 or 11.2 of these Bylaws, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against actual and reasonable expenses (including attorneys' fees) incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Section 11.3.

## **11.4 DEFINITIONS.**

For purposes of Sections 11.1 and 11.2, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company that imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Company or the Shareholders".

## **11.5 PARAMETERS.**

The right to indemnification conferred in this Article XI shall be a contract right, and shall apply to services of a director or officer as an employee or agent of the Company as well as in such person's capacity as a director or officer. Except as provided in Section 11.3 of these Bylaws, the Company shall have no obligations under this Article XI to indemnify any person in connection with any proceeding, or part thereof, initiated by him or her without Board authorization.

#### **11.6 DETERMINATION.**

Any indemnification under Section 11.1 or 11.2 of these Bylaws (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 11.1 or 11.2, whichever is applicable, and upon an evaluation of the reasonableness of expenses and amount paid in settlement. Such determination and evaluation shall be made in any of the following ways:

(a) By a majority vote of a quorum of the Board consisting of directors who are not parties or threatened to be made parties to such proceeding.

(b) If the quorum described in clause (a) above is not obtainable, then by a majority vote of a committee of directors duly designated by the Board and consisting solely of two or more directors who are not at the time parties or threatened to be made parties to the proceeding.

(c) By independent legal counsel in a written opinion, so long as such counsel is selected (i) by the Board or its committee in the manner prescribed in subparagraph (a) or (b), or (ii) if a quorum of the Board cannot be obtained under subparagraph (a) and a committee cannot be designated under subparagraph (b), by the Board.

(d) By the Shareholders, but Shares held by directors or officers who are parties or threatened to be made parties to the action, suit or proceeding may not be voted.

#### **11.7 PROPORTIONALITY.**

If a person is entitled to indemnification under Section 11.1 or 11.2 of these Bylaws for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Company shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

#### **11.8 ADVANCES.**

The Company may pay or reimburse the reasonable expenses incurred by a person referred to in Section 11.1 or 11.2 of these bylaws who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding if (a) the person furnishes the Company a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Section 11.1 or 11.2, (b) the person furnishes the Company a written undertaking executed to personally repay the advance if it is ultimately determined that he or she did not meet the standard of conduct, (c) the authorization of payment is made in the manner specified in Section 11.6, and (d) a determination is made that the facts then known to those making the determination would not preclude indemnification under Section 11.1 or 11.2. The undertaking shall be a general obligation of the person, but need not be secured.

#### **11.9 SCOPE.**

The indemnification or advancement of expenses provided under this Article XI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Company. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

**11.10 AGENTS.**

The Company may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Company to the fullest extent of the provisions of this Article XI with respect to the indemnification and advancement of expenses of directors and officers of the Company.

**11.11 SUCCESSION.**

The indemnification provided in this Article XI continues as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her successors.

**11.12 INSURANCE.**

The Company may buy and maintain insurance on behalf of any person who is or was a director, officer, partner, trustee, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another entity or enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Company would have power to indemnify the person against such liability under these Bylaws or the laws of Pennsylvania.

**11.13 LEGISLATION.**

Upon any change of the Pennsylvania statutory provisions relating to the subject matter of this Article XI, the indemnification to which any person shall be entitled hereunder shall be determined by such changed provisions, but only to the extent that any such change permits the Company to provide broader indemnification rights than before any such change. Subject to Section 11.14, the Board may amend these Bylaws to conform to any such changed statutory provisions.

**11.14 AMENDMENT.**

No amendment or repeal of this Article XI shall apply to any director or officer of the Company for or with respect to any prior acts or omissions of such director or officer.

**XII.  
AMENDMENT**

The Bylaws of the Company may be amended, altered or repealed, in whole or in part, by the Shareholders or by the Board at any meeting duly held in accordance with these Bylaws.



FILED IN OFFICE  
JUL 17 2003  
SECRETARY OF STATE

STATE OF ALABAMA

STATEMENT OF CHANGE OF REGISTERED AGENT OR REGISTERED OFFICE OR BOTH

CHECK ONE:  FOREIGN CORPORATION  
 DOMESTIC PROFIT CORPORATION

PURSUANT TO THE PROVISIONS OF THE ALABAMA BUSINESS CORPORATION ACT, THE UNDERSIGNED CORPORATION SUBMITS THE FOLLOWING STATEMENT FOR THE PURPOSE OF CHANGING ITS REGISTERED AGENT, ITS REGISTERED OFFICE, OR BOTH IN THE STATE OF ALABAMA.

State of Incorporation: Alabama

1. The name of the corporation:  
Bayside Alabama Healthcare Second, Inc.

2. The name of the **present** registered agent:  
Corporation Service Company

3. The street address of the **present** registered office:  
150 S. Perry Street Montgomery, AL 36104

4. The name of its **successor** registered agent:  
The Corporation Company

5. The **street address (NO PO BOX)** to which the registered office is to be changed (**street address of registered agent and registered office must be identical**):  
2000 Interstate Park Drive, Suite 204, Montgomery, Alabama 36109  
Street Number, Street Name City, State and Zip Code

6. **If you are changing the street address of the registered agent, you are required to notify the corporation in writing of the change in the registered agent's address.**

7. Date: 7-15-03

Bayside Alabama Healthcare Second, Inc.  
Name of Corporation

**\$5 Filing Fee**

Michael E. Jones Vice President  
Type or Print Corporate Officer's Name and Title

/s/ Michael E. Jones  
Signature of Officer

I, The Corporation Company, consent to serve as registered agent to the above named corporation on this the 15th day of July, 2003  
  
The Corporation Company  
  
/s/ Michael E. Jones  
Signature or Registered Agent  
Michael E. Jones  
Assistant Secretary

MAIL ORIGINAL APPLICATION WITH THE FILING FEE OF \$5.00 To:  
SECRETARY OF STATE, CORPORATIONS DIVISION, PO Box 5616, MONTGOMERY, ALABAMA 36103-5616

RECEIVED  
JUL 17 2003  
SECRETARY OF STATE

STATE OF ALABAMA

FOR-PROFIT CORPORATION

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION

THIS FORM MAY BE USED TO:

- CHANGE THE CORPORATE TITLE
- CHANGE THE PERIOD OF DURATION
- CHANGE, ENLARGE OR DIMINISH CORPORATE PURPOSES
- INCREASE OR DECREASE AUTHORIZED CAPITAL STOCK
- EXCHANGE, CLASSIFY, RECLASSIFY OR CANCEL SHARES OF STOCK

INSTRUCTIONS

STEP 1: IF CHANGING THE CORPORATION'S NAME, CONTACT THE OFFICE OF THE SECRETARY OF STATE AT (334) 242-5324 TO RESERVE A CORPORATE NAME.

STEP 2: FILE THE ORIGINAL ONE COPY IN THE COUNTY WHERE THE ORIGINAL ARTICLES OF INCORPORATION ARE FILED (IF THE AMENDMENT CHANGES THE NAME, THE CERTIFICATE OF NAME RESERVATION MUST BE ATTACHED). IF CHANGING THE NAME, THE SECRETARY OF STATE'S FILING FEE IS \$20.

PURSUANT TO THE PROVISIONS OF THE ALABAMA BUSINESS CORPORATION ACT, THE UNDERSIGNED HEREBY ADOPTS THE FOLLOWING ARTICLES OF AMENDMENT.

Article I The name of the corporation.
Bayside Alabama Healthcare Associates, Inc.

Article II The following amendment was adopted in the manner provided for by the Alabama Business Corporation Act.
Bayside Alabama Healthcare Second, Inc.

Article III The amendment was adopted by the shareholders or directors in the manner prescribed by law on March 7, 2000 19.

Article IV The number of shares outstanding at the time of the adoption was 100; the number of shares entitled to vote thereon was 100. (If the shares of any class are entitled to vote thereon as a class, the designation and number of outstanding shares entitled to vote thereon of each such class.)

Article V The number of shares voted for the amendment was 100 and the number of shares voted against such amendment was zero. (If no shares have been issued write a statement to that effect.)

Date: March 13, 2000

Laurence D. Rich, Vice President

The foregoing document was prepared by

Type or Print Corporate Officer's Name and Title

Name of Individual: Dykema Gossett
1577 N. Woodward Av.
Address of Individual: Suite 300
[ILLEGIBLE]

/s/ Laurence D. Rich
Signature of Officer

CERTIFIED COPY

I hereby certify this document was filed in Montgomery County, Alabama on 3/20/00 in Book Corp. 222 Page 66

State of Alabama Montgomery Co
I Certify This Document
was filed on
3/20/00 4:24:20 PM Abstract# 11515
Reese McKinney, Jr.
Judge of Probate

/s/ Reese McKinney, Jr.
Judge of Probate

Table with 2 columns: Description and Amount. Rows include Corporation Amendment (\$15.00), 1 Index Fee (\$5.00), 1 60.00 per page fee (\$0.00), and 1 Recording Fee (\$10.00).

[ILLEGIBLE]

1. Applicant: Bayside Alabama Healthcare Second, Inc.		2. The Applicant is: ( ) corporation ( ) limited liability company ( ) other _____ ( ) partnership ( ) individual ( ) sole proprietor ( ) limited liability partnership State of <u>Alabama</u> for corporation, partnership, llc or llp)	
Street Address, City and County: 900 Victor Way, Suite 350, Ann Arbor Washtenaw		State: Michigan Zip: 48108	Telephone: (734) 887-0200
3. Partnership, list names and addresses of partners:		4. Description in Writing of Mark <u>as you want it registered</u> Marshall Manor	
5. Description of Goods, Services or Business in connection with which the mark is used: Nursing Home		6. Mode or Manner in which the Mark is used in connection with the goods, services or business: Building and advertising sign	
		7. Classification: (one only) 65	8. This is a: (one only) <input type="checkbox"/> Trademark <input checked="" type="checkbox"/> Trade name <input type="checkbox"/> Service mark
9. Disclaimer (if applicable). See Instructions.		10. Consent (if applicable). See Instructions. Give name and address of owner of existing mark and attach hereto letter of consent.	
11a. Date first used anywhere and location:  _____ in _____		11b. Date first used in Alabama  _____	
12. Attached hereto are three (3) specimens or facsimiles of the Mark in use. 13. Attached hereto is the filing fee of thirty dollars payable to the Secretary of State. 14. I believe I am the owner of the Mark, a member of the firm or an officer of the corporation or association applying and no other person has the right to use such Trademark, Service Mark or Trade Name in Alabama, except as provided for in item 10 above, either in the identical form thereof or in such near resemblance thereto as might be calculated to deceive or to be mistaken therefor, § 8-12-8(a), <b>Code of Alabama, 1975</b> , as amended.			
Name and Title <u>Laurence D. Rich, Vice President</u>		Signature <u>/s/ Laurence D. Rich</u>	
COUNTY OF <u>Washtenaw</u>		STATE OF <u>Michigan</u>	
I, <u>Laurence D. Rich</u> , being first duly sworn, depose and say that I am the applicant herein, or a member of the firm or an officer of the corporation or association applying, that I have the authority to make this affidavit and verification and that I have read the above and foregoing application and know the contents thereof, and that the facts set out therein are true. I further depose and say that the three specimens or facsimiles filed herewith are true and correct.			
		Signature <u>/s/ Laurence D. Rich</u>	
Subscribed and sworn to before me this, the <u>13<sup>th</sup></u> day of <u>March</u> , <u>2000</u> .			
<b>JACQUELINE P. MARCH</b> Notary Public, Washtenaw County, MI 7-23-01 <u>My Commission Expires July 23, 2001</u>		<u>/s/ Jacqueline P. March</u> Notary Public's Signature Jacqueline P. March	
My Commission expires:			

[ILLEGIBLE]

1. Applicant:  Bayside Alabama Healthcare Second, Inc.	2. The Applicant is: ( ) corporation ( ) limited liability company ( ) other _____ ( ) partnership ( ) individual ( ) sole proprietor ( ) limited liability partnership State of <u>Alabama</u> for corporation, partnership, llc or llp)	
Street Address, City and County: 900 Victor Way, Suite 350, Ann Arbor Washtenaw	State: Michigan  Zip: 48108	Telephone:  (734) 887-0200
3. Partnership, list names and addresses of partners:	4. Description in Writing of Mark <u>as you want it registered</u> Ridgewood Healthcare Center	
5. Description of Goods, Services or Business in connection with which the mark is used: Nursing Home	6. Mode or Manner in which the Mark is used in connection with the goods, services or business: Building and advertising sign	
	7. Classification: (one only)  65	8. This is a: (one only) <input type="checkbox"/> Trademark <input checked="" type="checkbox"/> Trade name <input type="checkbox"/> Service mark
9. Disclaimer (if applicable). See Instructions.	10. Consent (if applicable). See Instructions. Give name and address of owner of existing mark and attach hereto letter of consent.	
11a. Date first used anywhere and location:  _____ in _____	11b. Date first used in Alabama  _____	
12. Attached hereto are three (3) specimens or facsimiles of the Mark in use. 13. Attached hereto is the filing fee of thirty dollars payable to the Secretary of State. 14. I believe I am the owner of the Mark, a member of the firm or an officer of the corporation or association applying and no other person has the right to use such Trademark, Service Mark or Trade Name in Alabama, except as provided for in item 10 above, either in the identical form thereof or in such near resemblance thereto as might be calculated to deceive or to be mistaken therefor, § 8-12-8(a), <b>Code of Alabama, 1975</b> , as amended.		
Name and Title <u>Laurence D. Rich, Vice President</u>	Signature <u>/s/ Laurence D. Rich</u>	
COUNTY OF <u>Washtenaw</u>	STATE OF <u>Michigan</u>	
I, <u>Laurence D. Rich</u> , being first duly sworn, depose and say that I am the applicant herein, or a member of the firm or an officer of the corporation or association applying, that I have the authority to make this affidavit and verification and that I have read the above and foregoing application and know the contents thereof, and that the facts set out therein are true. I further depose and say that the three specimens or facsimiles filed herewith are true and correct.		
		Signature <u>/s/ Laurence D. Rich</u>
Subscribed and sworn to before me this, the <u>13<sup>th</sup></u> day of <u>March</u> , <u>2000</u> . <div style="text-align: center;"> <b>JACQUELINE P. MARCH</b>  <b>Notary Public, Washtenaw County, MI</b>  <b>My Commission Expires July 23, 2001</b> </div>		
<u>7-23-01</u> My Commission expires:	<u>/s/ Jacqueline P. March</u> Notary Public's Signature Jacqueline P. March	

[ILLEGIBLE]

1. Applicant:  Bayside Alabama Healthcare Second, Inc.	2. The Applicant is: ( ) corporation ( ) limited liability company ( ) other _____ ( ) partnership ( ) individual ( ) sole proprietor ( ) limited liability partnership State of Alabama _____ for corporation, partnership, llc or llp)
Street Address, City and County: 900 Victor Way, Suite 350, Ann Arbor Washtenaw	State: Michigan  Telephone:  Zip: 48108  (734) 887-0200
3. Partnership, list names and addresses of partners:	4. Description in Writing of Mark <u>as you want it registered</u> Terrace Lake
5. Description of Goods, Services or Business in connection with which the mark is used: Nursing Home	6. Mode or Manner in which the Mark is used in connection with the goods, services or business: Building and advertising sign
9. Disclaimer (if applicable). See Instructions.	7. Classification: (one only)  65
10. Consent (if applicable). See Instructions. Give name and address of owner of existing mark and attach hereto letter of consent.	8. This is a: (one only) <input type="checkbox"/> Trademark <input checked="" type="checkbox"/> Trade name <input type="checkbox"/> Service mark
11a. Date first used anywhere and location:  _____ in _____	11b. Date first used in Alabama  _____
12. Attached hereto are three (3) specimens or facsimiles of the Mark in use. 13. Attached hereto is the filing fee of thirty dollars payable to the Secretary of State. 14. I believe I am the owner of the Mark, a member of the firm or an officer of the corporation or association applying and no other person has the right to use such Trademark, Service Mark or Trade Name in Alabama, except as provided for in item 10 above, either in the identical form thereof or in such near resemblance thereto as might be calculated to deceive or to be mistaken therefor, § 8-12-8(a), <b>Code of Alabama, 1975</b> , as amended.	
Name and Title <u>Laurence D. Rich, Vice President</u>	Signature <u>/s/ Laurence D. Rich</u>
COUNTY OF <u>Washtenaw</u>	STATE OF <u>Michigan</u>
I, <u>Laurence D. Rich</u> , being first duly sworn, depose and say that I am the applicant herein, or a member of the firm or an officer of the corporation or association applying, that I have the authority to make this affidavit and verification and that I have read the above and foregoing application and know the contents thereof, and that the facts set out therein are true. I further depose and say that the three specimens or facsimiles filed herewith are true and correct.	
Signature <u>/s/ Laurence D. Rich</u>	
Subscribed and sworn to before me this, the <u>13<sup>th</sup></u> day of <u>March</u> , <u>2000</u> . <div style="text-align: center;"> <b>JACQUELINE P. MARCH</b>  <b>Notary Public, Washtenaw County, MI</b>  <b>My Commission Expires July 23, 2001</b> </div>	
7-23-01 My Commission expires:	<u>/s/ Jacqueline P. March</u> Notary Public's Signature Jacqueline P. March

STATE OF ALABAMA

I, **Jim Bennett, Secretary of State of the State of Alabama**, having custody of the Great and Principal Seal of said State, do hereby certify that

pursuant to the provisions of Section 10-2B-4.02, Code of Alabama 1975, and upon an examination of the corporation records on file in this office, the following corporate name is reserved as available:

Bayside Alabama Healthcare Second, Inc.

This domestic corporation name is proposed to be incorporated in Montgomery County and is for the exclusive use of Ethleen Bazzell, PO Box 2069, Birmingham, AL 36102-2069 for a period of one hundred twenty days beginning March 16, 2000 and expiring July 15, 2000.



**In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the City of Montgomery, on this day.**

March 16, 2000

**Date**

/s/ Jim Bennett

**Jim Bennett**

**Secretary of State**

---

ARTICLES OF INCORPORATION  
OF  
BAYSIDE ALABAMA HEALTHCARE ASSOCIATES, INC.

To the Probate Judge  
County of Montgomery  
State of Alabama

The undersigned does hereby act as incorporator in adopting the following Articles of Incorporation for the purpose of organizing a business corporation, pursuant to the provisions of the Alabama Business Corporation Act.

FIRST: The corporate name for the corporation (hereinafter called the "corporation") is Bayside Alabama Healthcare Associates, Inc.

SECOND: The number of shares the corporation is authorized to issue is 1,000, all of which are of a par value of one dollar each, are of the same class, and are common shares.

THIRD: The street address of the initial registered office of the corporation in the State of Alabama is c/o CSC-Lawyers Incorporating Service Incorporated, 57 Adams Avenue, Montgomery, Alabama 36104-4045. The county in which the said registered office is located is the County of Montgomery. The name of the initial registered agent of the corporation at the said registered office is CSC-Lawyers Incorporating Service Incorporated.

FOURTH: The name and address of the incorporator is Stuart D. Logan, Esq., Dykema Gossett PLLC, 1577 N. Woodward Avenue, Suite 300, Bloomfield Hills, Michigan 48304-2820.

FIFTH: The individual who is to serve as the sole initial director of the corporation is Essel W. Bailey, Jr., Mr. Bailey's address is 900 Victor's Way, Suite 350, Ann Arbor, Michigan 48108.

SIXTH: The purposes for which the corporation is organized are to transact any lawful business for which corporations may be incorporated under the Alabama Business Corporation Act.

SEVENTH: The corporation shall, to the fullest extent permitted by the provisions of the Alabama Business Corporation Act, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said provisions from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said provisions, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

---

EIGHTH: The personal liability of the directors of the corporation is hereby eliminated to the fullest extent permitted by the provisions of the Alabama Business Corporation Act, as the same may be amended and supplemented.

NINTH: Subject to the limitations of the Constitution of the State of Alabama, as the same may be amended and supplemented, whenever any provision of the Alabama Business Corporation Act, as the same may be amended and supplemented, shall otherwise require for the taking of any shareholders' action the affirmative vote of at least a two-thirds proportion of the votes entitled to be cast by any voting group of shareholders, the affirmative vote of a majority of the votes entitled to be cast by that voting group shall be sufficient for the taking of that action.

TENTH: The duration of the corporation shall be perpetual.

Signed on this 23rd day of February, 2000.

/s/ Stuart D. Logan  
Stuart D. Logan, Incorporator

The foregoing Articles of Incorporation of  
was prepared by

Name of Individual: Stuart D. Logan, Esq.  
Address of Individual: Dykema Gossett PLLC  
1577 N. Woodward Avenue, Suite 300  
Bloomfield Hills, Michigan 48304-2820

State of Alabama Montgomery Co.  
I Certify This Document  
was filed on  
2/24/00 2:14:37 PM Abstract # 11077  
Reese McKinney, Jr.  
Judge of Probate

**CERTIFIED COPY**

I hereby certify this document was filed in  
Montgomery County, Alabama on 2/24/00 in

**Book** Corp 221  
**Page** 625  
/s/ Reese McKinney,  
Jr.  
**Judge of Probate**

Corporation Profit	\$40.00
1 Index Fee	\$ 5.00
2 00.00per page fee	\$ 0.00



**CORPORATION**  
**STATEMENT OF CHANGE**  
**OF**  
**KNOWN PLACE OF BUSINESS OR STATUTORY AGENT**

NOTE. It is critical that the Corporation Commission receive information about the existing (old) official address and/or agent data as well as the new address or agent data. Please check with our Records section, (602) 542-3026 or our web site, [www.cc.state.az.us/corp](http://www.cc.state.az.us/corp) to obtain the correct information.

1. The exact name of the corporation on file with the Arizona Corporation Commission (ACC) is:

[Company] \_\_\_\_\_

2. The ACC file number is [Number] \_\_\_\_\_

3. The known place of business currently (old) on file with the ACC is:

9690 Deereco Blvd. Ste. 100 \_\_\_\_\_

Timonium, MD 21093-6991 \_\_\_\_\_

4. The name and address of the current statutory agent on file with the ACC is:

Corporation Service Company \_\_\_\_\_

818 E. Osborn Rd. \_\_\_\_\_

Phoenix, AZ 85014 \_\_\_\_\_

(A)  The known place of business in ARIZONA is to be changed. The street address of the new (now, or in the near future) known place of business is:

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

(B)  Foreign corporations only:  
The known place of business in the State or Country in which the corporation was incorporated is to be changed. The new foreign address is:

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

5. Indicate which address the Annual Report should be mailed to: 4(A) \_\_\_\_\_ 4(B) \_\_\_\_\_

RECEIVED  
JUL 17 2003

ARIZONA CORP. COMMISSION  
CORPORATIONS DIVISION

6. (A)  The statutory agent in ARIZONA is to be changed. The name and address of the new statutory agent is:

C T Corporation System  
\_\_\_\_\_  
c/o C T Corporation System, 3225 North Central Avenue, Phoenix, Arizona 85012  
\_\_\_\_\_  
\_\_\_\_\_

(B)  The address of the statutory agent in ARIZONA is to be changed. The new address of the statutory agent is:

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

and the statutory agent has given the Corporation written notice of this change.

**If the agent has a P.O. box, then they must also provide a physical location/address where service of process on the corporation can occur. Also, personal mail boxes (PMB) are unacceptable for a physical address, but fine for a mailing address.**

DATED this 15th day of July, 2003

[Name] \_\_\_\_\_  
[Name of Corporation]

By /s/ Michael E. Jones

Michael E. Jones Vice President  
[Name] [Title]

[Statutory Agent]\*

\*(Statutory Agent must sign only if changing address.)

**Acceptance of Appointment  
By Statutory Agent\*\***

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named corporation effective this 15th day of July, 2003

Signature: By: /s/ Linda Tyndell  
Linda Tyndell Asst Sec

Printed Name: C T Corporation System

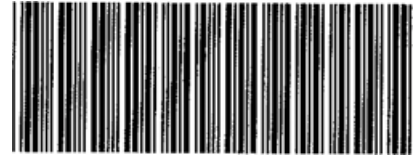
\*\* (required only if a new statutory agent is being appointed)

PLEASE NOTE: IF THIS STATEMENT INCLUDES AN *AGENT'S STATEMENT OF RESIGNATION*, THEN YOU MUST ENCLOSE A FILING FEE OF \$10.00 (U.S.) MADE PAYABLE TO THE ARIZONA CORPORATION COMMISSION.

RECEIVED  
JUL 17 2003

ARIZONA CORP. COMMISSION  
CORPORATIONS DIVISION

Hold for Pickup by  
Corporation Service Company



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL  
00-0194291 03/15/00 12:12

OSCAR 9 OF 12

FICTITIOUS NAME CERTIFICATE

To the County Recorder  
County of

Pursuant to the provisions of 44-1236, Arizona Revised Statutes, the corporation hereinafter named has caused the following to be certified:

1. The name of the corporation is [Company].
2. The address of the corporation is 900 Victors Way, Suite 350, Ann Arbor, Michigan 48108.
3. The corporation is incorporated under the laws of the State of Arizona and is authorized to transact business in the State of Arizona.
4. The corporation is conducting business under the following fictitious name or designation: [Name].

Dated: 3-10-00

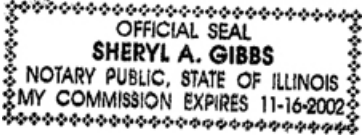
Corporation Service Company

By: /s/ Laura Mudra  
Title: ASSISTANT SECRETARY

---

STATE OF )  
 ) SS.:  
COUNTY OF )

The foregoing instrument was acknowledged before me this 10 day of March, 00 by , President of [insert name of corporate statutory agent], a [insert name of state or place of incorporation] on behalf of [insert name of corporation].



/s/ [ILLEGIBLE]  
Notary Public  
Commission expires: 11-16-2002

[notarial seal]

[insert serial number, if any]

---

Hold for Pickup by  
Corporation Service Company



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL  
00-0194292 03/15/00 12:12

OSCAR 10 OF 12

FICTITIOUS NAME CERTIFICATE

To the County Recorder  
County of

Pursuant to the provisions of 44-1236, Arizona Revised Statutes, the corporation hereinafter named has caused the following to be certified:

1. The name of the corporation is [Company].
2. The address of the corporation is 900 Victors Way, Suite 350, Ann Arbor, Michigan 48108.
3. The corporation is incorporated under the laws of the State of Arizona and is authorized to transact business in the State of Arizona.
4. The corporation is conducting business under the following fictitious name or designation: [Name]

Dated: 3-10-00

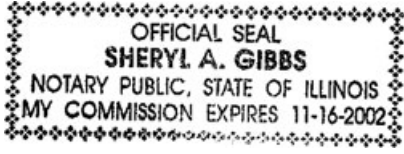
Corporation Service Company

By: /s/ Laura Mudra  
Title: ASSISTANT SECRETARY

---

STATE OF )  
 ) SS.:  
COUNTY OF )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of March 00 by , President of [insert name of corporate statutory agent], a [insert name of state or place of incorporation] on behalf of [insert name of corporation].



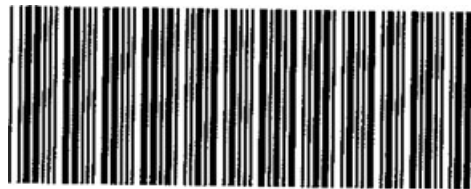
/s/ [ILLEGIBLE]  
\_\_\_\_\_  
Notary Public  
Commission expires: 11-16-2002

[notarial seal]

[insert serial number, if any]

---

Hold for Pickup by  
Corporation Service Company



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL

FICTITIOUS NAME CERTIFICATE

00-0194289

03/15/00

12:12

OSCAR

7 OF 12

To the County Recorder  
County of

Pursuant to the provisions of 44-1236, Arizona Revised Statutes, the corporation hereinafter named has caused the following to be certified:

1. The name of the corporation is [Company].
2. The address of the corporation is 900 Victors Way, Suite 350, Ann Arbor, Michigan 48108.
3. The corporation is incorporated under the laws of the State of Arizona and is authorized to transact business in the State of Arizona.
4. The corporation is conducting business under the following fictitious name or designation: [Name]

Dated: 3-10-00

Corporation Service Company

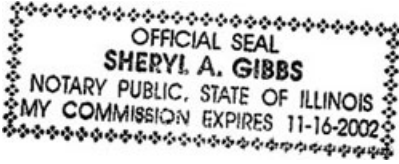
By:           /s/ [ILLEGIBLE]          

Title: ASSISTANT SECRETARY

---

STATE OF )  
 ) SS.:  
COUNTY OF )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of March, 00 by \_\_\_\_\_, President of [insert name of corporate statutory agent], a [insert name of state or place of incorporation] on behalf of [insert name of corporation].



/s/ [ILLEGIBLE]  
\_\_\_\_\_  
Notary Public  
Commission expires: 11-16-2002

[notarial seal]

[insert serial number, if any]

---



Hold for Pickup by  
Corporation Service Company



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL

00-0194290 03/15/00 12:12

OSCAR 8 OF 12

FICTITIOUS NAME CERTIFICATE

To the County Recorder  
County of

Pursuant to the provisions of 44-1236, Arizona Revised Statutes, the corporation hereinafter named has caused the following to be certified:

1. The name of the corporation is [Company].
2. The address of the corporation is 900 Victors Way, Suite 350, Ann Arbor, Michigan 48108.
3. The corporation is incorporated under the laws of the State of Arizona and is authorized to transact business in the State of Arizona.
4. The corporation is conducting business under the following fictitious name or designation: [Name]

Dated: 3-10-00

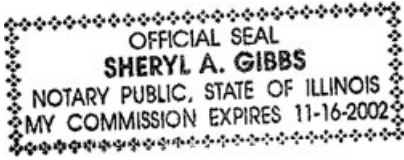
Corporation Service Company

By:           /s/ [ILLEGIBLE]            
Title: ASSISTANT SECRETARY

---

STATE OF )  
 ) SS.:  
COUNTY OF )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of March, 00 by \_\_\_\_\_, President of [insert name of corporate statutory agent], a [insert name of state or place of incorporation] on behalf of [insert name of corporation].



/s/ [ILLEGIBLE]  
\_\_\_\_\_  
Notary Public  
Commission expires: 11-16-2002

[notarial seal]

[insert serial number, if any]

---

STATE OF ARIZONA



---

Office of the  
**CORPORATION COMMISSION**

---

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

\*\*\*[Company] \*\*\*

a domestic corporation organized under the laws of the state of Arizona, did incorporate on [Date].

I further certify that this corporation has filed all affidavits and annual reports and paid all filing fees required to date and, therefore, is in good standing in this state.

*IN WITNESS WHEREOF, I have hereunto  
set my hand and affixed the official seal  
of the Arizona Corporation Commission.  
Done at Phoenix, the Capitol, this  
1st day of March, 2000, A. D.*

/s/ Brian C. McNeil

---

**Executive Secretary**

BY: /s/ Margarita Wright

---



ARIZONA CORPORATION COMMISSION  
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington  
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress  
Tucson, Arizona 85701-1347

PROFIT  
CERTIFICATE OF DISCLOSURE  
A.R.S. §10-202.D

\_\_\_\_\_  
[Company]  
EXACT CORPORATE NAME

A. Has any person serving either by election or appointment as officer, director, trustee, incorporator and persons controlling or holding over 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:

1. Been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
2. Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
3. Been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate, wherein such injunction, judgment, decree or permanent order:
  - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction?; or
  - (b) Involved the violation of the consumer fraud laws of that jurisdiction?; or
  - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes  No

B. IF YES, the following information MUST be attached:

1. Full name, prior name(s) and aliases, if used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

C. [ILLEGIBLE] any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity or held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any corporation which has been placed in [ILLEGIBLE] receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

Yes  No

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name (including aliases) and address of each person involved.
3. State(s) in which the corporation:
  - (a) Was incorporated. (b) Has transacted business.
4. Dates of corporate operation.
5. Date and case number of Bankruptcy or date of revocation/administrative dissolution.

D. The fiscal year end adopted by the corporation is December 31

Under penalties of law, the undersigned incorporator(s)/officer(s) declare(s) that I (we) have examined this Certificate, including any attachments, and to the best of my (our) knowledge and belief it is true, correct and complete and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY /s/ Stuart D. Logan

BY \_\_\_\_\_

PRINT NAME Stuart D. Logan

PRINT NAME \_\_\_\_\_

TITLE Incorporator DATE 02/23/00

TITLE \_\_\_\_\_ DATE \_\_\_\_\_

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days, any person becomes an officer, director, trustee or person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary,

beneficial, or membership interest in the corporation and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by at [ILLEGIBLE] duly authorized officer of the corporation.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

---

AZ. CORP. COMMISSION  
FILED

FEB 24 2000

TERM /s/ Margarita Wright  
DATE 02|24|00

ARTICLES OF INCORPORATION  
OF  
[Company]

The undersigned individual does hereby act as incorporator for the purpose of organizing a business corporation, pursuant to the provisions of Chapters 1 through 17 of Title 10, Arizona Revised Statutes.

FIRST: The corporate name for the corporation (hereinafter called the "corporation") is [Company].

SECOND: The number of shares the corporation is authorized to issue is 1,000, all of which are common shares without par value.

THIRD: A brief statement of the character of business that the corporation initially intends actually to conduct in the State of Arizona is the provision of continuing-care accommodations to the elderly and infirm.

FOURTH: The individual who is to serve as the sole initial director of the corporation is David Stover. Mr. Stover's address is 900 Victor's Way, Suite 350, Ann Arbor, MI 48108.

FIFTH: The name and the street address of the corporation's statutory agent, and the street address of the known place of business for the corporation in the State of Arizona, are Corporation Service Company, 3636 North Central Avenue, Phoenix, Arizona 85012.

SIXTH: The name and the address of the incorporator is Stuart D. Logan, Esq., Dykema Gossett PLLC, 1577 N. Woodward Avenue, Suite 300, Bloomfield Hills, Michigan 48304-2820.

SEVENTH: To the fullest extent permitted by the provisions of the Arizona Revised Statutes as the same exist or may hereafter be amended, the corporation shall indemnify any and all persons whom it shall have power to indemnify from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said provisions.

EIGHTH: To the fullest extent permitted by the provisions of the Arizona Revised Statutes as the same exist or may hereafter be amended, a director of the corporation shall not be liable to the corporation or its shareholders for monetary damages for any action taken or any failure to take any action as a director. No repeal, amendment, or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or omission of a director of the corporation occurring prior to such repeal, amendment, or modification.

---

Signed on this 23rd day of February, 2000.

/s/ Stuart D. Logan  
Stuart D. Logan Incorporator

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named corporation.

CORPORATION SERVICE COMPANY

By: /s/ Shanna Pownall

Shanna Pownall  
Assistant Vice President

**STATEMENT OF CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT, OR BOTH**

Form 150 Revised October 1, 2002  
Filing fee: **\$5.00**  
Deliver 3\* copies to: Colorado Secretary of State  
Business Division, 1560 Broadway, Suite 200  
Denver, CO 80202-5169  
This document must be typed or machine printed  
Copies of filed documents may be obtained at [www.sos.state.co.us](http://www.sos.state.co.us)

**FILED - CUSTOMER COPY**  
**DONETTA DAVIDSON**  
**COLORADO SECRETARY OF STATE**  
20031229878 C  
\$ 55.00  
SECRETARY OF STATE  
07-17-2003 11:28:10

ABOVE SPACE FOR OFFICE USE ONLY

Pursuant to Title 7 and part 3 of article 90 of title 7, Colorado Revised Statutes (C.R.S.), the following statement is delivered to the Colorado Secretary of State for filing.

1. The name of the entity is: [Company]  
*(must be exactly as shown on the records of the Secretary of State)*

organized under the laws of Colorado *(state or country of origin)*

2. If above entity is foreign, the assumed entity name, if any, currently using in Colorado: \_\_\_\_\_

3. The street address of its *current* registered office *(according to the existing records of the Secretary of State)* is: 1560 Broadway Denver CO 80202

4. If the registered office address is to be changed, the street address of the new registered office is: 1675 Broadway, Denver, Colorado 80202

*(must be a street or other physical address in Colorado) If mail is undeliverble to this address, ALSO include a post office box address:*

5. The name of its *current* registered agent *(according to the existing records of the Secretary of State)* is: Corporation Service Company

6. If the registered agent is to be changed, the name of the new registered agent is: \_\_\_\_\_  
The Corporation Company

7. If the registered agent is changing the street address of the registered agent's business address, notice of the change has been given to the above named entity.

8. The street addresses of its registered office and of the business office of its registered agent, as changed, will be identical.

9. (Optional) Address of its principal place of business is: \_\_\_\_\_ and if changed, the new address of its principal place of business is: \_\_\_\_\_

10. The (a) name or names, and (b) mailing address or addresses, of any one or more of the individuals who cause this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, are: Michael Milam  
Munsch Hardt Kopf and Harr 1445 Ross Avenue Dallas, TX 75202

*Causing a document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that she document is the individual's act and deed or the act and deed of the entity on whose behalf the individual is causing the document to be delivered for filing and that the facts stated in the document are true.*

\*NOTE: If this document is changing the registered office or registered agent, the Secretary of State must deliver a copy of the document (1) to the registered office as last designated before the change and (2) to the principal office of the entity.

[ILLEGIBLE]



Secretary of State  
Corporations Section

For office use only 045

20001055974 C  
\$ 25.00  
SECRETARY OF STATE  
03-17-2000 12:47:40

MUST BE TYPED  
FILING FEE: \$10.00  
MUST SUBMIT TWO COPIES

FILED-CUSTOMER COPY  
DONETTA DAVIDSON  
COLORADO SECRETARY OF STATE

Please include a typed  
self-addressed envelope

DPC – 2000 103 8731

CERTIFICATE OF  
ASSUMED OR TRADE NAME

[Company] \_\_\_\_\_, a corporation, limited partnership or limited liability company under the laws of Colorado, being desirous of transacting a portion of its business under an assumed or trade name as permitted by 7-71-101, Colorado Revised Statutes, hereby certifies:

- The location of its principal office is: 900 Victors Way, Suite 350, Ann Arbor, MI 48108  
\_\_\_\_\_  
(Include city, state, zip)
- The name, other than its own, under which business is carried on is: [Name]  
\_\_\_\_\_
- A brief description of the kind of business transacted under such assumed or trade name is: nursing home  
\_\_\_\_\_

Limited Partnership or Limited Liability Companies complete this section	Corporations complete this section
Name of Entity _____	Name of Corporation _____
by _____	by <u>/s/ Laurence D. Rich</u>
Signature	Signature Laurence D. Rich
_____	Its <u>VP</u> Title
Title, General Partner or Manager	_____



Revised 7/95

Secretary of State  
Corporations Section

For office use only 045

20001053124 C  
\$ 25.00  
SECRETARY OF STATE  
03-14-2000 14:47:56

**MUST BE TYPED**  
**FILING FEE: \$10.00**  
**MUST SUBMIT TWO COPIES**

**FILED-CUSTOMER COPY**  
**DONETTA DAVIDSON**  
**COLORADO SECRETARY OF STATE**

Please include a typed  
self-addressed envelope

**CERTIFICATE OF  
ASSUMED OR TRADE NAME**

[Company] \_\_\_\_\_, a corporation, limited partnership or limited liability company under the laws of Colorado, being desirous of transacting a portion of its business under an assumed or trade name as permitted by 7-71-101, Colorado Revised Statutes, hereby certifies:

1. The location of its principal office is: 900 Victors Way, Suite 350, Ann Arbor, MI  
48108  
(Include city, state, zip)
2. The name, other than its own, under which business is carried on is: [Name]
3. A brief description of the kind of business transacted under such assumed or trade name is: nursing  
home

Limited Partnership or Limited Liability Companies complete this section	Corporations complete this section
Name of Entity _____ by _____ Signature _____ Title, General Partner or Manager	Name of Corporation _____ [Company] by <u>/s/ Laurence D. Rich</u> Signature Laurence D. Rich _____ Its <u>VP</u> Title _____

Revised 7/95

**MUST BE TYPED**  
**FILING FEE: \$10.00**  
**MUST SUBMIT TWO COPIES**

Please include a typed  
self-addressed envelope

**CERTIFICATE OF  
ASSUMED OR TRADE NAME**

[Company] \_\_\_\_\_, a corporation, limited partnership or limited liability company under the laws of Colorado, being desirous of transacting a portion of its business under an assumed or trade name as permitted by 7-71-101, Colorado Revised Statutes, hereby certifies:

1. The location of its principal office is: 900 Victors Way, Suite 350, Ann Arbor, MI 48108  
\_\_\_\_\_  
(Include city, state, zip)
2. The name, other than its own, under which business is carried on is: [Name]  
\_\_\_\_\_
3. A brief description of the kind of business transacted under such assumed or trade name is: nursing home  
\_\_\_\_\_

Limited Partnership or Limited Liability Companies complete this section	Corporations complete this section
Name of Entity _____	Name of Corporation _____
by _____ Signature	by <u>/s/ Laurence D. Rich</u> Signature Laurence D. Rich
_____ Title, General Partner or Manager	Its <u>VP</u> Title _____

**MUST BE TYPED**  
**FILING FEE: \$10.00**  
**MUST SUBMIT TWO COPIES**

Please include a typed  
self-addressed envelope

**CERTIFICATE OF  
ASSUMED OR TRADE NAME**

[Company] \_\_\_\_\_, a corporation, limited partnership or limited liability company under the laws of Colorado, being desirous of transacting a portion of its business under an assumed or trade name as permitted by 7-71-101, Colorado Revised Statutes, hereby certifies:

1. The location of its principal office is: 900 Victors Way, Suite 350, Ann Arbor, MI  
48108  
(Include city, state, zip)
2. The name, other than its own, under which business is carried on is: [Name]
3. A brief description of the kind of business transacted under such assumed or trade name is: nursing home

Limited Partnership or Limited Liability Companies complete this section	Corporations complete this section
Name of Entity	Name of Corporation
_____	[Company]
by _____ Signature	by <u>/s/ Laurence D. Rich</u> Signature Laurence D. Rich
_____ Title, General Partner or Manager	Its <u>VP</u> _____ Title

ARTICLES OF INCORPORATION  
OF  
[Company]

20001038731 C  
[ILLEGIBLE]  
02-24-2000 11:05:52

The undersigned does hereby act as incorporator in adopting the following Articles of Incorporation for the purpose of organizing a business corporation, pursuant to the provisions of the Colorado Business Corporation Act.

FIRST: The corporate name for the corporation (hereinafter called the "corporation") is [Company].

SECOND: The number of shares which the corporation is authorized to issue is 1,000, all of which are without par value, are of the same class, and are common shares.

THIRD: The street address of the initial registered office of the corporation in the State of Colorado is 1560 Broadway, Denver, Colorado 80202. The name of the initial registered agent of the corporation at the said registered office is Corporation Service Company.

FOURTH: The address of the corporation's initial principal office is 900 Victor's Way, Suite 350, Ann Arbor, MI 48108.

FIFTH: The name and address of the incorporator is Stuart D. Logan, Esq., Dykema Gossett PLLC, 1577 N. Woodward Avenue, Suite 300, Bloomfield Hills, Michigan 48304-2820.

SIXTH: The purposes for which the corporation is organized are to engage in any lawful business.

SEVENTH: The corporation shall, to the fullest extent permitted by the provisions of the Colorado Business Corporation Act, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said provisions from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said provisions, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

EIGHTH: The personal liability of the directors of the corporation is eliminated to the fullest extent permitted by the provisions of the Colorado Business Corporation Act, as the same

---

may be amended and supplemented.

NINTH: The duration of the corporation shall be perpetual.

TENTH: Cumulative voting is not desired in the election of directors.

Signed on this 23rd day of February, 2000.

/s/ Stuart D. Logan  
Stuart D. Logan, Incorporator

CONSENT OF INITIAL  
REGISTERED AGENT  
TO APPOINTMENT

The undersigned person hereby consents to appointment as the initial registered agent of the corporation named in Article FIRST of the annexed Articles of Incorporation.

Corporation Service Company

By /s/ Pamela Trujillo  
Authorized Signature

[ILLEGIBLE]

DEPARTMENT OF ASSESSMENTS AND TAXATION  
 PERSONAL PROPERTY DIVISION  
 301 West Preston Street  
 Baltimore, Maryland 21201-2395  
 410-225-1170  
 MRS 1-800-735-2258 TT/VOICE  
**PERSONAL PROPERTY RETURN AS OF JANUARY 1, 1994**  
**FOR**

<b>1994</b>
Return Due Date April 15, 1994
Date Received by Department
_____
_____
<b>DAYS LATE</b>

**Check here if you use a preparer and do not want Personal Property forms mailed to you next year.**

<b>CHECK ONE</b>	<input checked="" type="checkbox"/> Type of Corporation	Filing Fee	<input type="checkbox"/> Type of Corporation	Filing Fee
	<input checked="" type="checkbox"/> Domestic Stock	\$100.00	<input type="checkbox"/> Foreign Non Stock	- 0 -
	<input type="checkbox"/> Foreign Stock	\$100.00	<input type="checkbox"/> Foreign Insurance	- 0 -
	<input type="checkbox"/> Domestic Non Stock	- 0 -	<input type="checkbox"/> Foreign Interstate	- 0 -

Make Address Corrections Here

Name of Corporation \_\_\_\_\_

Mailing Address \_\_\_\_\_

**Check here if this is a change of address**

Bayside Street, Inc.

905 W. Eisenhower Circle

Ann Arbor, MI 48103

↑      DETACH TOGETHER PAGES [ILLEGIBLE] AT PERFORATION      ↑  
 INCLUDE CORPORATE I.D. [ILLEGIBLE] ON CHECK  
 PLEASE STAPLE CHECK HERE

Type or Print       F  
 Corporate I.D. Number Here       D \_\_\_\_\_

Corporate I.D. # INSERT: D FOR DOMESTIC F FOR FOREIGN	}	→	D	3	7	8	9	9	2	2
---	---	---	---	---	---	---	---	---	---	---

**FILING FEE \$100.00**

Federal Employer Identification Number:      3      8      3      1      6      0      0      2      6

**SECTION I**

- A. Date of incorporation 12-20-93 State of incorporation Maryland
- B. Nature of business conducted in Maryland None
- C. Does the charter of the corporation authorize the issuance of capital stock? YES If yes, Include \$100 Filing Fee. (Yes or No)
- D. Does the corporation do any part of its business in the State of Maryland? NO Date began \_\_\_\_\_ (Yes or No)
- E. If answer is Yes to question D above, complete this section:  
**IMPORTANT: Show exact location of all personal property owned and used in the State of Maryland, including county, city, town, and street address. (P.O. Boxes are not acceptable). This assures proper distribution of assessments. If property is located in two or more Jurisdictions provide breakdown by locations or obtain Form 3 from the Department.**

(County) \_\_\_\_\_

\_\_\_\_\_  
 (Address, Number and Street)      (Zip Code)

**Check here if this location has changed from the 1993 return.**

Is the property located inside the limits of an incorporated town? \_\_\_\_\_ What town? \_\_\_\_\_ (Incorporated Town)  
 (Yes or No)

F. Names and addresses of officers:  
 OFFICERS

Names		Addresses
-------	--	-----------

President Essel W. Bailey, Jr.

905 W. Eisenhower Circle.  
#110

Vice-President Joseph Rzepka

Ann Arbor, MI  
48103

Sr. V.P. F. Scott Kellman

\_\_\_\_\_

Treasurer \_\_\_\_\_

\_\_\_\_\_

Names of directors:

DIRECTORS

Names

Names

\_\_\_\_\_

\_\_\_\_\_

Essel W. Bailey, Jr.

\_\_\_\_\_

Joseph Rzepka

\_\_\_\_\_

Laurie Fulkerson

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



STATE OF MARYLAND

260149

DEPARTMENT OF  
ASSESSMENTS AND TAXATION  
*301 West Preston Street Baltimore, Maryland 21201*

Charter # D 03789922

DATE: DECEMBER 22, 1993

THIS IS TO ADVISE YOU THAT THE ARTICLES OF INCORPORATION FOR BAYSIDE STREET, INC. WERE RECEIVED AND APPROVED FOR RECORD ON DECEMBER 22, 1993 AT 11:23 AM.

FEE PAID: 70.00



PAUL B. ANDERSON  
CORPORATE ADMINISTRATOR

AT5-031

---

ARTICLES OF INCORPORATION  
OF  
BAYSIDE STREET, INC.

\* \* \* \* \*

WE, THE UNDERSIGNED, Claudia L. Saari, whose post-office address is 30600 Telegraph Road, Ste. 3275, Bingham Farms, Michigan 48025, and Michael R. Dalida, whose post-office address is 30600 Telegraph Road, Ste. 3275, Bingham Farms, Michigan 48025, each being at least eighteen years of age, do, under and by virtue of the General Laws of the State of Maryland authorizing the formation of corporations, associate ourselves as incorporators with the intention of forming a corporation.

FIRST: The name of the corporation is

BAYSIDE STREET, INC.

SECOND: The purposes for which the corporation is formed are:

To engage in any or all lawful business for which corporations may be organized under the Maryland General Corporation Law.

THIRD: The post-office address of the principal office of the corporation in this State is c/o The Corporation Trust Incorporated, 32 South Street, Baltimore, Maryland 21202. The name of the resident agent of the corporation in this State is The Corporation Trust Incorporated, a corporation of this State, and the post-office address of the resident agent is 32 South Street, Baltimore, Maryland 21202.

RECEIVED

[ILLEGIBLE]

---

FOURTH: The total number of shares of stock which the corporation shall have authority to issue is ten (10) shares, all of one class, of the par value of One Dollar (\$1.00) each and of the aggregate par value of Ten Dollars (\$10.00).

FIFTH: The number of directors of the corporation shall be three (3), which may be changed in accordance with the by-laws of the corporation The names of the directors who shall act until the first annual meeting or until their successors are duly chosen and qualify are:

Essel W. Bailey

Joseph L. Rzepka

Laurie W. Fulkerson

SIXTH: The duration of the corporation shall be perpetual.

IN WITNESS WHEREOF, the undersigned incorporators of BAYSIDE STREET, INC. who executed the foregoing Articles of Incorporation hereby acknowledge the same to be their act and further acknowledge that, to the best of their knowledge the matters and facts set forth therein are true in all material respects under the penalties of perjury.

Dated the 20th day of December, 1993.

/s/ Claudia L. Saari

Claudia L. Saari, (Incorporator)

/s/ Michael R. Dalida

Michael R. Dalida, (Incorporator)

---

**CHANGE OF ADDRESS OF RESIDENT AGENT**

The Corporation Trust Incorporated hereby submits the following for the purpose of changing the address of the resident agent for the business entities on the attached list:

1. The name of the resident agent is The Corporation Trust Incorporated.

2. The old address of the resident agent is:

32 South Street  
Baltimore, Maryland 21202

3. The new address of the resident agent is:

300 East Lombard Street  
Baltimore, Maryland 21202

4. Notice of the above changes are being sent to the business entities on the attached list.

5. The above changes are effective when this document is filed with the Department of Assessments and Taxation.

/s/ Kenneth J. Uva

Kenneth J. Uva  
Assistant Secretary

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 3 page document on file in this office. DATED: 8-6-10.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: [ILLEGIBLE], Custodian

This stamp replaces our previous certification system. Effective: 6/95

STATE DEPARTMENT OF ASSESSMENTS  
AND TAXATION

APPROVED FOR RECORD

11-17-97 at 8:30 [ILLEGIBLE]

---

**RESIDENT AGENT'S NOTICE OF CHANGE OF ADDRESS**

I certify that I, \_\_\_\_\_ The Corporation Trust Incorporated \_\_\_\_\_,

am the resident agent of \_\_\_\_\_ See Attached list for entities \_\_\_\_\_  
(Name of Entity)

organized under the laws of \_\_\_\_\_ Maryland \_\_\_\_\_ . My address as resident  
(State)

agent has changed from \_\_\_\_\_ The Corporation Trust Incorporated \_\_\_\_\_  
300 East Lombard Street, Baltimore, Maryland 21201

to \_\_\_\_\_ Corporation Trust Incorporated \_\_\_\_\_  
351 West Camden Street, Baltimore, MD 21201 .

(CHECK IF APPLICABLE) The old and new addresses of the resident agent are also the old and new addresses of the principal office of this entity in Maryland.

The above named entity has been advised by me in writing of this change.

**CUST ID: 0002357233**  
**WORK ORDER: 0001800271**  
**DATE: 12-09-2009 09:54 AM**  
**AMT. PAID: \$30,000.00**

\_\_\_\_\_/s/ [ILLEGIBLE]  
Resident Agent

Mail to: State Department of Assessments & Taxation  
301 W. Preston Street  
Room 801  
Baltimore, MD 21201-2395

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 3 page document on file in this office. DATED: 8-6-10.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

By: [ILLEGIBLE], Custodian

This stamp replaces our previous certification system. Effective: 6/95



DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
03/30/2005	200508900122	DOMESTIC AGENT SUBSEQUENT APPOINTMENT (AGS)	25.00	100.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

C.T. CORPORATION SYSTEM  
17 S. HIGH STREET  
JADE HINES  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE**

Ohio Secretary of State, \_\_\_\_\_

[Number]

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

[Company]

and, that said business records show the filing and recording of:

Document(s)

**DOMESTIC AGENT SUBSEQUENT APPOINTMENT**

Document No(s):

\_\_\_\_\_



United States of America  
State of Ohio

Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus,  
Ohio this \_\_\_th day of \_\_\_\_\_, A.D. \_\_\_\_.

/s/ J. Kenneth  
Blackwell

Ohio Secretary of State

\*200432001988\*

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
[ILLEGIBLE]/15/2004	200432001988	DOMESTIC ARTICLES/FOR PROFIT (ARF)	125.00	100.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

BUCKINGHAM DOOLITTLE & BURROUGHS  
JOSHUA J RAMEY  
191 W NATIONWIDE #300  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE**

**Ohio Secretary of State, \_\_\_\_\_**

\_\_\_\_\_

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**[Company]**

and, that said business records show the filing and recording of:

Document(s):  
**DOMESTIC ARTICLES/FOR PROFIT**

Document No(s):  
\_\_\_\_\_



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus,  
Ohio this 15th day of November, A.D. 2004.

      /s/        
Ohio Secretary of State



Prescribed by J. Kenneth Blackwell

Ohio Secretary of State
Central Ohio: (614) 466-3910
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.state.oh.us/sos
e-mail: busserv@sos.state.oh.us

Expedite this Form: (Select One)

Mail Form to one of the Following:

- U Yes PO Box 1390 Columbus, OH 43216
\*\*\* Requires an additional fee of \$100\*\*\*
O No PO Box 670 Columbus, OH 43216

INITIAL ARTICLES OF INCORPORATION
(For Domestic Profit or Non-Profit)
Filing Fee \$125.00

[ILLEGIBLE STAMP]

THE UNDERSIGNED HEREBY STATES THE FOLLOWING:

(CHECK ONLY ONE (1) BOX)

Form with three columns for selecting incorporation type: (1) Profit (113-ARF), (2) Non-Profit (114-ARN), (3) Professional (170-ARP)

Section for general information including fields for Name of Corporation, Location, and Effective Date.

Section for purpose of corporation (THIRD) with multiple lines for text entry.

Section for number of shares and par value (FOURTH) with fields for No. of Shares, Type, and Par Value.



Completing the information in this section is optional

**FIFTH:** The following are the names and addresses of the individuals who are to serve as initial Directors.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) **NOTE: P.O. Box Addresses are NOT acceptable.**

\_\_\_\_\_  
(City) (State) (Zip Code)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) **NOTE: P.O. Box Addresses are NOT acceptable.**

\_\_\_\_\_  
(City) (State) (Zip Code)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) **NOTE: P.O. Box Addresses are NOT acceptable.**

\_\_\_\_\_  
(City) (State) (Zip Code)

**REQUIRED**

Must be authenticated  
(signed) by an  
authorized representative  
(See Instructions)

\_\_\_\_\_  
/s/ Robert L. Leatherman

Authorized Representative

\_\_\_\_\_  
9-13-04

Date

\_\_\_\_\_  
Robert L. Leatherman

(Print Name)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Authorized Representative

Authorized Representative

\_\_\_\_\_

Date

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Authorized Representative

Authorized Representative

\_\_\_\_\_

Date

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_

Complete the information in this section if box (1) (2) or (3) is checked.

ORIGINAL APPOINTMENT OF STATUTORY AGENT

The undersigned, being at least a majority of the incorporators of [Company] hereby appoint the following to be statutory agent upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is

Robert L. Leatherman
(Name)
200 Smokerise Drive
(Street)
Wadsworth, Ohio
(City)
44281
(Zip Code)
NOTE: P.O. Box Addresses are NOT acceptable.

Must be authenticated by an authorized representative

/s/ Robert L. Leatherman
Authorized Representative

9-13-04
Date

Authorized Representative

Date

Authorized Representative

Date

ACCEPTANCE OF APPOINTMENT

The Undersigned, Robert L. Leatherman, named herein as the Statutory agent for, [Company], hereby acknowledges and accepts the appointment of statutory agent for said entity.

Signature: /s/ Robert L. Leatherman
(Statutory Agent)

**\*200525900826\***

DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
[ILLEGIBLE]/19/2005	200525900826	DOMESTIC AGENT SUBSEQUENT APPOINTMENT (AGS)	25.00	.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

C.T. CORPORATION SYSTEM  
17 S. HIGH STREET  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE**

**Ohio Secretary of State, J. Kenneth Blackwell**

**649525**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**COPLEY HEALTH CENTER, INC.**

and, that said business records show the filing and recording of:

Document(s):  
**DOMESTIC AGENT SUBSEQUENT APPOINTMENT**

Document No(s):  
**200525900826**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 15th day of September, A.D. 2005.

/s/ J. Kenneth Blackwell  
Ohio Secretary of State



Department of State

The State of Ohio

FEB 26 1985

Sherrod Brown  
Secretary of State

649525



Certificate



It is hereby certified that the Secretary of State of Ohio has custody of the Records of Incorporation and Miscellaneous Filings; that said records show the filing and recording of: ARF

\_\_\_\_\_ of:  
COPLEY HEALTH CENTER, INC.

United States of America  
State of Ohio  
Office of the Secretary of State

Recorded on Roll F613 at Frame 0410 of the Records of Incorporation and Miscellaneous Filings.



Witness my hand and the seal of the Secretary of State, at the City of Columbus, Ohio, this 19 TH day of FEB, A.D. 19 85.

/s/ Sherrod Brown

\_\_\_\_\_  
Sherrod Brown  
Secretary of State

**APPROVED**

By	LS
Date	2-19-85
Amount	7500

ARTICLES OF INCORPORATION  
OF  
COPLEY HEALTH CENTER, INC.

The undersigned, a citizen of the United States, desiring to form a corporation, for profit, under §§ 1701.01 et seq. of the Revised Code of Ohio, does hereby certify:

FIRST: The name of the Corporation shall be COPLEY HEALTH CENTER, INC.

SECOND: The place in the State of Ohio where the Corporation's office is to be located is Warrensville Heights, in Cuyahoga County.

THIRD: The purposes for which the Corporation is formed are:

1. To engage in any lawful act or activity for which corporations may be formed under §§ 1701.01 through 1701.98, inclusive, of the Ohio Revised Code.

2. To acquire, by purchase, subscriptions or otherwise, and to own, hold for investment or otherwise, and to issue, sell, use, assign, redeem, transfer, mortgage or pledge bonds, debentures, securities, evidences of indebtedness, contracts or obligations of the Corporation or of any corporation, association, firm or individual, and also to issue in exchange therefor stocks, bonds or other securities or evidences of indebtedness of the Corporation, and while the owner or holder of any such property, to receive, collect and dispose of the interest, dividends, income and other rights accruing on or from such property and to possess and exercise in respect thereof all of the rights, powers and privileges of ownership, including all voting powers connected therewith.

3. In furtherance, and not in limitation, of the general powers conferred by the laws of the State of Ohio, and in furtherance, and not in limitation, of the purposes hereinbefore stated, it is hereby expressly provided that the Corporation shall have the following authorities and powers:

(a) In general, to do all things, and to carry on, enter into, promote, conduct, perform or participate in any and all mercantile, real estate, or other commercial or industrial businesses, endeavors, undertakings, partnerships, ventures or operations; and to continue, alter, extend or develop any business, and to do each and every other act necessary or incidental thereto, not contrary to the laws of the State of Ohio, and to have and exercise all of the powers conferred by the laws of the State of Ohio upon corporations formed thereunder, and to do any and all of the acts and things hereinabove or hereinafter set forth to the same extent as natural persons could do, in any part of the world, as principal, factor, agent, contractor, trustee or otherwise, either alone or in common with any person, entity, syndicate, association, corporation or body politic now or hereafter existing, and to do each and every act and thing necessary or incidental thereto; including, without limitation, to engage generally in the business of owning, operating and leasing real estate and personal property of every character and description.

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- (b) To apply for, obtain, hold, use, possess, purchase, take or otherwise acquire, and to sell, license others to use, or otherwise grant rights in or dispose of any and all licenses, permits, patents, trademarks, copyrights, trade names or symbols, and all other similar rights and franchises, and all rights and privileges in connection therewith or appertaining thereunto, to which the Corporation is entitled.
- (c) To become a partner, either general, limited or otherwise, in any partnership(s), whether general or limited, as the Board of Directors of the Corporation may approve, in any partnership or partnerships, whether general or limited, whether now existing or hereafter organized, with all the rights, privileges, duties, liabilities or obligations of such partner which would exist if the Corporation were a natural person. Without limitation of the foregoing, the Corporation may join and become a participant in any partnership, limited partnership and/or joint venture with any other individual, firm, corporation or entity and/or to become a member of any association, non-profit corporation or other entity.
- (d) To borrow or raise money, without limit, upon any terms, for any purpose of the Corporation or of any corporation, association, firm, syndicate or individual having a business or property which the Corporation determines to finance, promote or become interested in.
- (e) To make, execute, endorse and accept promissory notes, bills of exchange and other negotiable instruments and to redeem any debt or other obligation before the same shall fall due on any terms and on any advance or premium.

(f) To do all and everything necessary and proper for the accomplishment of the objects herein enumerated or necessary or incidental to the protection and benefit of the Corporation, and in general, to carry on such lawful businesses necessary or incidental to the attainment of the purposes of the Corporation; and to do any other act legal under the laws of the State of Ohio.

Each purpose specified in any clause or paragraph of this Article Third shall be deemed to be independent of all other purposes herein specified and shall not be limited or restricted by reference to, or inference from, the terms of any other clause or paragraph of this Article Third, and nothing herein shall be deemed to limit or exclude in any manner any power, right or privilege given to the Corporation by law or the authority which it is or might be permitted to exercise under the statutes of the State of Ohio.

FOURTH: The maximum number of shares which the Corporation is authorized to have outstanding is 750, all of which shall be common without par value. Such shares may be issued pursuant to subscriptions taken by the incorporators for such consideration as may be specified by them and, after organization, shares without par value now or hereafter authorized may be issued from time to time upon such consideration as may be fixed by the Board of Directors. The Board of Directors, in its discretion, may fix different amounts and/or kinds of consideration for the issuance of shares without par value, whether issued at the same time or at different times and may determine what portion of the amount or amounts of consideration so received by the Corporation shall be and constitute stated capital. Any and all shares without par value the consideration for which as fixed by the incorporators or by the Board of Directors has been paid or delivered shall be fully paid and non-assessable.

FIFTH: The amount of stated capital with which the Corporation shall begin business is Five Hundred Dollars (\$500.00).

SIXTH: To the extent permissible under the laws of the State of Ohio, and unless otherwise expressly directed by statute, consent by vote or otherwise of the holders of shares (of any class entitled to vote thereon) entitling same to exercise a majority of the voting power of the Corporation shall be sufficient to sustain any action to be taken by the shareholders of the Corporation, and in cases where any class shall be required by the laws of the State of Ohio to consent separately as a class, consent by vote or otherwise of the holders of a majority of the shares of that class shall be sufficient to sustain any action to be taken by the shareholders of that class.

SEVENTH: The holders of shares of capital stock of the Corporation shall be entitled, as a matter of right, to purchase, subscribe for or otherwise acquire any new or additional shares of capital stock of the Corporation, or any options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares, or any shares, bonds, notes, debentures or other securities convertible into or carrying options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares of capital stock of the Corporation, in proportion to their respective holdings of capital stock of the Corporation.

EIGHTH: The Board of Directors is hereby authorized to fix and determine whether any, and if any, what part, of the surplus, however created or arising, shall be used, declared in dividends, or paid to shareholders, and, without action by the shareholders, to use the surplus, or any part thereof, or such part of the stated capital of the Corporation as is permitted under the provisions of § 1701.35 of the Ohio Revised Code, or any statute of like tenor or effect which is hereafter enacted, for the purchase or acquisition of shares of any class, warrants, obligations, evidences of indebtedness or other securities of the Corporation.

NINTH: Any provision hereof to the contrary notwithstanding, the Corporation shall have the power, upon the affirmative vote of a simple majority of its Board of Directors, to purchase, hold, sell and transfer shares of its own capital stock, provided, it shall not use its funds or property for such purpose when such use would cause any impairment of its capital and, provided, further, that the shares of its own capital stock belonging to it and held as Treasury shares shall not be voted directly or indirectly.

TENTH: The Corporation reserves the right at any time, and from time to time, substantially to change, alter, add to or diminish its purposes as specified in these Articles of Incorporation in the manner now or hereafter permitted by law. Any such change in the purposes of the Corporation if accomplished in a manner now or hereafter permitted by law shall be binding and conclusive upon every shareholder of the Corporation as fully as if such shareholder had voted therefor at a meeting of the shareholders authorizing such change, and no shareholder, notwithstanding he may have voted against such change or objected thereto in writing, shall be entitled to payment of the full or fair cash value of his shares or of any other rights of a dissenting shareholder.



ELEVENTH: A director or officer of the Corporation shall not be disqualified by his office from dealing or contracting with the Corporation as a vendor, purchaser, employee, agent or otherwise. No transaction or contract or act of the Corporation shall be void or voidable or in any way affected or invalidated by reason of the fact that any director or officer of this Corporation is also a member of a firm, or an officer, director, shareholder or trustee of a corporation, or a trustee or beneficiary of a trust, or otherwise connected with any other enterprise, in any way interested in such transaction, contract or act. No director or officer shall be accountable or responsible to the Corporation for or in respect to any transaction, contract or act of the Corporation or for any gains or profits directly or indirectly realized by him by reason of the fact that he or any firm of which he is a member, or any corporation of which he is an officer, shareholder, director, or trustee, or any trust of which he is a trustee or beneficiary, or other entity with which he is connected, is interested in such transaction, contract or act; provided, nevertheless, that the fact that such director or officer, or that such firm, corporation, trust or other entity is so interested as shall have been disclosed or shall have been known to the Board of Directors or such members thereof as shall be present at any meeting of the Board of Directors at which action upon such contract, transaction or act shall have been taken. Any such director may be counted in determining the existence of a quorum at any meeting of the Board of Directors which shall authorize or take action in respect to any such contract, transaction or act; and any such director may vote thereat to authorize, ratify, or approve any such contract, transaction or act; and any officer of the Corporation may take any action within the scope of his authority respecting such contract, transaction or act, with like force and effect as if he, or any firm of which he is a member, or any corporation of which he is an officer, shareholder, director, or trustee, or any trust of which he is a trustee or beneficiary, or any other entity with which he is connected, were not interested in such transaction, contract or act. Without limiting or qualifying the foregoing, if in any judicial or other inquiry, suit, cause or proceeding, the question of whether a director or officer of the Corporation has acted in good faith is material, and notwithstanding any statute or rule of law or of equity to the contrary (if any there be), his good faith shall be presumed, in the absence of clear and convincing evidence and proof to the contrary.

TWELFTH: These Articles of Incorporation may be amended at any time and from time to time in the manner provided by law.

THIRTEENTH: The Corporation shall indemnify each of its officers, directors, and employees, whether or not then in office, and his heirs and legal representatives, against all expenses, judgments, decrees, fines, penalties or other amounts paid in satisfaction or in settlement of, or in connection with the defense of, any pending or threatened action, suit or proceeding, civil or criminal, to which he is or may be made a party by reason of his being or his having been a director, officer or employee of the Corporation. Without limitation, the term "expenses" shall include all counsel fees, expert witness fees, court costs and any other amounts of a similar nature.

The Board of Directors shall, from time to time, adopt by-laws and regulations to implement the indemnification provisions set forth herein. It is understood that the provisions hereinbefore set forth respecting indemnification of any officer, director or employee, shall not be deemed exclusive of any other rights to which such officer, director or employee may be entitled under these Articles, or under any agreement with, or any insurance purchased by, the Corporation, or pursuant to any vote of the shareholders, or otherwise.

IN WITNESS WHEREOF, I have hereunto set my hands this 18 day of February, 1985.

ACFB, INCORPORATED  
Incorporator

By: /s/ Judith D. Levine  
Judith D. Levine  
Vice President

ORIGINAL APPOINTMENT OF AGENT

KNOW ALL MEN BY THESE PRESENTS: That ACFB, Incorporated, located at 1100 Citizens Building, 850 Euclid Avenue, in the City of Cleveland and the County of Cuyahoga, Ohio 44114, a corporation organized by its Articles of Incorporation to act as Incorporator and/or as Statutory Agent for corporations to be organized or which are in existence under the laws of the State of Ohio, is hereby appointed Statutory Agent: the corporation upon which process, tax notices and demands against COPLEY HEALTH CENTER, INC. may be served.

ACFB, INCORPORATED  
Incorporator

By: /s/ Judith D. Levine  
Judith D. Levine,  
Vice President

Cleveland, Ohio  
February 18, 1985

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Gentlemen: ACFB, Incorporated hereby accepts the appointment as the Statutory Agent of your corporation upon which process, tax notices and demands may be served.

ACFB, INCORPORATED.  
Statutory Agent

By: /s/ Judith D. Levine  
Judith D. Levine,  
Vice President

B842 1107

432443

ARTICLES OF INCORPORATION

OF

HANOVER HOUSE, INC.

**APPROVED**

**By:** /s/ [ILLEGIBLE]

**Date:** 12-1-72

**Amount:** [ILLEGIBLE]

280-45

The undersigned, desiring to form a corporation for profit under the Ohio General Corporation Law, does hereby certify:

FIRST: The name of said corporation shall be HANOVER HOUSE, INC.

SECOND: The place in the State of Ohio where its principal office is to be located is South Euclid in Cuyahoga County.

THIRD: The purpose or purposes for which it is formed are to engage in any lawful act or activity for which corporation may be formed under Sections 1701.01 to 1701.98, inclusive, of the Ohio Revised Code.

FOURTH: The Corporation shall be authorized to issue Five Hundred (500) shares of no par value common stock; all of which, when issued, shall be deemed fully paid and non-assessable.

FIFTH: The amount of stated capital with which the Corporation will begin business is Five Hundred DOLLARS (\$500.00).

SIXTH: The Corporation, by its directors, may purchase or redeem shares of any class of stock issued by it at such price and upon such terms as may be agreed upon between the directors and the selling shareholder or shareholders.

SEVENTH: A director of the Corporation shall not be disqualified by his office from dealing or contracting with the Corporation either as a seller, purchaser or otherwise, nor shall any transaction or contract of the Corporation be void or voidable by reason of the fact that any director or any firm of which any director is a member, or any corporation of which any director is a shareholder, officer or director, is in any way interested in such transaction or contract; provided that such transaction or contract is or shall be authorized, ratified or approved either (1) by a vote of the majority of a quorum of directors or of the Executive Committee, without counting in such majority any director so interested or member of a firm so interested; or (2) by the written consent, or by the vote at any shareholders' meeting of the holders of record of a majority of all the outstanding shares of stock of the Corporation entitled to vote. Nor shall any director be liable to account to the Corporation for any profits realized by or from or through any such transaction or contract of the Corporation authorized, ratified or approved as aforesaid by reason of the fact that he, or any firm of which he is a member, or any corporation of which he is a shareholder, officer or director, was interested in such transaction or contract. Nothing herein contained shall create liability in the events above-described or prevent the authorization, ratification or approval of such contracts in any other manner provided by law.

EIGHTH: Whenever, under the laws of the State of Ohio, now or hereafter in effect, action is authorized or required to be taken by the vote or consent of the holders of shares entitling them to exercise two-thirds (2/3) of the voting power of the Corporation or of any class or classes of shares thereof, such action shall be effected by the vote, consent or authorization of the holders of shares entitling them to exercise a majority of such voting power unless a greater proportion of votes is made mandatory for such particular action by the laws of the State of Ohio.

NINTH: The Articles of Incorporation may be amended at any time by a vote of the majority of the directors without shareholder approval to the extent permitted by law.

TENTH: No holder of shares of the Corporation shall have any pre-emptive right to subscribe for or to purchase any shares of the Corporation of any class whether such shares or such class be now or hereafter authorized.

ELEVENTH: The Corporation reserves the right at any time, and from time to time, substantially to change, alter, add to or diminish its purposes as specified in these Articles of Incorporation, in any manner now or hereafter permitted by law. Any such change in the purposes of the Corporation, if accomplished in a manner now or hereafter permitted by law, shall be binding and conclusive upon every shareholder of the Corporation as fully as if such shareholder had voted therefor at a meeting of the shareholders authorizing such change, and no shareholder, notwithstanding that he may have voted against such change or objected thereto in writing, shall be entitled to payment of the full or fair cash value of his shares or have any other rights of a dissenting shareholder.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29<sup>th</sup> day of November, 1972.

/s/ Sidney Garfield  
Sidney Garfield

ORIGINAL APPOINTMENT OF AGENT

KNOW ALL MEN BY THESE PRESENTS: That ALLAN D. KLEINMAN, of 1100 Citizens Building, in the City of Cleveland 44114 and the County of Cuyahoga, Ohio, a natural person and resident of said County, being the County in which the principal office of HANOVER HOUSE, INC. is located, is hereby appointed Statutory Agent: the person on whom process, tax notices and demands against said HANOVER HOUSE, INC, may be served.

/s/ Sidney Garfield  
Sidney Garfield

INCORPORATOR

Cleveland, Ohio

November 29<sup>th</sup>, 1972

HANOVER HOUSE, INC.

Gentlemen: I hereby accept the appointment as the Statutory Agent of your company upon whom process, tax notices and demands may be served.

/s/ Allan D. Kleinman  
Allan D. Kleinman, Statutory Agent

\*200525901344\*

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
[ILLEGIBLE] 19/2005	200525901344	DOMESTIC AGENT SUBSEQUENT APPOINTMENT (AGS)	25.00	.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment

**C.T. CORPORATION SYSTEM  
17 S. HIGH STREET  
JAMES TANKS III  
COLUMBUS, OH 43215**

**STATE OF OHIO  
CERTIFICATE  
Ohio Secretary of State, J. Kenneth Blackwell**

**432443**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**HANOVER HOUSE, INC.**

and, that said business records show the filing and recording of

Document(s):  
**DOMESTIC AGENT SUBSEQUENT APPOINTMENT**

Document No(s):  
**200525901344**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 15th day of September, A.D. 2005.

/s/ J. Kenneth Blackwell  
Ohio Secretary of State

RECEIPT AND CERTIFICATE

HANOVER HOUSE, INC.

---

NAME

432443

---

NUMBER

DOMESTIC CORPORATIONS

ARTICLES OF INCORPORATION

AMENDMENT

MERGER/CONSOLIDATION

DISSOLUTION

AGENT

RE-INSTATEMENT

CERTIFICATES OF CONTINUED EXISTENCE

MISCELLANEOUS

FOREIGN CORPORATIONS

LICENSE

AMENDMENT

SURRENDER OF LICENSE

APPOINTMENT OF AGENT

CHANGE OF ADDRESS OF AGENT

CHANGE OF PRINCIPAL OFFICE

RE-INSTATEMENT

FORM 7

PENALTY

MISCELLANEOUS FILINGS

ANNEXATION/INCORPORATION—CITY OR VILLAGE

RESERVATION OF CORPORATE NAMES

REGISTRATION OF NAME

REGISTRATION OF NAME RENEWALS

REGISTRATION OF NAME—CHANGE OF REGISTRANTS ADDRESS

TRADE MARK

TRADE MARK RENEWAL

SERVICE MARK

SERVICE MARK RENEWAL

MARK OF OWNERSHIP

MARK OF OWNERSHIP RENEWAL

EQUIPMENT CONTRACT/CHATTEL MORTGAGE

POWER OF ATTORNEY

SERVICE OF PROCESS

MISCELLANEOUS

ASSIGNMENT—TRADE MARK, MARK OF OWNERSHIP, SERVICE MARK, REGISTRATION OF NAME

I certify that the attached document was received and filed in the office of TED W. BROWN, Secretary of State, at Columbus, Ohio, on the   1st   day of December A. D. 19 72, and recorded on Roll B842 at Frame 1106 of the RECORDS OF INCORPORATION and MISCELLANEOUS FILINGS.

/s/ TED W. BROWN

\_\_\_\_\_  
TED W. BROWN,  
Secretary of State

Filed by and Returned To: Benesch, Friedlander, Mendelson & Coplan

1100 Citizens Bldg.

Cleveland, Ohio 44114 Att: Allan D. Kleinman

FEE RECEIVED:                     \$ 50.00

NAME: HANOVER HOUSE, INC.

280-45



\*200508900146\*

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
3/30/2005	200508900146	DOMESTIC AGENT SUBSEQUENT APPOINTMENT (AGS)	25.00	100.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

C.T. CORPORATION SYSTEM  
17 S. HIGH STREET  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE  
Ohio Secretary of State, J. Kenneth Blackwell**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**[Company]**

and, that said business records show the filing and recording of:

Document(s):

Document No(s):

**DOMESTIC AGENT SUBSEQUENT APPOINTMENT**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the  
Secretary of State at Columbus, Ohio  
this 29th day of March, A.D. 2005.

/s/ J. Kenneth Blackwell  
Ohio Secretary of State

UNITED STATES OF AMERICA,

STATE OF OHIO,

}

OFFICE OF THE SECRETARY OF STATE.

*I, Sherrod Brown*

*do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign corporations; that said records show Report of Use of Fictitious Name of [Company], filed in this office on November 9, 1990, recorded on Roll \_\_\_\_\_, Frame \_\_\_\_\_; filed by [Company], 200 Smokerise Dr., Wadsworth, Ohio 44281 under Section 1329.01 of the Ohio Revised Code and is currently in **FULL FORCE AND EFFECT** upon the records of this office.*



*WITNESS my hand and official seal at  
Columbus, Ohio, this*

*15th day of November, A.D. 1990.*

*/s/ Sherrod Brown*

Sherrod Brown

Secretary of State

SEC 3000

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Department of State

The State of Ohio

Sherrod Brown  
Secretary of State



Certificate

It is hereby certified that the Secretary of State of Ohio has custody of the Records of Incorporation and Miscellaneous Filings; that said records show the filing and recording of: ARF  
MIS

of:

[Company]

United States of America  
State of Ohio  
Office of the Secretary of State

Recorded on Roll \_\_ at Frame \_\_ of the  
Records of Incorporation and Miscellaneous  
Filings.

Witness my hand and the seal of the  
Secretary of State, at the City of Columbus,  
Ohio, this 15TH day of NOV, A.D.  
19 90 .



/s/ Sherrod Brown

Sherrod Brown  
Secretary of State

SEC 6002

**APPROVED**

By [ILLEGIBLE]  
Date 11-15-90  
Amount \$7500

**ARTICLES OF INCORPORATION**

**OF**

**[Company]**

The undersigned, for purposes of forming a corporation, for profit in accordance with Chapter 1701 of the Ohio Revised Code, does hereby state the following:

I. Name. The name of the Corporation shall be [Company].

II. Place of Business. The place in Ohio where the principal office of the Corporation is to be located is 200 Smokerise Drive, Wadsworth, Medina County, Ohio 44281.

III. Purpose. The purposes for which the Corporation is formed shall be:

- a. To engage in a lawful activity of business not contrary to and for which a corporation may be formed under the laws of the State of Ohio and to have and exercise all powers, rights and privileges conferred by the laws of Ohio on a corporation, including but not limited to buying, leasing or otherwise disposing of any interest in any property, real or personal, of whatever nature and wheresoever situated and buying and selling stocks, bonds or any other security of any issuer as the corporation by action of its Board of Directors may at any time and from time to time deem advisable.
  - b. To create a private corporation to construct or to acquire a housing project or projects, and to operate the same;
  - c. To enable the financing of the construction of such rental housing with the assistance of mortgage insurance under the National Housing Act;
  - d. To enter into, perform, and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the corporation, including, expressly, any contract or contracts with the Secretary of Housing and urban Development which may be desirable or necessary to comply with the requirements of the National Housing Act, as amended, and the Regulations of the Secretary thereunder, relating to the regulation or restriction of mortgagors as to rents, sales, charges, capital structure, rate of return and methods of operation;
  - e. To acquire any property, real or personal, in fee or under lease, or any rights therein or appurtenant thereto, necessary for the construction and operation of such project;
-

- f. To borrow money, and to issue evidence of indebtedness, and to secure the same by mortgage, deed of trust, pledge, or other lien, in furtherance of any or all of the objects of its business in connection with said project.
- g. To carry on any or all of its operations and business, and to promote its objects within the State of Ohio, or elsewhere, without restriction as to place or amount.
- h. To enter into limited partnerships; to act as a general or limited partner in limited partnerships.
- i. To manage residential, commercial and industrial lands and buildings.
- j. To engage in any lawful act or activity for which a corporation may be formed under sections 1701.01 to 1701.98, inclusive, of the Ohio Revised Code.

IV. Powers. The corporation shall have the power to do and perform all things whatsoever set out in Article III. above, and necessary or incidental to the accomplishment of said purposes. The corporation, specifically and particularly, shall have the power and authority to enter into a Regulatory Agreement setting out the requirements of the secretary of Housing and urban Development.

V. Capital Stock. The number of shares of capital stock which the Corporation is authorized to have outstanding is Seven Hundred Fifty (750) shares, all of which shall be common shares without par value.

VI. Stated Capital. The amount of capital with which the Corporation will begin business shall not be less than Five Hundred Dollars (\$500.00).

VII. Certain Transactions. NO person shall be disqualified from being a director of the Corporation because he or she is or may be a party to, and no director of the Corporation shall be disqualified from entering into, any contract or other transaction to which the Corporation is or may be a party. No contract or other transaction to which the Corporation is or may be a party shall be void or voidable for reason that any director or officer or other agent of the Corporation is a party thereto, or otherwise has any direct or indirect interest in such contract or transaction or in any other party thereto, or for reason that any interested director or officer or other agent of the Corporation authorizes or participates in authorization of such contract or transaction:

- a. if the material facts as to such interest are disclosed or are otherwise known to the board of directors or applicable committee of directors at the time the contract or transaction is authorized, and at least a majority of the disinterested directors or disinterested members of the committee vote for or otherwise take action authorizing such contract or transactions, even though such disinterested directors or members are less than a quorum; or
-

- b. if the contract or transaction:
  - i. is not less favorable to the Corporation than an arm's length contract or transaction in which no director or officer or other agent of the Corporation has any interest; or
  - ii. is otherwise fair to the Corporation as of the time it is authorized. Any interested director may be counted in determining the presence of a quorum at any meeting of the board of directors or any committee thereof which authorizes the contract or transaction.

VIII. Authority to Repurchase Capital Stock. The Corporation by its board of directors is authorized, except to the extent prohibited by law, to repurchase, redeem or otherwise acquire, from time to time and at any time, shares of any class of capital stock issued by it.

IX. I.R.C. Section 1244 Stock. The directors of the Corporation are authorized to issue unsubscribed capital stock of the Corporation at such times and in such amounts as it shall determine and to accept in payment thereof cash, labor done, personal property, real property or leases thereof, or such other property as the board may deem necessary for the business of the Corporation. Said stock to be issued may be in compliance with Section 1244 of the internal Revenue Code of 1956 as amended.

Dated: 11-14-90

By: /s/ Robert Leatherman  
Robert Leatherman  
Incorporator  
200 Smokerise Drive  
Wadsworth, Ohio 44281  
(216)336-6684

DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
3/30/2005	200508900138	DOMESTIC AGENT SUBSEQUENT APPOINTMENT (AGS)	25.00	100.00	.00	.00	.00

\* 200508900138 \*

**Receipt**

This is not a bill. Please do not remit payment.

C.T. CORPORATION SYSTEM  
17 S. HIGH STREET  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE****Ohio Secretary of State, J. Kenneth Blackwell****564610**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**ORANGE VILLAGE CARE CENTER, INC.**

and, that said business records show the filing and recording of:

Document(s):

**DOMESTIC AGENT SUBSEQUENT APPOINTMENT**

Document No(s):

**200508900138**

United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the  
Secretary of State at Columbus, Ohio  
this 29th day of March, A.D. 2005.

/s/ J. Kenneth Blackwell  
Ohio Secretary of State



Department of State

The State of Ohio

E0834-0317

Anthony J. Celebrezze, Jr.  
Secretary of State

564610



Certificate



It is hereby certified that the Secretary of State of Ohio has custody of the Records of Incorporation and Miscellaneous Filings; that said records show the filing and recording of: \_\_\_\_\_

ARF \_\_\_\_\_ of:

ORANGE VILLAGE CARE CENTER, INC.

United States of America  
State of Ohio  
Office of the Secretary of State

Recorded on Roll \_\_\_\_\_ E834 \_\_\_\_\_ at Frame \_\_\_\_\_ 0318 \_\_\_\_\_ of  
the Records of Incorporation and Miscellaneous Filings.

Witness my hand and the seal of the Secretary of State, at the  
City of Columbus, Ohio, this \_\_\_\_\_ 18TH \_\_\_\_\_ day of NOV .  
A.D. 19 \_\_\_\_\_ 80 .

/s/ Anthony J. Celebrezze, Jr.

\_\_\_\_\_  
Anthony J. Celebrezze, Jr.  
Secretary of State





APPROVED  
By RFRM  
Date 11-18-  
80  
Amount 75.00

ARTICLES OF INCORPORATION  
OF  
ORANGE VILLAGE CARE CENTER, INC.

The undersigned, a majority of whom are citizens of the United States, desiring to form a corporation, for profit, under the General Corporation Law of Ohio, do hereby certify:

FIRST The name of said Corporation shall be ORANGE VILLAGE CARE CENTER, INC.

SECOND The place in the State of Ohio where its principal office is located is 661 Weber Drive, Wadsworth, Ohio 44281, County of Medina.

THIRD The purpose or purposes for which it is formed are:

(a) 1. SPECIFICALLY, TO OWN, AND/OR OPERATE, LEASE AND MANAGE NURSING HOMES AND CARE CENTERS, CONVALESCENT CENTERS RETIREMENT CENTERS, APARTMENTS AND CENTERS FOR GOLDEN AGERS AND EXTENDED CARE FACILITIES AND ALL THINGS INCIDENTAL THERETO.

2. SPECIFICALLY, TO MANAGE, LEASE AND OWN APARTMENT BUILDINGS, CONDOMINIUMS AND INDIVIDUAL AND MULTI-FAMILY DWELLINGS.

(b) To acquire by purchase or otherwise, and to own, hold buy, sell, convey, lease, mortgage or encumber real estate or other properties; to sub-divide, plot, improve and develop lands and properties for the purpose of sale or otherwise and to do and perform all things needful and lawful for the development and improvement of real estate for residency, trade and business purposes.

(c) To transact a general real estate business, including the management of properties, to act as an agent, broker or attorney in fact for any person or corporation in buying, selling and dealing in real estate and any interest therein, with full power and authority to do all things necessary or incidental to the conduct of said business.

---

- (d) To purchase or otherwise acquire, lease, assign, mortgage, pledge or otherwise dispose of any trade names, trade-marks, concessions, inventions, formulas, improvements, processes of any nature whatsoever, copyrights, and letters patent of the United States and of foreign countries, and to accept and grant licenses thereunder.
- (e) To carry on a business of buying, selling, leasing, holding and otherwise dealing with real and personal properties.
- (f) To acquire by purchase, subscription and otherwise, and to own, hold for investment or otherwise, and to sell, use, assign, transfer, mortgage, pledge, exchange or otherwise dispose of shares of stock, bonds, debentures, notes, scrip, securities, evidences of indebtedness, contracts, or obligations of this Corporation or of any corporation, association, firm or individual, and also to issue in exchange therefor stocks, bonds, or other securities or evidences of indebtedness of this Corporation, and while the owner or holder of any such property to receive, collect and dispose of the interest, dividends, income and other rights accruing on or from such property and to possess and exercise in respect thereof all of the rights, powers and privileges of ownership, including all voting powers connected therewith.
- (g) To enter into, assist, promote, conduct, perform or participate in every kind of commercial, mercantile, mining, or industrial enterprise, business, or work, contract, undertaking, venture, or operation, in the United States or in any foreign country; and for such purpose to purchase or otherwise acquire, take over, hold, sell, liquidate, or otherwise dispose of, the real estate, plants, equipment, inventory, merchandise, materials, and other assets, stock, good-will, rights, franchises, patents, trademarks, and trade names, other properties of domestic or foreign corporations, firms, associations, syndicates, individuals, and others; to continue, alter, extend or develop their business, assume their liabilities, guarantee or become surety for the performance of their obligations, reorganize their capital and participate in any way in their affairs; to take over as a going concern and continue, in its own name, any business so acquired, and to pay for any such business or properties in cash, stock, bonds, debentures, securities, or obligations of the Corporation, or otherwise.

In furtherance and not in limitation of the general powers conferred by the laws of the State of Ohio and in furtherance and not in limitation of the purposes hereinbefore stated, it is hereby expressly provided that this Corporation shall have also the following authorities and powers, to wit:

1. To do any or all things hereinabove or herein-after set forth to the same extent and as fully as natural persons might or could do either as principal, agent, contractor or otherwise, and either alone or in conjunction with any other individuals, firms, associations, corporations, syndicates or bodies politic.

2. To borrow or raise money, without limit, upon terms, for any purpose of this Corporation or of any corporation, association, firm, syndicate or individual having a business or property which this corporation determines to finance, promote or become interest in; to issue, sell and dispose of this Corporations bonds, debentures, notes, certificates of indebtedness and other obligations, secured or unsecured, and however evidenced upon any terms, and as security therefor to mortgage, pledge or grant any charge or impose any lien upon all or any part of the real or personal property, rights, interests or franchises of this Corporation, whether owned by it at the time or thereafter acquired.

3. To make, execute, endorse and accept promissory notes, bills of exchange and other negotiable instruments and to redeem any debt or other obligation before the same shall fall due on any terms and on any advance or premium;

3.A To execute on any instrument or certificate required by the Federal Housing Authority in order to consummate and finalize the FHA transaction, including but not limited to Construction Contract, Lump Sum (Form 2442), Regulatory Agreement (Form 2466), Mortgager's Certificate (Form 2433), Owner-Architect Agreement (Form 2719-A), Agreement and Certification (Form 3305).

4. To guarantee the payment of dividends upon any capital stock and by endorsement or otherwise, to guarantee the payment of the principal or interest, or both on any bonds, debentures, notes, scrip, or contracts, leases or obligations of any other corporation or association or of any firm, individual or syndicate in which or in whose welfare this Corporation may have any interest;

5. To pay for any property, rights, or interest acquired by this Corporation in cash or other property, rights or interest held by this Corporation, or by issuing and delivering in exchange therefor its own stock, bonds, debentures, notes, certificates of indebtedness or otherwise acquire, hold, sell, pledge, transfer or otherwise dispose of and to reissue any shares of its own capital stock (so far as may be permitted by law) and its bonds, debentures, notes or other securities, or evidences of indebtedness.

6. To do all and everything necessary and proper for the accomplishment of the objects herein enumerated or necessary or incidental to the protection and benefit of this Corporation, and in general, to carry on such lawful businesses necessary or incidental to the attainment of the purposes of this Corporation, whether such businesses are similar in nature to the objects and powers hereinabove set forth or otherwise.

The Corporation shall have the power and authority to become a partner, either as a general partner or as a limited partner or otherwise, as the Board of Directors of the Corporation may approve, in any partnership or partnerships, whether now existing or hereafter organized with all the rights, privileges, duties, liabilities or obligations as such partner which would exist if the Corporation were a natural person. Without limitations of the foregoing, the Corporation may join with other corporations or with natural persons or both, as partner, either general or limited or otherwise, in any partnerships now or hereafter existing.

The foregoing clauses shall be construed as objects, purposes and powers, and nothing here shall be deemed to limit or exclude in any manner any power, right or privilege given to this Corporation by law or in authority which it is or might be permitted to exercise under the statutes of the State of Ohio.

FOURTH        The maximum number of shares which the Corporation is authorized to have outstanding is 500 shares, all of which shall be shares of common stock without par value. The stock is to be issued in compliance with Section 1244 of the International Revenue Code of 1954, as amended.

FIFTH         The amount of stated capital of the Corporation shall be not less than FIVE HUNDRED DOLLARS (\$500.00).

SIXTH         The Corporation may purchase its own shares when authorized to do so from time to time by its Board of Directors.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 14th day of November, 1980.

/s/ Robert Leatherman  
Robert Leatherman

/s/ Phyllis C. Leatherman  
Phyllis C. Leatherman

/s/ Karen Friedt  
Karen Friedt

ORIGINAL APPOINTMENT OF AGENT

The undersigned, being at least a majority of the incorporators of ORANGE VILLAGE CARE CENTER, INC., hereby appoint Robert Leatherman, a natural person, resident in the County in which the Corporation has its principal office, upon whom any process, notice or demand required or permitted by Statute to be served upon the corporation may be served. His/Her complete address is: 300 Woodland Avenue, Wadsworth, Medina County, Ohio 44281.

ORANGE VILLAGE CARE CENTER, INC.  
Name of Corporation

/s/ Robert Leatherman  
Robert Leatherman

/s/ Phyllis C. Leatherman  
Phyllis C. Leatherman

/s/ Karen Friedt  
Karen Friedt

November 14, 1980

ORANGE VILLAGE CARE CENTER, INC.  
Name of Corporation

Gentlemen: I hereby accept appointment as agent of your Corporation, upon whom process, tax notices or demands may be served.

/s/ Robert Leatherman  
Robert Leatherman

---

FILE COPY

UNITED STATES OF AMERICA,  
STATE OF OHIO,  
OFFICE OF THE SECRETARY OF STATE.

}

I, Bob Taft, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign corporations and Miscellaneous filings; that said records show ORANGE VILLAGE CARE CENTER, INC., an Ohio corporation, Charter No. 564610, having its principal location in Wadsworth, County of Medina, was incorporated on November 18, 1980 and is currently in **GOOD STANDING** upon the records of this office.



WITNESS my hand and official seal at Columbus,  
Ohio this 2nd day of September, A.D. 1997

/s/ Bob Taft

---

Bob Taft  
Secretary of State

\*200525900828\*

DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
19/2005	200525900828	DOMESTIC AGENT SUBSEQUENT APPOINTMENT (AGS)	25.00	.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

C.T. CORPORATION SYSTEM  
17 S. HIGH STREET  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE  
Ohio Secretary of State, J. Kenneth Blackwell**

**347862**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**THE SUBURBAN PAVILION, INC.**

and, that said business records show the filing and recording of:

Document(s):  
**DOMESTIC AGENT SUBSEQUENT APPOINTMENT**

Document No(s):  
**200525900828**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the  
Secretary of State at Columbus, Ohio  
this 15th day of September, A.D. 2005.

/s/ J. Kenneth Blackwell  
Ohio Secretary of State



E0412-0339

TED W. BROWN  
Secretary of State

Certificate  
347862

It is hereby Certified that the Secretary of State of Ohio has custody of the Records of Incorporation and Miscellaneous Filings; that said records show the filing and recording of: \_\_\_\_\_ AGS \_\_\_\_\_ OF

THE SUBURBAN PAVILION, INC.

**United States of America**

Recorded on Roll E412 at 0340 of the  
\_\_\_\_\_ Frame \_\_\_\_\_  
Records of Incorporation and Miscellaneous Filings.

**STATE OF OHIO**  
**Office of the Secretary of State**

Witness my hand and the seal of the Secretary of State, at the City of  
Columbus, Ohio, this 28TH day of APRIL, A. D. 1978



\_\_\_\_\_  
/s/ TED W. BROWN  
TED W. BROWN  
Secretary of State



**Subsequent Appointment of Agent**  
Sections 1701.07 (D), 1702.06 (D) Revised Code

**KNOW ALL MEN BY THESE PRESENTS, That** Norman W. Gutmacher  
**(Name of Agent)**

Of 1100 Citizens Building  
**(Street or Avenue)**

in Cleveland 44114, Cuyahoga County, Ohio, a natural person residing in said County, [ILLEGIBLE] being  
**(City or Village)**

the county in-which the principal office of The Suburban Pavilion, Inc.  
**(Name of Corporation)**

is located, is hereby appointed as the agent on whom [ILLEGIBLE] process, tax notices and demands against  
said The Suburban Pavilion, Inc.  
**(Name of Corporation)**

may be served, to succeed SIDNEY GARFIELD  
**(Name of Former Agent)**

heretofore appointed as agent, which appointment is hereby made pursuant to a resolution of the

board of directors [ILLEGIBLE] passed on the 10th day April, 1978.  
of \_\_\_\_\_

All previous appointments are hereby revoked.

THE SUBURBAN PAVILION, INC.  
**(Name of Corporation)**

By /s/ Sidney Garfield  
Sidney Garfield (President [ILLEGIBLE])

Cleveland, **Ohio**

April 10, 78  
19

THE SUBURBAN PAVILION, INC.  
**(Name of Corporation)**

**Gentlemen:** ([ILLEGIBLE])  
**(Name of Corporation)**

hereby accept(s) appointment as the agent of your corporation upon whom [ILLEGIBLE] process, tax notices or demands may be served.

By /s/ [ILLEGIBLE]  
**(Signature of [ILLEGIBLE] Agent)**

Filing Fee:\$1.00

347862

**APPROVED  
FOR FILING**

**Articles of Incorporation**

By [ILLEGIBLE]

— OF — **B444 325**

Date 2-4-66

Amount 50

32-9

THE SUBURBAN PAVILION, INC.

(Name of Corporation)

The undersigned, a majority of whom are citizens of the United States, desiring to form a corporation, for profit, under Sections 170.01 et seq., Revised Code of Ohio, do hereby certify:

FIRST. The name of said corporation shall be \_\_\_\_\_

THE SUBURBAN PAVILION, INC.,

SECOND. The place in Ohio where the principal office of the corporation is to be located is Cleveland, Ohio, Cuyahoga County.  
(City, Village or Township)

THIRD. The purpose or purposes for which said corporation is formed are:

(a) To acquire by purchase, lease, exchange or otherwise, to hold, own, use, manage, improve, mortgage, and to sell, lease, mortgage, exchange, and otherwise deal in, real estate and any interest or right therein; to own, rebuild, repair, manage and control, lease, buy and sell, houses, apartments, offices, stores, and any and all other types of buildings and structures; and to make and obtain loans on real estate, and to sell, buy, hold, own, and otherwise deal in, mortgages, notes, land contracts, leases, and other evidences of indebtedness secured by real estate or by a lien thereon or any interest therein.

(b) To manufacture, purchase or otherwise acquire, sell, assign and transfer, exchange or otherwise dispose of, and to invest, trade, deal in or deal with goods, wares and merchandise and personal property of every class and description.

(c) To purchase, acquire, hold, mortgage, pledge, hypothecate, loan money upon, exchange, sell and otherwise deal in personal property and real property of every kind, character and description whatsoever and wheresoever situated, and any interest therein.

(d) To run, lease, manage or otherwise control a nursing home, rest home or convalescent home: to operate same in this corporation or using this as a holding company for operation of same.

Each purpose specified in any clause or paragraph contained in this Article THIRD shall be deemed to be independent of all other purposes therein specified and shall not be limited or restricted by reference to or inference from the terms of any other clause or paragraph of these Articles of Incorporation.

\_\_\_\_\_

FOURTH. The number of shares which the corporation is authorized to have outstanding is Two Hundred Fifty (250) Shares, all of which shall be without par value.

FIFTH. The amount of stated capital with which the corporation shall begin business is Five Hundred----- No / 100 -----Dollars (\$500.00-----).

IN WITNESS WHEREOF, We have hereunto subscribed our names, this 26th day of January, 1966.

\_\_\_\_\_  
THE SUBURBAN PAVILION, INC.

(Name of Corporation)

\_\_\_\_\_  
/s/ LINDY M. ADELSTEIN

LINDY M. ADELSTEIN

\_\_\_\_\_  
/s/ HERBERT F. ZIPKIN

HERBERT F. ZIPKIN

\_\_\_\_\_  
/s/ GILBERT EISENBERG

GILBERT EISENBERG

**(INCORPORATORS' NAMES SHOULD BE TYPED OR PRINTED BENEATH SIGNATURES)**

N.B. Articles will be returned unless accompanied by form designating statutory agent. See Section 1701.07, Revised Code of Ohio.



Form C-103 Prescribed by Secretary of State Ted W. Brown

**Original Appointment of Agent**

The undersigned, being at least a majority of the incorporates  
of

\_\_\_\_\_  
(Name of Corporation)

THE SUBURBAN PAVILION, INC.

hereby appoint LINDY M. ADELSTEIN

\_\_\_\_\_  
(Name of Agent)

a natural person resident in the county in which the corporation [ILLEGIBLE] THE SUBURBAN PAVILION, INC.,

\_\_\_\_\_  
(Name of Corporation)

has its principal office, [ILLEGIBLE] upon whom [ILLEGIBLE] any process, notice or demand required or permitted by statute to be served upon the corporation  
may be served. His [ILLEGIBLE] complete address is 24118 East Baintree Road, Beachwood 21, Ohio,  
Cuyahoga County, Ohio.

\_\_\_\_\_  
(Street or Avenue)

\_\_\_\_\_  
(City or Village)

THE SUBURBAN PAVILION, INC.

\_\_\_\_\_  
(Name of Corporation)

/s/ LINDY M. ADELSTEIN

\_\_\_\_\_  
LINDY M. ADELSTEIN

/s/ HERBERT F. ZIPKIN

\_\_\_\_\_  
HERBERT F. ZIPKIN

/s/ GILBERT EISENBERG

\_\_\_\_\_  
GILBERT EISENBERG

**(INCORPORATORS NAMES SHOULD BE TYPED OR PRINTED BENEATH SIGNATURES)**

CLEVELAND

Ohio

JANUARY 26th.

1966.

THE SUBURBAN PAVILION, INC.

\_\_\_\_\_  
(Name of Corporation)

Gentlemen: I, [ILLEGIBLE] hereby accept [ILLEGIBLE] appointment as agent of your corporation upon whom process, tax notices or demands may be  
served.

/s/ LINDY M. ADELSTEIN

\_\_\_\_\_  
(Signature of Agent or Name of Corporation)

LINDY M. ADELSTEIN

By

\_\_\_\_\_  
(Signature of Officer Signing and Title)

Remarks: All articles of incorporation must be accompanied by an original appointment of agent. There is no filing fee for this appointment.



B444 324

RECEIPT AND CERTIFICATE

THE SUBURBAN PAVILION, INC.

NAME

347862

NUMBER

DOMESTIC CORPORATIONS

- ARTICLES OF INCORPORATION
- AMENDMENT
- MERGER/CONSOLIDATION
- DISSOLUTION
- AGENT
- RE-INSTATEMENT
- CERTIFICATES OF CONTINUED EXISTENCE
- MISCELLANEOUS

FOREIGN CORPORATIONS

- LICENSE
- AMENDMENT
- SURRENDER OF LICENSE
- APPOINTMENT OF AGENT
- CHANGE OF ADDRESS OF AGENT
- CHANGE OF PRINCIPAL OFFICE
- RE-INSTATEMENT
- FORM 7
- PENALTY

MISCELLANEOUS FILINGS

- ANNEXATION/INCORPORATION—CITY OR VILLAGE
- RESERVATION OF CORPORATE NAMES
- REGISTRATION OF NAME
- REGISTRATION OF NAME RENEWALS
- REGISTRATION OF NAME—CHANGE OF REGISTRANTS ADDRESS
- TRADE MARK
- TRADE MARK RENEWAL
- SERVICE MARK
- SERVICE MARK RENEWAL
- MARK OF OWNERSHIP
- MARK OF OWNERSHIP RENEWAL
- EQUIPMENT CONTRACT/CHattel MORTGAGE
- POWER OF ATTORNEY
- SERVICE OF PROCESS
- MISCELLANEOUS
- ASSIGNMENT—TRADE MARK, MARK OF OWNERSHIP, SERVICE MARK, REGISTRATION OF NAME

I certify that the attached document was received and filed in the office of TED W. BROWN, Secretary of State, at Columbus, Ohio, on the 4th day of Feb. A. D. 1966, and recorded on Roll B444 at Frame 324 of the RECORDS OF INCORPORATION and MISCELLANEOUS FILINGS.

/s/ TED W. BROWN

TED W. BROWN,  
Secretary of State

Filed by and Returned To: Adelstein and Adelstein

421 Chester-12th Bldg.

Cleveland, Ohio 44114

FEE RECEIVED: \$ 50.00

NAME: THE SUBURBAN PAVILION, INC.



STATE OF OHIO,  
OFFICE OF THE SECRETARY OF STATE.

I, SHERROD BROWN,

Secretary of State of the State of Ohio, do hereby certify that the foregoing is an exemplified copy, carefully compared by me with the original record now in my official custody as Secretary of State, and found to be true and correct, of the

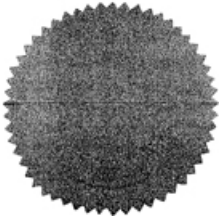
*ARTICLES OF INCORPORATION*

*OF*

*DIXON HEALTH CARE CENTER, INC.*

*(an Ohio corporation, Charter No. 593148)*

filed in this office on the *19th* day of *April* A.D. *1982* and recorded on (in) Roll (Volume) *F 061* , Frame (Page) *1314* of the Records of Incorporations.



WITNESS my hand and official seal at  
Columbus, Ohio, this 9<sup>th</sup> day  
of October A.D. 1984  
\_\_\_\_\_  
/s/ Sherrod Brown

SHERROD BROWN  
Secretary of State

SEC - 3001

[ILLEGIBLE]

Articles of Incorporation  
– OF –

DIXON HEALTH CARE CENTER, INC.  
(Name of Corporation)

---

The undersigned, a majority of whom are citizens of the United States, desiring to form [ILLEGIBLE] poration, for profit, under Sections 1701.01 et seq. of the Revised Code of Ohio, do hereby certify:

FIRST, The name of said corporation shall be \_\_\_\_\_

DIXON HEALTH CARE CENTER, INC.

---

SECOND, The place in Ohio where its principal office is to be located is [ILLEGIBLE]

\_\_\_\_\_ Wadsworth \_\_\_\_\_, Medine \_\_\_\_\_ County.  
(City, Village or Township)

THIRD. The purposes for which it is formed are:

To engage in any lawful act, activity or business not contrary to and for which a corporation may be formed under the laws of the State of Ohio, and to have and exercise all powers, rights and privileges conferred by the laws of Ohio under corporations, including but not limited to buying, leasing, or otherwise acquiring and holding, using or otherwise enjoying and selling, leasing or otherwise disposing of any interest in any property, real or personal, of whatever nature and [ILLEGIBLE] situated and buying and selling stocks, bonds, or any other security of any issuer as the corporation by action of its Board of Directors may at any time and from time to time deem advisable.

---



[ILLEGIBLE]

FIFTH, The amount of stated capital with which the corporation shall begin [ILLEGIBLE]

Five Hundred and no/100 \_\_\_\_\_ 500.00  
Dollars (\$ \_\_\_\_\_ )

IN WITNESS WHEREOF, We have hereunto subscribed our names, this \_\_\_\_\_ [ILLEGIBLE] day  
of April \_\_\_\_\_, 1982

DIXON HALTH CARE CENTER, INC.

(Name of Corporation)

[ILLEGIBLE]

[ILLEGIBLE]

[ILLEGIBLE]

\_\_\_\_\_



**Original Appointment of Statutory Agent**

The undersigned, being at least a majority of the incorporators of DIXON HEALTH CARE CENTER, INC., hereby  
(Name of Corporation)  
appoint THOMAS E. PALECEK to be statutory agent upon whom any process, notice or demand required or permitted by  
(Name of Agent)  
statute to be served upon the corporation may be served.

The complete address of the agent is: 210 Bank One Building,  
(Street)  
Wodsworth, Medina Country, Ohio 44281,  
(City or Village) (Zip Code)

Date: April 14, 1982 \_\_\_\_\_ [ILLEGIBLE]  
\_\_\_\_\_  
(Incorporator)  
\_\_\_\_\_  
(Incorporator)  
\_\_\_\_\_  
(Incorporator)

**Instructions**

- 1) profit and non-profit articles of Incorporation must be accompanied by an original appointment of agent. R.C. 1701.04(C), 1702.04(C).
  - 2) The statutory agent for a corporation may be (a) a natural person who is a resident of Ohio, or (b) an Ohio corporation or a foreign corporation licensed in Ohio which has a business address in this state and is explicitly authorized by its articles of incorporation to act as a statutory agent. R.C. 1701.07(A), 1702.06(A).
  - 3) The agent's complete street address must be given; a post office box number is not acceptable, R.C. 1701.07(C), 1702 [ILLEGIBLE]
  - 4) An original appointment of agent form must be signed by at least a majority of the incorporation of the corporation. R.C. 1701.07(B), 1702.06(B),
-

\*200509000060\*

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
03/31/2005	200509000060	DOMESTIC AGENT SUBSEQUENT APPOINTMENT (AGS)	25.00	100.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

C.T. CORPORATION SYSTEM  
17 S. HIGH STREET  
JADE HINES  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE  
Ohio Secretary of State, J. Kenneth Blackwell**

**593148**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**DIXON HEALTH CARE CENTER, INC.**

and, that said business records show the filing and recording of:

Document(s):  
**DOMESTIC AGENT SUBSEQUENT APPOINTMENT**

Document No(s):  
**200509000060**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of  
the Secretary of State at  
Columbus, Ohio this 30th day of  
March, A.D. 2005.

/s/ J. Kenneth Blackwell

Ohio Secretary of State

---

**AMENDED AND RESTATED CODE OF REGULATIONS**

**OF [Company]**

*Effective [Date]*

**I.  
OFFICES**

The principal office of [Company] (the "Company") shall be at such place within Ohio or Maryland as the Board of Directors of the Company (the "Board") shall from time to time determine. The Company also may have offices at such other places as the business of the Company may require.

**II.  
SEAL**

The Company may have a seal in such form as the Board may from time to time determine. The seal, if so authorized, may be used by causing it or a facsimile to be impressed, affixed or copied.

**III.  
CAPITAL**

**3.1 ISSUANCE.**

The shares of capital stock of the Company (the "Shares") shall be issued in such amounts, at such times, for such consideration and on such terms as the Board shall deem advisable, subject to the Company's Articles of Incorporation (the "Articles") and the laws of the State of Ohio.

**3.2 CERTIFICATES.**

The Shares shall be represented by certificates signed by the President and Secretary. Each such certificate shall state upon its face that the Company is formed under the laws of Ohio, the person to whom it is issued, the number and class of Shares, and the designation of the series, if any, that the certificate represents, and such other provisions as may be required by Ohio law.

**3.3 TRANSFER.**

The Shares are transferable only on the books of the Company upon surrender of the certificate therefor, properly endorsed for transfer, and the presentation of such evidences of ownership and validity of the assignment as the Company may require.

---

### **3.4 REGISTRATION.**

The Company shall be entitled to treat the person in whose name any Share is registered as the owner thereof for purposes of dividends and other distributions in the course of business, or in the course of recapitalization, merger, plan of share exchange, reorganization, sale of assets, liquidation or otherwise and for the purpose of votes, approvals and consents by shareholders of the Company ("Shareholders"), and for the purpose of notices to Shareholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other person, whether or not the Company shall have notice thereof, save as expressly required by the laws of Ohio.

### **3.5 REPLACEMENT.**

Upon the presentation to the Company of a proper affidavit attesting the loss, destruction or mutilation of any certificate for Shares, the Board shall direct the issuance of a new certificate to replace the certificate so alleged to be lost, destroyed or mutilated. The Board may require as a condition precedent to the issuance of a new certificate a bond or agreement of indemnity, in such form and amount, and with such sureties as the Board may direct or approve.

## **IV. SHAREHOLDERS**

### **4.1 MEETINGS.**

Meetings of Shareholders shall be held at the principal office of the Company or at such other place as determined by the Board and stated in the notice of meeting. The annual meeting of Shareholders shall be held on the first Monday of March at 10:30 o'clock in the morning. Directors shall be elected at each annual meeting and such other business transacted as may come before the meeting. Special meetings of Shareholders may be called by the Board, the CEO (if such office is filled), the President or any Director, and shall be called by the Secretary at the written request of Shareholders holding a majority of the outstanding Shares and entitled to vote. The request shall state the purpose or purposes for which the meeting is to be called.

### **4.2 NOTICE.**

Except as otherwise provided by statute or the Articles, written notice of the time, place and purposes of a meeting of Shareholders shall be given not fewer than ten nor more than 60 days before the date of the meeting to each Shareholder of record entitled to vote at the meeting, either personally or by mailing such notice to his last address as it appears on the books of the Company. No notice need be given of an adjourned meeting of the Shareholders provided the time and place to which such meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting a notice of the adjourned meeting shall be given to each Shareholder of record on the new record date entitled to notice as provided in this Bylaw.

#### **4.3 DATES.**

The Board may fix in advance a date as the record date for the purpose of determining Shareholders entitled to notice of and to vote at a meeting of Shareholders or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purpose of determining Shareholders entitled to receive payment of a dividend or allotment of a right, or for the purpose of any other action. The date fixed shall not be more than 60 nor less than ten days before the date of the meeting, nor more than 60 days before any other action. In such case only such Shareholders as shall be Shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or adjournment thereof, or to express consent or to dissent from such proposal, or to receive payment of such dividend or to receive such allotment of rights, or to participate in any other action, as the case may be, notwithstanding any transfer of any stock on the books of the Company, or otherwise, after any such record date. Nothing in this Bylaw shall affect the rights of a Shareholder and his transferee or transferor as between themselves.

#### **4.4 LISTS.**

The Secretary of the Company or the agent of the Company having charge of the stock transfer records for Shares shall make and certify a complete list of the Shareholders entitled to vote at a Shareholders' meeting or any adjournment thereof. The list shall be arranged alphabetically within each class and series, with the address of, and the number of Shares held by, each Shareholder, be available for inspection by shareholders at the offices of the Company at least five days prior to the date of such meeting, be produced at the meeting, be subject to inspection by any Shareholder during the meeting, and be prima facie evidence of the Shareholders entitled to examine the list or vote.

#### **4.5 QUORUM.**

Unless a greater or lesser quorum is required in the Articles or by the laws of Ohio, the Shareholders present at a meeting in person or by proxy who, as of the record date for such meeting, were holders of a majority of the outstanding Shares entitled to vote at the meeting shall constitute a quorum. Whether or not a quorum is present, a meeting of Shareholders may be adjourned by a vote of the Shares present in person or by proxy. When the holders of a class or series of Shares are entitled to vote separately on an item of business, this Bylaw applies in determining the presence of a quorum of such class or series for transaction of such item of business.

#### **4.6 PROXIES.**

A Shareholder entitled to vote at a meeting of Shareholders or to express consent or dissent without a meeting may authorize other persons to act for the Shareholder by proxy. A proxy shall be signed by the Shareholder or the Shareholder's authorized agent or representative.

#### **4.7 VOTING.**

Each outstanding Share is entitled to one vote on each matter submitted to a vote, unless otherwise provided in the Articles. When an action, other than the election of directors, is to be taken by a vote of the Shareholders, it shall be authorized by a majority of the votes cast by the holders of Shares entitled to vote thereon, unless a greater vote is required by the Articles or by the laws of Ohio. Except as otherwise provided by the Articles, directors shall be elected by a plurality of the votes cast at any election.

**V.**  
**DIRECTORS**

**5.1 NUMBER.**

The business and affairs of the Company shall be managed by a Board of one director. No director need be a resident of Ohio or Maryland or a Shareholder.

**5.2 TENURE.**

Directors shall be elected at each annual meeting of the Shareholders, each to hold office until the next annual meeting of Shareholders and until the director's successor is elected and qualified, or until the director's resignation or removal. A director may resign by written notice to the Company. The resignation is effective upon its receipt by the Company or a subsequent time as set forth in the notice of resignation. A director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the Shares entitled to vote at an election of directors.

**5.3 VACANCIES.**

Vacancies in the Board occurring by reason of death, resignation, removal, increase in the number of directors or otherwise shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board, unless filled by proper action of the Shareholders. Each person so elected shall be a director for a term of office continuing only until the next election of directors by the Shareholders. A vacancy that will occur at a specific date, by reason of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the newly elected director may not take office until the vacancy occurs.

**5.4 MEETINGS.**

The Board shall meet each year immediately after the annual meeting of the Shareholders, or within three days of such time excluding Sundays and legal holidays if such later time is deemed advisable, at the place where such meeting of the Shareholders has been held or such other place as the Board may determine, for the purpose of election of officers and consideration of such business that may properly be brought before the meeting; provided, that if less than a majority of the directors appear for an annual meeting of the Board the holding of such annual meeting shall not be required and the matters which might have been taken up therein may be taken up at any later special or annual meeting, or by consent resolution. Regular meetings of the Board may be held at such times and places as the majority of the directors may from time to time determine at a prior meeting or as shall be directed or approved by the vote or written consent of all directors. Special meetings of the Board may be called by the President and shall be called by the Secretary upon the written request of any director.

#### **5.5 NOTICES.**

No notice shall be required for annual or regular meetings of the Board or for adjourned meetings, whether regular or special. Three days' written notice shall be given for special meetings of the Board, and such notice shall state the time, place and purposes of the meeting.

#### **5.6 QUORUM.**

A majority of the Board then in office, or of the members of a committee thereof, constitutes a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the acts of the Board or of the committee, except as a larger vote may be required by the laws of Ohio. A member of the Board or of a committee designated by the Board may participate in a meeting by means of conference telephone by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

#### **5.7 COMMITTEES.**

The Board may, by resolution passed by a majority of the whole Board, appoint three or more members of the Board as an executive committee to exercise all powers and authorities of the Board in management of the business and affairs of the Company, except that the committee shall not have power or authority to (a) amend the Articles; (b) adopt an agreement of merger or consolidation; (c) recommend to Shareholders the sale, lease or exchange of all or substantially all of the Company's property and assets; (d) recommend to Shareholders a dissolution of the Company or revocation of a dissolution; (e) amend these Bylaws; (f) fill vacancies in the Board; or (g) unless expressly authorized by the Board, declare a dividend or authorize the issuance of stock. The Board from time to time may, by like resolution, appoint such other committees of one or more directors to have such authority as shall be specified by the Board in the resolution making such appointments. The Board may designate one or more directors as alternate members of any committee who may replace an absent or disqualified member at any meeting thereof.

#### **5.8 DISSENT.**

A director who is present at a meeting of the Board, or a committee thereof of which the director is a member, at which action on a corporate matter is taken is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company promptly after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a written dissent with the Secretary of the Company within a reasonable time after the director has knowledge of the action.



**5.9 COMPENSATION.**

The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the Company as directors or officers.

**VI.  
PROCEDURES**

**6.1 NOTICE.**

All notices of meetings to be given to Shareholders, directors or any committee of directors may be given by mail, overnight courier, telefax or e-mail to any Shareholder, director or committee member at his last address as it appears on the books of the Company. Such notice shall be deemed to be given at the time when the same shall be mailed or otherwise dispatched.

**6.2 WAIVER.**

Notice of the time, place and purpose of any meeting of Shareholders, directors or committee of directors may be waived by mail, overnight courier, telefax or e-mail, either before or after the meeting, or in such other manner as may be permitted by the laws of Ohio. Attendance of a person at any meeting of Shareholders, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except as follows:

(a) In the case of a Shareholder, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, or unless with respect to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, the Shareholder objects to considering the matter when it is presented.

(b) In the case of a director, unless he or she at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

**6.3 CONSENT.**

Any action required or permitted at any meeting of directors or committee thereof may be taken without a meeting, without prior notice and without a vote, if all directors or committee members entitled to vote thereon consent thereto in writing, before or after the action is taken. Any action required or permitted at any meeting of Shareholders may be taken without a meeting, without prior notice and without a vote, if all Shareholders entitled to vote thereon consent thereto in writing, before or after the action is taken or if such action otherwise satisfies the Articles and Ohio law.

**VII.  
OFFICERS**

**7.1 NUMBER.**

The Board shall elect or appoint a President, a Secretary and a Treasurer, and may elect a Chief Executive Officer (the "CEO"), a Chief Operating Officer (the "COO"), and/or one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. Any two or more of the above offices, except those of President and Vice President, may be held by the same person. No officer shall execute or verify an instrument in more than one capacity if the instrument is required by law, the Articles or these Bylaws to be executed, acknowledged, or verified by one or more officers.

**7.2 TERM.**

An officer shall hold office for the term for which he is elected or appointed and until his successor is elected or appointed and qualified, or until his resignation or removal. An officer may resign by written notice to the Company. The resignation is effective upon its receipt by the Company or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his contract rights, if any. The appointment of an officer does not of itself create contract rights.

**7.3 VACANCIES.**

The Board may fill any vacancies in any office occurring for whatever reason.

**7.4 AUTHORITY.**

All officers, employees and agents of the Company shall have such authority and perform such duties in the conduct and management of the business and affairs of the Company as may be designated by the Board and these Bylaws.

**VIII.  
DUTIES**

**8.1 CEO.**

The CEO, if any is appointed, shall preside at all meetings of the Shareholders at which the CEO is present. The CEO shall be the chief executive officer of the Company, shall see that all resolutions of the Board are carried into effect, and shall have the general powers of supervision usually vested in the chief executive officer of a corporation. Subject to any contrary directives by the Board, the CEO shall hold (a) authority to direct (and commit) the Company's resources toward the achievement of the Company's goals, (b) authority to vote all securities or other interests of other corporations and business organizations held by the Company, and (c) any further authority as may hereafter be vested in him by the Board.

## **8.2 PRESIDENT.**

In the absence of the CEO, the President shall hold and exercise all authority ascribed to the CEO. In addition, the President shall exercise any and all authority as may be granted to him by the Board, and, subject only to the directives of the CEO, shall ensure that all resolutions of the Board are carried into effect. In the absence of the COO, the President shall also hold and exercise all authority ascribed to the COO. In the absence of the Secretary and any Assistant Secretary, the President may exercise the authority otherwise reserved to the Secretary.

## **8.3 COO.**

The COO shall be the chief operating officer of the Company. The President shall have the general powers of management usually vested in the chief operating officer of a corporation, and, subject to any contrary directives by the Board, shall hold (a) authority to supervise corporation personnel and to implement the directives of the Board, the President and the CEO, and (b) any further authority as may hereafter be vested in him by the Board.

## **8.4 VICE PRESIDENTS.**

The Vice Presidents, in order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. The Vice Presidents shall in any event assume operating responsibility for those aspects of the Company's business referenced in any specific title of the particular Vice President, and shall perform such other duties as may be delegated by the Board, the CEO, the COO or the President. In any event, any Vice President whose title includes the phrase chief financial officer shall be deemed to have been charged with the responsibility for the Company's finances, shall have been granted custody of corporate funds and securities, shall be obligated to keep full and accurate accounts of receipts and disbursements in books of the Company, and shall deposit all moneys and other value in the name and to the credit of the Company in such depositories as may be designated by the Board. Moreover, any Vice President whose title includes the phrase general counsel shall be deemed to have been charged with the responsibility for the Company's legal affairs and shall be deemed the Company's principal liaison with the Company's outside counsel and regulatory authorities.

## **8.5 SECRETARY.**

The Secretary shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the Shareholders and of the Board, and shall keep in safe custody the seal of the Company and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by the signature of the Secretary, or by the signature of the Treasurer or an Assistant Secretary. The Secretary may delegate any of the duties, powers and authorities of the Secretary to one or more Assistant Secretaries, unless such delegation is disapproved by the Board.

**8.6 TREASURER.**

Subject to the authority of any Vice President charged with the responsibility for the Company's finances, the Treasurer shall have the custody of corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books of the Company and shall deposit all moneys and other value in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall render to the President and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the Company. The Treasurer may delegate any of his or her duties, powers and authorities to one or more Assistant Treasurers unless such delegation is disapproved by the Board.

**8.7 ASSISTANTS.**

The Assistant Secretaries, in order of their seniority, shall perform the duties and exercise the powers and authorities of the Secretary in case of the Secretary's absence or disability. The Assistant Treasurers, in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform such duties as may be delegated by the Secretary and Treasurer, respectively, and also such duties as the Board may prescribe.

**IX.  
ACTIONS**

**9.1 PAYMENT.**

All checks, drafts, notes, bonds, bills of exchange and orders for payment of money of the Company may, subject to any contrary resolution adopted by the Board from time to time, be signed by the CEO, the President or any other officer as may be authorized by the Board.

**9.2 CONTRACTS.**

The Board may in any instance designate the officer and/or agent who shall have authority to execute any contract, conveyance, mortgage or other instrument on behalf of the Company, or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the CEO or President may execute the same in the name and on behalf of the Company and may affix the corporate seal thereto.

**X.  
RECORDS**

**10.1 MAINTENANCE.**

The proper officers and agents of the Company shall keep and maintain such books, records and accounts of the Company's business and affairs, minutes of the proceedings of its Shareholders, Board and committees, if any, and such stock ledgers and lists of Shareholders, as the Board shall deem advisable, and as shall be required by the laws of Ohio and other states or jurisdictions empowered to impose such requirements. Books, records and minutes may be kept within or without Ohio in a place which the Board shall determine.

**10.2 RELIANCE.**

In discharging his or her duties, a director or an officer of the Company, when acting in good faith, may rely upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (a) one or more directors, officers, or employees of the Company, or of a business organization under joint control or common control, whom the director or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence, or (c) a committee of the board of which he or she is not a member if the director or officer reasonably believes the committee merits confidence. A director or officer may not rely on any information if he or she has knowledge concerning the matter that makes reliance otherwise permitted unwarranted.

**XI.  
INDEMNIFICATION**

**11.1 PERSONAL.**

Subject to all of the other provisions of this Article XI, the Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Company) by reason that the person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another entity or enterprise, against expenses (including reasonable attorneys' fees), judgments, penalties and amounts paid in settlement reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders, and, with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**11.2 DERIVATIVE.**

Subject to all of the provisions of this Article XI, the Company shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees) and amounts paid in settlement reasonably incurred by the person in connection with such action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders. However, indemnification shall not be made for any claim, issue or matter in which such person has been found liable to the Company unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred.

**11.3 EXPENSES.**

To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 11.1 or 11.2 of these Bylaws, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against actual and reasonable expenses (including attorneys' fees) incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Section 11.3.

**11.4 DEFINITIONS.**

For purposes of Sections 11.1 and 11.2, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company that imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Company or the Shareholders".

**11.5 PARAMETERS.**

The right to indemnification conferred in this Article XI shall be a contract right, and shall apply to services of a director or officer as an employee or agent of the Company as well as in such person's capacity as a director or officer. Except as provided in Section 11.3 of these Bylaws, the Company shall have no obligations under this Article XI to indemnify any person in connection with any proceeding, or part thereof, initiated by him or her without Board authorization.

**11.6 DETERMINATION.**

Any indemnification under Section 11.1 or 11.2 of these Bylaws (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 11.1 or 11.2, whichever is applicable, and upon an evaluation of the reasonableness of expenses and amount paid in settlement. Such determination and evaluation shall be made in any of the following ways:

(a) By a majority vote of a quorum of the Board consisting of directors who are not parties or threatened to be made parties to such proceeding.

(b) If the quorum described in clause (a) above is not obtainable, then by a majority vote of a committee of directors duly designated by the Board and consisting solely of two or more directors who are not at the time parties or threatened to be made parties to the proceeding.

(c) By independent legal counsel in a written opinion, so long as such counsel is selected (i) by the Board or its committee in the manner prescribed in subparagraph (a) or (b), or (ii) if a quorum of the Board cannot be obtained under subparagraph (a) and a committee cannot be designated under subparagraph (b), by the Board.

(d) By the Shareholders, but Shares held by directors or officers who are parties or threatened to be made parties to the action, suit or proceeding may not be voted.

**11.7 PROPORTIONALITY.**

If a person is entitled to indemnification under Section 11.1 or 11.2 of these Bylaws for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Company shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

**11.8 ADVANCES.**

The Company may pay or reimburse the reasonable expenses incurred by a person referred to in Section 11.1 or 11.2 of these bylaws who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding if (a) the person furnishes the Company a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Section 11.1 or 11.2, (b) the person furnishes the Company a written undertaking executed to personally repay the advance if it is ultimately determined that he or she did not meet the standard of conduct, (c) the authorization of payment is made in the manner specified in Section 11.6, and (d) a determination is made that the facts then known to those making the determination would not preclude indemnification under Section 11.1 or 11.2. The undertaking shall be a general obligation of the person, but need not be secured.

**11.9 SCOPE.**

The indemnification or advancement of expenses provided under this Article XI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Company. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

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**11.10 AGENTS.**

The Company may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Company to the fullest extent of the provisions of this Article XI with respect to the indemnification and advancement of expenses of directors and officers of the Company.

**11.11 SUCCESSION.**

The indemnification provided in this Article XI continues as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her successors.

**11.12 INSURANCE.**

The Company may buy and maintain insurance on behalf of any person who is or was a director, officer, partner, trustee, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another entity or enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Company would have power to indemnify the person against such liability under these Bylaws or the laws of Ohio.

**11.13 LEGISLATION.**

Upon any change of the Ohio statutory provisions relating to the subject matter of this Article XI, the indemnification to which any person shall be entitled hereunder shall be determined by such changed provisions, but only to the extent that any such change permits the Company to provide broader indemnification rights than before any such change. Subject to Section 11.14, the Board may amend these Bylaws to conform to any such changed statutory provisions.

**11.14 AMENDMENT.**

No amendment or repeal of this Article XI shall apply to any director or officer of the Company for or with respect to any prior acts or omissions of such director or officer.

**XII.  
AMENDMENT**

The Bylaws of the Company may be amended, altered or repealed, in whole or in part, by the Shareholders or by the Board at any meeting duly held in accordance with these Bylaws.



Corporations Section  
P.O. Box 13697  
Austin, Texas 78711-3697

Gwyn Shea  
Secretary of State



**Office of the Secretary of State**

**CERTIFICATE OF FILING  
OF**

Filing Number: \_\_\_\_\_

The undersigned, as Secretary of State of Texas, hereby certifies that the statement of change of registered agent/office for the above named entity has been received in this office and has been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Filing.

Dated: \_\_\_\_\_

Effective: \_\_\_\_\_



/s/ Gwyn Shea  
Gwyn Shea  
Secretary of State

PHONE (512) 463-5555  
Prepared by: Leila Wurst

Come visit us on the internet at <http://www.sos.state.tx.us/>  
FAX(512) 463-5709

TTY7-1-1



Office of the Secretary of State  
Corporations Section  
P.O. Box 13697  
Austin, Texas 78711-3697

FILED  
In the Office of the  
Secretary of State of Texas

JUL 16 2003  
Corporations Section

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CHANGE OF REGISTERED AGENT/REGISTERED OFFICE

1. The name of the entity is \_\_\_\_\_  
and the file number issued to the entity by the secretary of state is \_\_\_\_\_
2. The entity is: (Check one.)
- a *business corporation*, which has authorized the changes indicated below through its board of directors or by an officer of the corporation so authorized by its board of directors, as provided by the Texas Business Corporation Act.
  - a *non-profit corporation*, which has authorized the changes indicated below through its board of directors or by an officer of the corporation so authorized by its board of directors, or through its members in whom management of the corporation is vested pursuant to article 2.14C, as provided by the Texas Non-Profit Corporation Act.
  - a *limited liability company*, which has authorized the changes indicated below through its members or managers, as provided by the Texas Limited Liability Company Act.
  - a *limited partnership*, which has authorized the changes indicated below through its partners, as provided by the Texas Revised Limited Partnership Act.
  - a *out-of-state financial institution*, which has authorized the changes indicated below in the manner provided under the laws governing its formation.
3. The registered office address as PRESENTLY shown in the records of the Texas Secretary of State is 800 Brazos Street Austin, TX 78701
4.  A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)  
c/o C T Corporation System, 350 N. St. Paul Street, Dallas, Texas 75201
- OR  B. The registered office address will not change.
5. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is Corporation Service Company
6.  A. The name of the NEW registered agent is C T Corporation System
- OR  B. The registered agent will not change.
-

Corporations Section  
P.O. Box 13697  
Austin, Texas 78711-3697



Elton Bomer  
Secretary of State

Office of the Secretary of State

May 2, 2000

RE: \_\_\_\_\_

ASSUMED NAME: \_\_\_\_\_

FILE DATE: \_\_\_\_\_

The assumed name certificate for the above referenced entity has been filed in this office. This letter may be used as evidence of the filing.

Please be aware that pursuant to Section 36.17 of the Texas Business and Commerce Code, the filing of an assumed name certificate does not give the registrant any right to use the name when contrary to the common law or statutory law of unfair competition, unfair trade practices, common law copyright, or similar law.

In addition to filing with the Secretary of State, Chapter 36 of the Texas Business and Commerce Code requires filing of the assumed name certificate with the county clerk in the counties in which the registered office and the principal office of the entity are located.

Sincerely yours,

/s/ Lorna Wassdorf

\_\_\_\_\_  
Lorna Wassdorf  
Deputy Assistant Secretary  
Statutory Filings Division

LSW: KS

(512) 463-5555

Come visit us on the Internet @ <http://www.sos.state.tx.us/>  
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 Corporations Section  
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 In the Office of the  
 Secretary of State of Texas

MAY 02 2000

Corporation Section

**ASSUMED NAME CERTIFICATE  
 FOR FILING WITH THE SECRETARY OF STATE**

1. The name of the corporation, limited liability company, limited partnership, or registered limited liability partnership as stated in its articles of incorporation, articles of organization, certificate of limited partnership, application for certificate of authority or comparable document is

2. The assumed name under which the business or professional service is or is to be conducted or rendered is

3. The state, country, or other jurisdiction under the laws of which it was incorporated, organized or associated is Texas and the address of its registered or similar office in that jurisdiction is 800 Brazos, Austin, Texas 78701

4. The period, not to exceed 10 years, during which the assumed name will be used is 10 years

5. The entity is a (check one):

A.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Business Corporation          | <input type="checkbox"/> Non-Profit Corporation   |
| <input type="checkbox"/> Professional Corporation                 | <input type="checkbox"/> Professional Association |
| <input type="checkbox"/> Limited Liability Company                | <input type="checkbox"/> Limited Partnership      |
| <input type="checkbox"/> Registered Limited Liability Partnership |   |

B. If the entity is some other type business, professional or other association that is incorporated, please specify below (e.g., bank, savings and loan association, etc.)

6. If the entity is required to maintain a registered office in Texas, the address of the registered office is 800 Brazos, Austin, Texas 78701 and the name of its registered agent at such address is Corporation Service Company

The address of the principal office (if not the same as the registered office) is

7. If the entity is not required to or does not maintain a registered office in Texas, the office address in Texas is \_\_\_\_\_  
\_\_\_\_\_ and if the entity is not incorporated, organized or associated under the laws of Texas, the address of its place of business in Texas is \_\_\_\_\_  
\_\_\_\_\_ and the office address elsewhere is \_\_\_\_\_  
\_\_\_\_\_

8. The county or counties where business or professional services are being or are to be conducted or rendered under such assumed name are (if applicable, use the designation "ALL" or "ALL EXCEPT")  
ALL

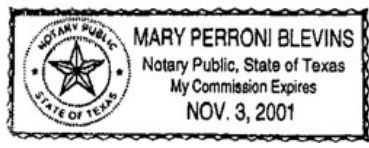
9. The undersigned, if acting in the capacity of an attorney-in-fact of the entity, certifies that the entity has duly authorized the attorney-in-fact in writing to execute this document.

By /s/ Kelly McDonald  
Signature of officer, general partner, manager, representative or attorney-in-fact of the entity

State of Texas §  
County of Travis §

This instrument was acknowledged before me on May 2, 2000 by \_\_\_\_\_

Kelly McDonald  
(name of person acknowledging)



/s/ Marry Perroni Blevins  
Signature of Notary  
Notary Public, State of Texas

Corporations Section  
P.O. Box 13697  
Austin, Texas 78711-3697



Elton Bomer  
Secretary of State

Office of the Secretary of State

March 23, 2000

RE: \_\_\_\_\_

ASSUMED NAME: \_\_\_\_\_

FILE DATE: \_\_\_\_\_

The assumed name certificate for the above referenced entity has been filed in this office. This letter may be used as evidence of the filing.

Please be aware that pursuant to Section 36.17 of the Texas Business and Commerce Code, the filing of an assumed name certificate does not give the registrant any right to use the name when contrary to the common law or statutory law of unfair competition, unfair trade practices, common law copyright, or similar law.

In addition to filing with the Secretary of State, Chapter 36 of the Texas Business and Commerce Code requires filing of the assumed name certificate with the county clerk in the counties in which the registered office and the principal office of the entity are located.

Sincerely yours,

/s/ Lorna Wassdorf

Lorna Wassdorf  
Deputy Assistant Secretary  
Statutory Filings Division

LSW: LCS

(512) 463-5555

*Come visit us on the Internet @ <http://www.sos.state.tx.us/>*  
FAX (512) 463-5709

TTY (800) 735-2989

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ASSUMED NAME CERTIFICATE  
FOR FILING WITH THE SECRETARY OF STATE

1. The name of the corporation, limited liability company, limited partnership, or registered limited liability partnership as stated in its articles of incorporation, articles of organization, certificate of limited partnership, application for certificate of authority or comparable document is

2. The assumed name under which the business or professional service is or is to be conducted or rendered is

3. The state, country, or other jurisdiction under the laws of which it was incorporated, organized or associated is  
Texas, and the address of its registered or similar office in that jurisdiction is  
800 Brazos, Austin, TX 78701

4. The period, not to exceed 10 years, during which the assumed name will be used is  
10 years

5. The entity is a (check one):

- A.
- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Business Corporation          | <input type="checkbox"/> Non-Profit Corporation   |
| <input type="checkbox"/> Professional Corporation                 | <input type="checkbox"/> Professional Association |
| <input type="checkbox"/> Limited Liability Company                | <input type="checkbox"/> Limited Partnership      |
| <input type="checkbox"/> Registered Limited Liability Partnership |   |

B. If the entity is some other type business, professional or other association that is incorporated, please specify below (e.g., bank, savings and loan association, etc.)

6. If the entity is required to maintain a registered office in Texas, the address of the registered office is 800 Brazos, Austin, TX 78701 and the name of its registered agent

at such address is Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company

The address of the principal office (if not the same as the registered office) is

7. If the entity is not required to or does not maintain a registered office in Texas, the office address in Texas is \_\_\_\_\_

and if the entity is not incorporated, organized or associated under the laws of Texas, the address of its place of business in Texas is \_\_\_\_\_

and the office address elsewhere  
is \_\_\_\_\_

8. The county or counties where business or professional services are being or are to be conducted or rendered under such assumed name are (if applicable, use the designation "ALL" or "ALL EXCEPT")

Shelby County

9. The undersigned, if acting in the capacity of an attorney-in-fact of the entity, certifies that the entity has duly authorized the attorney-in-fact in writing to execute this document.

By /s/ [ILLEGIBLE]

Signature of officer, general partner, manager,  
representative or attorney-in-fact of the entity

State of Illinois

§  
§  
§

County of Logan

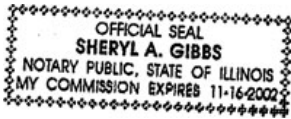
This instrument was acknowledged before me on 3-17-2000  
by \_\_\_\_\_

(date)

Sheryl A. Gibbs

(name of person acknowledging)

(Notary Seal)



/s/ Sheryl A. Gibbs

Signature of Notary  
Notary Public, State of Texas





The State of Texas  
Secretary of State

CERTIFICATE OF INCORPORATION  
OF

CHARTER NUMBER \_\_\_\_\_

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED \_\_\_\_\_

EFFECTIVE \_\_\_\_\_



/s/ Elton Bomer

Elton Bomer, Secretary of State

FEB 24 2000

Corporations Section

ARTICLES OF INCORPORATION  
OF  
\_\_\_\_\_

The undersigned, a natural person of the age of 18 years or more and acting as the incorporator, does hereby adopt the following Articles of Incorporation for the purpose of organizing a corporation pursuant to the provisions of the Texas Business Corporation Act.

FIRST: The name of the corporation is \_\_\_\_\_.

SECOND: The period of duration of the corporation is perpetual.

THIRD: The purpose or purposes for which the corporation is organized is to transact any or all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is 1,000, all of which are of one class and without par value.

FIFTH: The corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least one thousand dollars.

SIXTH: The following provisions are inserted herein for the purpose of defining, limiting, and regulating the powers of the corporation and of the directors and of the shareholders, provided, however, that said provisions shall not be deemed exclusive of any rights or liabilities otherwise granted or imposed by the laws of the State of Texas:

1. The liability of the directors of the corporation is eliminated to the fullest extent permitted by the provisions of the Texas Business Corporation Act and by the provisions of the Texas Miscellaneous Corporation Laws Act, as the same may be amended and supplemented.

2. The corporation shall, to the fullest extent permitted by the provisions of Article 2.02-1 of the Texas Business Corporation Act, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said Article from and against any and all of the expenses, liabilities, or other matters referred to or covered by said Article.

3. With respect to any matter for which the affirmative vote of the holders of at least a two-thirds portion of the shares entitled to vote is otherwise required by the Texas Business Corporation Act, the act of the shareholders on that matter shall be the affirmative vote of the holders of at least a majority of the shares entitled to vote on that matter, rather than the affirmative vote otherwise required by the Texas Business Corporation Act. With respect to any matter for which the affirmative vote

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of the holders of at least two-thirds portion of the shares of any class is otherwise required by the Texas Business Corporation Act, the act of the holders of shares of that class on that matter shall be the affirmative vote of the holders of at least a majority of the shares of that class, rather than the affirmative vote of the holders of shares of that class otherwise required by the Texas Business Corporation Act.

4. Any action required by the Texas Business Corporation Act to be taken at an annual or special meeting of shareholders, or any action which may be taken at an annual or special meeting of shareholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted.

SEVENTH: The post-office address of the initial registered office of the corporation in the State of Texas is c/o Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company, 800 Brazos, Austin, Texas 78701, and the name of the initial registered agent of the corporation at such address is Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company.

EIGHTH: The number of directors constituting the initial Board of Directors of the corporation is one. The individual who is to serve as the sole initial director of the corporation is Essel W. Bailey, Jr. Mr. Bailey's address is 900 Victor's Way, Suite 350, Ann Arbor, Michigan 48108.

NINTH: The name and address of the incorporator is Stuart D. Logan, Esq., Dykema Gossett PLLC, 1577 N. Woodward Avenue, Suite 300, Bloomfield Hills, Michigan 48304-2820.

TENTH: From time to time any of the provisions of these Articles of Incorporation may be amended, altered, or repealed, and other provisions authorized by the laws of the State of Texas at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all contracts and rights at any time conferred upon the shareholders of the corporation by these Articles of Incorporation are granted subject to the provisions of this Article.

Signed on this 23rd day of February, 2000.

/s/ Stuart D. Logan

Stuart D. Logan, Incorporator

Corporations Section  
P.O. Box 13697  
Austin, Texas 78711-3697



Gwyn Shea  
Secretary of State

**Office of the Secretary of State**

**CERTIFICATE OF FILING  
OF**

[Company], INC.  
Filing Number: \_\_\_\_\_

The undersigned, as Secretary of State of Texas, hereby certifies that the statement of change of registered agent/office for the above named entity has been received in this office and has been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Filing.

Dated: \_\_\_\_\_

Effective: \_\_\_\_\_



\_\_\_\_\_  
/s/ Gwyn Shea  
Gwyn Shea  
Secretary of State

PHONE(512) 463-5555  
Prepared by: Leila Wurst

Come visit us on the internet at <http://www.sos.state.tx.us/>  
FAX(512) 463-5709

TTY7-1-1



Office of the Secretary of State  
 Corporations Section  
 P.O. Box 13697  
 Austin, Texas 78711-3697

FILED  
 In the Office of the  
 Secretary of State of Texas

JUL 16 2003

Corporations Section

**CHANGE OF REGISTERED AGENT/REGISTERED OFFICE**

1. The name of the entity is \_\_\_\_\_  
 and the file number issued to the entity by the secretary of state  
 is \_\_\_\_\_
  
2. The entity is: (Check one.)
  - a *business corporation*, which has authorized the changes indicated below through its board of directors or by an officer of the corporation so authorized by its board of directors, as provided by the Texas Business Corporation Act.
  - a *non-profit corporation*, which has authorized the changes indicated below through its board of directors or by an officer of the corporation so authorized by its board of directors, or through its members in whom management of the corporation is vested pursuant to article 2.14C, as provided by the Texas Non-Profit Corporation Act.
  - a *limited liability company*, which has authorized the changes indicated below through its members or managers, as provided by the Texas Limited Liability Company Act.
  - a *limited partnership*, which has authorized the changes indicated below through its partners, as provided by the Texas Revised Limited Partnership Act.
  - an *out-of-state financial institution*, which has authorized the changes indicated below in the manner provided under the laws governing its formation.
  
3. The registered office address as PRESENTLY shown in the records of the Texas secretary of state is 800 Brazos Street Austin, TX 78701
  
4.  A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)  
c/o C T Corporation System, 350 N. St. Paul Stree, Dallas, Texas  
75201
  
- OR  B. The registered office address will not change.
  
5. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is Corporation Service Company
  
6.  A. The name of the NEW registered agent is CT Corporation  
System
  
- OR  B. The registered agent will not change.



**The State of Texas  
Secretary of State**

CERTIFICATE OF INCORPORATION

OF

[Company], INC.  
CHARTER NUMBER \_\_\_\_\_

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED \_\_\_\_\_

EFFECTIVE \_\_\_\_\_



/s/ Henry Cuellar

Henry Cuellar, Secretary of State

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APR 04 2001

Corporations Section

Articles Of Incorporation of [Company], Inc.

THE UNDERSIGNED INCORPORATOR, being a 44-year-old individual, hereby these articles of incorporation to organize a corporation under the Texas Business Corporation Act (the "Act").

FIRST: The Name of the corporation is [Company], Inc.

SECOND: The period of duration of the corporation is perpetual.

THIRD: The purposes for which the corporation is organized is to transact any or all lawful business for which corporations may be incorporated under the Act, although the corporation shall commence business only after it shall have received, for the issuance of its shares, at least \$1,000.

FOURTH: The corporation is authorized to issue is 1,000 shares, of one class, without par value.

FIFTH: The liability of the directors of the corporation is eliminated to the fullest extent permitted by the Act and by the Texas Miscellaneous Corporation Laws Act, as the same may be amended and supplemented, and, accordingly, the corporation shall, to the fullest extent permitted by Article 2.02-1 of the Act, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under such Article 2.02-1 from and against any and all of the expenses, liabilities, or other matters referred to or covered by such Article 2.02-1.

SIXTH: The post-office address of the initial registered office of the corporation in the State of Texas is c/o Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company, 800 Brazos, Austin, Texas 78701, and the name of the initial registered agent of the corporation at such address is Corporation Service Company d/b/a CSC Lawyers Incorporating Service Company.

SEVENTH: The number of directors constituting the initial Board of Directors of the corporation is one. The individual who is to serve as the sole initial director of the corporation is F. Scott Kellman. Mr. Kellman's address is 900 Victor's Way, Suite 350, Ann Arbor, Michigan 48108.

EIGHTH: The name and address of the incorporator is Stuart D. Logan, Esq., Dykema Gossett PLLC, 39577 Woodward Avenue, Suite 300, Bloomfield Hills, Michigan 48304-2820.

NINTH: From time to rime hereafter, any provision of these Articles of Incorporation may be amended or repealed, and other provisions authorized by Texas law at the time in force may be added in the manner prescribed by such laws, and all contracts and rights at any time conferred upon the corporation's shareholders by these Articles of Incorporation are granted subject to this Article.

SO EXECUTED on this \_\_\_\_ day of \_\_\_\_, \_\_\_\_.

/s/ Stuart D. Logan  
Stuart D. Logan, Incorporator

DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
		ARTICLES OF ORGANIZATION/DOM, LLC (LCA)	125.00	100.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

BUCKINGHAM, DOOLITTLE & BURROUGHS  
191 W NATIONWIDE BLVD., #300  
ATTN:JOSHUA J RAMEY  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE  
Ohio Secretary of State, J. Kenneth Blackwell**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**[Company]**

and, that said business records show the filing and recording of:

Document(s):

Document No(s):

**ARTICLES OF ORGANIZATION/DOM. LLC**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State  
at Columbus, Ohio this 15th day of November, A.D.  
2004.

/s/ J. Kenneth Blackwell

Ohio Secretary of State





www.state.oh.us/sos  
e-mail: busserv@sos.state.oh.us

Prescribed by **J. Kenneth Blackwell**  
Ohio Secretary of State  
Central Ohio: (614) 466-3910  
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

**Expedite this Form:** (Select One)

Mail Form to one of the Following

PO Box 1390

Yes

Columbus, OH 43216

\*\*\* Requires an additional fee of \$100 \*\*\*

PO Box 670

No

Columbus, OH 43216

**ORGANIZATION / REGISTRATION OF  
LIMITED LIABILITY COMPANY**

*(Domestic or Foreign)*

Filing Fee \$125.00

THE UNDERSIGNED DESIRING TO FILE A:

**(CHECK ONLY ONE (1) BOX)**

(1)  Articles of Organization for  
Domestic Limited Liability Company

(115-LCA)  
ORC 1705

(2)  Application for Registration of  
Foreign Limited Liability Company

(106-LFA)  
ORC 1705

\_\_\_\_\_  
(Date of Formation)

\_\_\_\_\_  
(State)

**Complete the general information in this section for the box checked above.**

Name [Company]

Check here if additional provisions are attached

\* If box (1) is checked, name must include one of the following endings: limited liability company, limited, Ltd, L.t.d., LLC, L.L.C.

**Complete the information in this section if box (1) is checked.**

Effective Date (Optional) \_\_\_\_\_ *Date specified can be no more than 90 days after date of filing. If a date is specified, the date must be a date on or after the date of filing.*  
(mm/dd/yyyy)

This limited liability company shall exist for \_\_\_\_\_  
(Optional) (Period of existence)

Purpose \_\_\_\_\_  
(Optional) \_\_\_\_\_  
\_\_\_\_\_

The address to which interested persons may direct requests for copies of any operating agreement and any bylaws of this limited liability company is \_\_\_\_\_  
(Optional) (Name)  
\_\_\_\_\_  
(Street) **NOTE: P.O. Box Addresses are NOT acceptable.**  
\_\_\_\_\_  
(City) (State) (Zip Code)

**Complete the information in this section if box (1) is checked Cont.**

**ORIGINAL APPOINTMENT OF AGENT**

The undersigned authorized member, manager or representative of

[Company]  
(name of limited liability company)

hereby appoint the following to be statutory agent upon whom any process, notice or demand required or permitted by statute to be served upon the limited liability company may be served. The name and address of the agent is:

Robert L. Leatherman  
(Name of Agent)

200 Smokerise Drive  
(Street) **NOTE: P.O. Box Addresses are NOT acceptable.**

Wadsworth Ohio 44281  
(City) (State) (Zip Code)

Must be authenticated by an authorized representative

[ILLEGIBLE]

9-16-04

Authorized Representative

Date

[ILLEGIBLE]

[ILLEGIBLE]

Authorized Representative

Date

**ACCEPTANCE OF APPOINTMENT**

The undersigned, named herein as the statutory agent for

[Company]  
(name of limited liability company)

hereby acknowledges and accepts the appointment of agent for said limited liability Company.

[ILLEGIBLE]  
(Agent's signature)

**PLEASE SIGN PAGE (3) AND SUBMIT COMPLETED DOCUMENT**

**Complete the information in this section if box (2) is checked.**

The address to which interested persons may direct requests for copies of any operating agreement and any bylaws of this limited liability company is

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) **NOTE: P.O. Box Addresses are NOT acceptable.**

\_\_\_\_\_  
(City) \_\_\_\_\_ (State) \_\_\_\_\_ (Zip Code)

The name under which the foreign limited liability company desires to transact business in Ohio is

\_\_\_\_\_

The limited liability company hereby appoints the following as its agent upon whom process against the limited liability company may be served in the state of Ohio. The name and complete address of the agent is

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) **NOTE: P.O. Box Addresses are NOT acceptable.**

\_\_\_\_\_  
(City) \_\_\_\_\_ **Ohio** \_\_\_\_\_ (State) \_\_\_\_\_ (Zip Code)

The limited liability company irrevocably consents to service of process on the agent listed above as long as the authority of the agent continues, and to service of process upon the OHIO SECRETARY OF STATE if:

- a. the agent cannot be found, or
- b. the limited liability company fails to designate another agent when required to do so, or
- c. the limited liability company's registration to do business in Ohio expires or is cancelled.

**REQUIRED**

Must be authenticated (**signed**)  
by an authorized representative  
(**See Instructions**)

\_\_\_\_\_  
[ILLEGIBLE]  
\_\_\_\_\_

Authorized Representative

**9-16-04**  
\_\_\_\_\_

Date

Robert L. Leatherman

\_\_\_\_\_  
(Print Name)  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Authorized Representative  
\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Print Name)  
\_\_\_\_\_  
\_\_\_\_\_



Prescribed by J. Kenneth Blackwell

Please obtain fee amount and mailing instructions from the Filing Reference Guide (using the 3 digit form # located at the bottom of this form). To obtain the Filing Reference Guide or for assistance, please call Customer Service: Central Ohio: (614)-466-3910 Toll Free: 1-877-SOS-FILE (1-877-767-3453)

RECEIVED
SECRETARY OF STATE
Expedite is an additional fee
of \$100.00
[ ] Expedite
2001 DEC 28 PM 2:36
CLIENT SERVICE CENTER COPY

CERTIFICATE OF MERGER

In accordance with the requirements of Ohio law, the undersigned corporations, banks, savings banks, savings and loan, limited liability companies, limited partnerships and/or partnerships with limited liability, desiring to effect a merger, set forth the following facts:

I. SURVIVING ENTITY

A. The name of the entity surviving the merger is:

House of Hanover, LLC

B. Name Change: As a result of this merger, the name of the surviving entity has been changed to the following:

House of Hanover, Ltd.

(Complete only if name of surviving entity is changing through the merger)

C. The surviving entity is a: (Please check the appropriate box and fill in the appropriate blanks)

- Domestic (Ohio) for-profit corporation, charter number
Domestic (Ohio) non-profit corporation, charter number
Foreign (Non-Ohio) corporation incorporated under the laws of the state/country of and licensed to transact business in the State of Ohio under license number
Foreign (Non-Ohio) corporation incorporated under the laws of the state/country of and NOT licensed to transact business in the state of Ohio,
[X] Domestic (Ohio) limited liability company, with registration number 1284098
Foreign (Non-Ohio) limited liability company organized under the laws of the state/country of and registered to do business in the State of Ohio under registration number
Foreign (Non-Ohio) limited liability company organized under the laws of the state/country of and NOT registered to do business in the State of Ohio.
Domestic (Ohio) limited partnership, with registration number
Foreign (Non-Ohio) limited partnership organized under the laws of the state/country of and registered to do business in the state of Ohio under registration number
Foreign (Non-Ohio) limited partnership organized under the laws of the state/country of and NOT registered to do business in the state of Ohio.
Domestic (Ohio) partnership having limited liability, with the registration number

J. Kenneth Blackwell

Secretary of State

- Foreign (Non-Ohio) partnership having limited liability organized under the laws of the state/country of \_\_\_\_\_ and registered to do business in the state of Ohio under registration number \_\_\_\_\_
- Foreign (Non-Ohio) non-profit incorporation under the laws of the state/country of \_\_\_\_\_ and licensed to transact business in the state of Ohio under license number \_\_\_\_\_
- Foreign (Non-Ohio) non-profit incorporation under the laws of the state/country of \_\_\_\_\_ and not licensed to transact business in the state of Ohio.

**II. MERGING ENTITY**

The name, charter/license/registration number, type of entity, state/country of incorporation or organization, respectively, of which is a party to the merger are as follows: **(If this is insufficient space to reflect all merging entities, please attach a separate sheet listing the merging entities)**

Name	State/Country of Organization	Type of Entity
House of Hanover, Ltd.	Ohio	Ltd. Partnership
_____	_____	_____
_____	_____	_____
_____	_____	_____

**III. MERGER AGREEMENT ON FILE**

The name and mailing address of the person or entity from whom/which eligible persons may obtain a copy of the agreement of merger upon written request:

Hollis J. Garfield, c/o Emery Medical Management Co.	20255 Emery Road
(name)	(street and number)
North Randall	OH 44128-4122
(city, village or township)	(state) (zip code)

**IV. EFFECTIVE DATE OF MERGER**

This merger is to be effective on: date of filing (if a date is specified, the date must be a date on or after the date of filing; the effective date of the merger cannot be earlier than the date of filing, if no date is specified, the date of filing will be the effective date of the merger).

**V. MERGER AUTHORIZED**

The laws of the state or country under which each constituent entity exists, permits this merger. This merger was adopted, approved and authorized by each of the constituent entities in compliance with the laws of the state under which it is organized, and the persons signing this certificate on behalf of each of the constituent entities are duly authorized to do so.

**VI. STATUTORY AGENT**

The name and address of the surviving entity's statutory agent upon whom any process, notice or demand may be served is:

Emery Medical Management Co,	20255 Emery Road
(name)	(street and number)
North Randall, Ohio	44128-4122
(city, village or township)	(zip code)

*(This item MUST be completed if the surviving entity is foreign entity which is not licensed, registered or otherwise authorized to conduct business in the state of Ohio)*

**VII. ACCEPTANCE OF AGENT**

The undersigned, named herein as the statutory agent for the above referenced surviving entity, hereby acknowledges and accepts the appointment of statutory agent for said entity.

**J. Kenneth Blackwell  
Secretary of State**

**VII. ACCEPTANCE OF AGENT**

The undersigned, named herein as the statutory agent for the above referenced surviving entity, hereby acknowledges and accepts the appointment of statutory agent for said entity.

Emery Medical Management Co.

By: [ILLEGIBLE]

Title: Vice President

*(The acceptance of agent must be completed by domestic surviving entities if through this merger the statutory agent for the surviving entity has changed, or the named agent differs in any way from the name currently on record with the Secretary of State.)*

**VIII. STATEMENT OF MERGER**

Upon filing, or upon such later date as specified herein, the merging entity/entities listed herein shall merge into the listed surviving entity

**IX. AMENDMENTS**

The articles of incorporation, articles of organization, certificate of limited partnership or registration of partnership having limited liability (circle appropriate term) of the surviving domestic entity have been amended. Please see attached "Exhibit A." (Please note, if there will be no change please state "no change")

**X. QUALIFICATION OR LICENSURE OF FOREIGN SURVIVING ENTITY**

A. The listed surviving foreign corporation, bank, savings bank, savings and loan, limited liability company, limited partnership, or partnership having limited liability desires to transact business in Ohio as a foreign corporation, bank, savings bank, savings and loan, limited liability company, limited partnership, or partnership having limited liability, and hereby appoints the following as its statutory agent upon whom process, notice or demand against the entity may be served in the state of Ohio. The name and complete address of the statutory agent is:

\_\_\_\_\_  
(name) \_\_\_\_\_ (street and number)  
\_\_\_\_\_, Ohio \_\_\_\_\_  
(city, village or township) (zip code)

The subject surviving foreign corporation, bank, savings bank, savings and loan, limited liability company, limited partnership, or partnership having limited liability irrevocably consents to service of process on the statutory agent listed above as long as the authority of the agent continues, and to service of process upon the Secretary of State of Ohio if the agent cannot be found, if the corporation, bank, savings bank, savings and loan, limited liability company, limited partnership, or partnership having limited liability fails to designate another agent when required to do so, or if the foreign corporation's, bank's, savings bank's, savings and loan's, limited liability company's, limited partnership's, or partnership having limited liability's license or registration to do business in Ohio expires or is canceled.

B. The qualifying entity also states as follows: (Complete only if applicable)

**1. Foreign Notice Under Section 1703.031**

(If the qualifying entity is a foreign bank, savings bank, or savings and loan, then the following information must be completed.)

(a.) The name of the Foreign Nationally/Federally chartered bank, savings bank, or savings and loan association is

(b.) The name(s) of any Trade Name(s) under which the corporation will conduct business:

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

(c.) The location of the main office (non-Ohio) shall be:

\_\_\_\_\_  
(street address)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(city, township, or village) (county) (state) (zip code)

**J. Kenneth Blackwell  
Secretary of State**

(d.) The principal office location in the state of Ohio shall be:

\_\_\_\_\_ (street address)

\_\_\_\_\_ (city, township, or village) \_\_\_\_\_ (county) \_\_\_\_\_ (state) \_\_\_\_\_ (zip code)

**(Please note, if there will not be an office in the state of Ohio, please list none.)**

(e.) The corporation will exercise the following purpose(s) in the state of Ohio:

(Please provide a brief summary of the business to be conducted; a general clause is not sufficient)

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

**2. Foreign Qualifying Limited Liability Company**

(If the qualifying entity is a foreign limited liability company, the following information must be completed.)

(a.) The name of the limited liability company in its state of organization/registration is

\_\_\_\_\_ (b.) The name under which the limited liability company desires to transact business in Ohio is

\_\_\_\_\_ (c.) The limited liability company was organized or registered on \_\_\_\_\_  
under the laws of the state/country of \_\_\_\_\_

(d.) The address to which interested persons may direct requests for copies of the articles of organization, operating agreement, bylaws, or other charter documents of the company is:

\_\_\_\_\_ (street address)

\_\_\_\_\_ (city, township, or village) \_\_\_\_\_ (state) \_\_\_\_\_ (zip code)

**3. Foreign Qualifying Limited Partnership**

(If the qualifying entity is a foreign limited partnership, the following information must be completed.)

(a.) The name of the limited partnership is

\_\_\_\_\_ (b.) The limited partnership was formed  
on \_\_\_\_\_

(c.) The address of the office of the limited partnership in its state/country of organization is:

\_\_\_\_\_ (street address)

\_\_\_\_\_ (city, township, or village) \_\_\_\_\_ (county) \_\_\_\_\_ (state) \_\_\_\_\_ (zip code)

(d.) The limited partnership's principal office address is:

\_\_\_\_\_ (street address)

\_\_\_\_\_ (city, township, or village) \_\_\_\_\_ (county) \_\_\_\_\_ (state) \_\_\_\_\_ (zip code)

(e.) The names and business or residence addresses of the General partners of the partnership are as follows:

Name	Address
_____	_____
_____	_____
_____	_____

(If insufficient space to cover this item, please attach a separate sheet listing the general partners and their respective addresses)

**J. Kenneth Blackwell  
Secretary of State**

(f.) The address of the office where a list of the names and business or residence addresses of the limited partners and their respective capital contributions is to be maintained is:

\_\_\_\_\_ (street address)

\_\_\_\_\_ (city, township, or village) \_\_\_\_\_ (county) \_\_\_\_\_ (state) \_\_\_\_\_ (zip code)

The limited partnership hereby certifies that it shall maintain said records until the registration of the limited partnership in Ohio is canceled or withdrawn.

**4. Foreign Qualifying Partnership Having Limited Liability**

(a.) The name of the partnership shall be

\_\_\_\_\_

(b.) Please complete the following appropriate section (either item b(1) or b(2)):

(1.) The address of the partnership's principal office in Ohio is:

\_\_\_\_\_ (street name and number)

\_\_\_\_\_, Ohio \_\_\_\_\_ (zip code)  
(city, village or township)

*(If the partnership does not have a principal office in Ohio, then items b2 and item c must be completed)*

(2.) The address of the partnership's principal office (Non-Ohio):

\_\_\_\_\_ (street address)

\_\_\_\_\_ (city, township, or village) \_\_\_\_\_ (state) \_\_\_\_\_ (zip code)

(c.) The name and address of a statutory agent for service of process in Ohio is as follows:

\_\_\_\_\_ (name) \_\_\_\_\_ (street and number)

\_\_\_\_\_, Ohio \_\_\_\_\_ (zip code)  
(city, village or township)

(d.) Please indicate the state or jurisdiction in which the Foreign Limited Liability Partnership has been formed

\_\_\_\_\_

(e.) The business which the partnership engages in is:

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

**The undersigned constituent entities have caused this certificate of merger to be signed by its duly authorized officers, partners and representatives on the date(s) stated below.**

House of Hanover, Ltd.  
\_\_\_\_\_  
(Exact name of entity)

House of Hanover, LLC  
\_\_\_\_\_  
(Exact name of entity)

By: [ILLEGIBLE]  
\_\_\_\_\_

Its: General Partner  
\_\_\_\_\_

Date: 12-26-01  
\_\_\_\_\_

By: [ILLEGIBLE]  
\_\_\_\_\_

Its: Member  
\_\_\_\_\_

Date: 12-26-01  
\_\_\_\_\_



**J. Kenneth Blackwell**  
**Secretary of State**

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

\_\_\_\_\_  
(Exact name of entity)

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

**AGREEMENT OF MERGER**

THIS AGREEMENT is made this 26<sup>th</sup> day of December, 2001, by and between HOUSE OF HANOVER, LTD., an Ohio limited partnership ("DISAPPEARING ENTITY"), and HOUSE OF HANOVER, LLC, an Ohio limited liability company ("SURVIVING ENTITY").

**WITNESSETH:**

WHEREAS, the general partner of DISAPPEARING ENTITY and the members of SURVIVING ENTITY deem it advisable that DISAPPEARING ENTITY be merged into SURVIVING ENTITY under the laws of the State of Ohio in the manner provided therefor pursuant to Sections 1782.432 and 1705.36 et seq. of the Ohio Revised Code;

NOW, THEREFORE, in consideration of the promises, covenants and the mutual agreements herein contained, the constituent corporations have agreed, and do hereby agree to merge upon the terms and conditions below stated.

**ARTICLE I**  
**Agreement to Merge**

DISAPPEARING ENTITY and SURVIVING ENTITY hereby agree that DISAPPEARING ENTITY shall be merged into SURVIVING ENTITY.

**ARTICLE II**  
**Name and Governing Law of Merged Corporation**

Upon the effective date of the merger, SURVIVING ENTITY'S name shall be changed to House of Hanover, Ltd., and SURVIVING ENTITY shall continue to be governed by the laws of the State of Ohio.

**ARTICLE III**  
**Place of Office of Surviving Corporation**

The principal place where SURVIVING ENTITY shall conduct business after the merger is 20255 Emery Road, North Randall, Ohio 44128-4122.

---

**ARTICLE IV**  
**Name and Residence of Agent of Surviving Entity**

Emery Medical Management Co., with offices at 20255 Emery Road, North Randall, Ohio 44128-4122, shall be, and is hereby appointed as the agent of DISAPPEARING ENTITY and SURVIVING ENTITY upon whom process, tax notices and demands against DISAPPEARING ENTITY or SURVIVING ENTITY may be served.

**ARTICLE V**  
**Mode of Effecting Merger**

The mode of carrying said merger into effect, and the manner and basis of converting the partnership interests of DISAPPEARING ENTITY into membership units of SURVIVING ENTITY shall be as follows:

Each partner (both general and limited) of DISAPPEARING ENTITY shall surrender and assign his partnership interest to SURVIVING ENTITY on the effective date of this merger. Upon surrender thereof, no additional membership units shall be issued to the partners of DISAPPEARING ENTITY because the members of SURVIVING ENTITY and the partners of DISAPPEARING ENTITY are identical and own the same ownership percentages in both entities.

**ARTICLE VI**  
**Operating Agreement**

The Operating Agreement of SURVIVING ENTITY shall remain as the operating agreement of the surviving entity after the merger.

**ARTICLE VII**  
**Effective Date of Merger**

The merger shall become effective upon the later of (i) December 31, 2001, or (ii) the date of filing of a Certificate of Merger with the office of the Secretary of State of Ohio. The term "effective date," wherever used in this Agreement, shall mean the effective date herein described.

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

HOUSE OF HANOVER, LTD.

By: /s/ Hollis J. Garfield  
Hollis J. Garfield, General Partner

HOUSE OF HANOVER, LLC

By: /s/ Hollis J. Garfield  
Hollis J. Garfield, Member

Sidney Garfield Trust A Reverse QTIP Trust

By: /s/ Hollis G. Wiggins  
HOLLIS G. WIGGINS, Trustee

Estate of Evelyn Garfield

By: /s/ A. M. Wiggins  
A. M. WIGGINS, Executor Members



DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
12/31/2001	200136500788	ARTICLES OF ORGANIZATION/DOM. LLC (LCA)	125.00	100.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

BUCKINGHAM, DOOLITTLE & BURROUGHS  
191 W NATIONWIDE BLVD., #300  
50 S MAIN, BOX 1500  
COLUMBUS, OH 43215

**STATE OF OHIO**

**Ohio Secretary of State, J. Kenneth Blackwell**

**1284098**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**HOUSE OF HANOVER, LLC**

and, that said business records show the filing and recording of:

Document(s)

Document No(s):

**ARTICLES OF ORGANIZATION/DOM. LLC**

**200136500788**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the Secretary  
of State at Columbus, Ohio this 28th day of  
December, A.D. 2001.

/s/ J. Kenneth Blackwell  
Ohio Secretary of State



**Prescribed by J. Kenneth Blackwell**

Please obtain fee amount and mailing instructions from the **Filing Reference Guide** (using the 3 digit form # located at the bottom of this form). To obtain the Filing Reference Guide or for assistance, please call Customer Service:  
Central Ohio: (614)-466-3910 Toll Free: 1-877-SOS-FILE (1-877-767-3453)

Expedite is an additional fee  
of \$100.00  
 Expedite

**ARTICLES OF ORGANIZATION**  
(Under Section 1705.04 of the Ohio Revised Code)  
Limited Liability Company

COPY

The undersigned, desiring to form a limited liability Company, under Chapter 1705 of the Ohio Revised Code, do hereby state the following:

**FIRST:** The name of said limited liability company shall be:  
House of Hanover, LLC  
(the name must include the words "limited liability company", "limited", "Ltd.", "Ltd.", "LLC", or "L.L.C.")

**SECOND:** (OPTIONAL) This limited liability company shall exist for perpetual existence

**THIRD:** The address to which interested persons may direct requests for copies of any operating agreement and any bylaws of this limited liability company is (OPTIONAL) :  
c/o Emery Medical Management Co., 20255 Emery Road  
(street address or post office box )

North Randall, OH 44128-4122  
(city, village, or township) (state) (zip code)

Please check this box if additional provisions are attached.

Provisions attached hereto are incorporated herein and made a part of these articles of organization.

RECEIVED  
SECRETARY OF STATE  
2001 DEC 28 PM 2:36  
CLIENT SERVICE  
CENTER

**J. Kenneth Blackwell**  
**Secretary of State**

**FOURTH:** Purpose (optional)  
All lawful purposes  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, we have hereunto subscribed our names on 12/26/01  
(date)

Signed /s/ Hollis J. Garfield  
Name: Hollis J. Garfield

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

Signed \_\_\_\_\_  
Name: \_\_\_\_\_

(If insufficient space for all signatures, please attach a separate sheet containing additional signatures)



Prescribed by:  
**J. Kenneth Blackwell**  
 Secretary of State  
 30 East Broad St. LL  
 Columbus, Ohio 43266-0418

**J. Kenneth Blackwell**

**ORIGINAL APPOINTMENT OF AGENT**  
 (for limited liability company)

The undersigned, being at least a majority of the members of House of Hanover, LLC,  
 (name of limited liability company)  
 hereby appoint Emery Medical Management Co. to be the agent upon whom any process, notice or demand required or  
 (name of agent)  
 permitted by statute to be served upon the limited liability company may be served. The complete address of the agent is:

20255 Emery Road  
 (street address P.O. Boxes are not acceptable)  
North Randall, Ohio 44128-4122  
 (city, village, township) (zip)

By: /s/ Hollis J. Garfield  
 (authorized member, manager, or representative)  
 Name: Hollis J. Garfield

By: \_\_\_\_\_  
 (authorized member, manager, or representative)  
 Name: \_\_\_\_\_

By: \_\_\_\_\_  
 (authorized member, manager, or representative)  
 Name: \_\_\_\_\_

By: \_\_\_\_\_  
 (authorized member, manager, or representative)  
 Name: \_\_\_\_\_

By: \_\_\_\_\_  
 (authorized member, manager, or representative )  
 Name: \_\_\_\_\_

By: \_\_\_\_\_  
 (authorized member, manager, or representative )  
 Name: \_\_\_\_\_

**ACCEPTANCE OF APPOINTMENT**

The undersigned , named herein as the statutory agent for House of Hanover, LLC  
 (name of limited liability company)  
 hereby acknowledges and accepts the appointment of agent for said limited liability Company.

Emery Medical Management Co.

By: [ILLEGIBLE]  
 (Agent's signature)

Title: [ILLEGIBLE]



# Delaware

*The First State*

PAGE 1

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 "[Company]", FILED IN THIS OFFICE ON THE \_\_\_\_ DAY OF \_\_\_\_, A.D. \_\_\_\_, AT \_\_\_\_ O'CLOCK \_\_\_\_



/s/ Harriet Smith Windsor  
Harriet Smith Windsor, Secretary of State

AUTHENTICATION:

DATE:

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered \_\_\_\_\_  
FILED \_\_\_\_\_  
\_\_\_\_\_ FILE

**DELAWARE  
CERTIFICATE OF FORMATION**

**OF**

**[Company]**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

**1. NAME**

The name of the limited liability company is [Company] (the "LLC").

**2. REGISTERED OFFICE AND AGENT**

The address of the LLC's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the LLC's registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation of [Company] this \_\_\_day of \_\_\_\_\_, \_\_\_\_\_.

By: /s/ Carolyn Silva-Quagliato

\_\_\_\_\_  
Carolyn Silva-Quagliato  
Authorized Person

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
[COMPANY]

This Second Amended and Restated Limited Liability Company Agreement (the "Agreement") of [COMPANY] (the "Company"), is entered into by CSE Casablanca Holdings II LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on [DATE], pursuant to the provisions of the Act;

WHEREAS, on June 9, 2010, OHI Asset CSB LLC acquired all of the outstanding equity interests in CSE Casablanca Holdings LLC, a Delaware limited liability company that owns all of the outstanding equity interests in the Member;

WHEREAS, the Member owns all of the outstanding equity interests in the Company (the "Membership Interest"); and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the Amended and Restated Operating Agreement of the Company dated [DATE], as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the Company is [COMPANY] .

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The Membership Interest percentage and the mailing address of the Member are set forth on Schedule A attached hereto.

Section 6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

Section 7. Purposes. The Company was formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers acting on behalf of the Company in accordance with this Agreement, (a) shall have and may exercise all powers necessary, convenient or incidental to accomplish the Company's purposes as set forth in Section 7 and (b) shall have and may exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title, power and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such power and authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such Officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers and authority set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers and authority shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Certificates. The Membership Interest of the Member may be evidenced by a certificate showing the name of the Member and the percentage of Membership Interest held by the Member. The certificate shall be signed by an Officer of the Company, and such certificate may be signed in counterparts. The certificate representing the Membership Interest of the Member in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. The Member hereby agrees that its Membership Interest in the Company shall be personal property for all purposes. The Member has no interest in specific Company property.

Section 13. Additional Contributions. The Member is not required to make any additional capital contributions to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Tax Matters. Solely for federal and relevant state income and/or state franchise tax purposes and for no other purpose whatsoever, the Company shall constitute a disregarded entity under Section 301.7701-3(a) of the federal income tax regulations and any comparable provision of relevant state income or franchise tax law, regulation or administrative pronouncement.

Section 15. Allocation of Profits and Losses. The Company's economic profits and losses shall be allocated to the Member.

Section 16. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 17. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

Section 18. Resignation. The Member shall have the right to resign from the Company at any time as contemplated under Section 18-603 of the Act. Upon resignation such resigning Member shall continue to be entitled to receive distributions to which such Member is, or becomes, entitled under this Agreement, but shall not be entitled to receive any other distributions or payments from the Company with respect to such resigning Member's Membership Interest.

Section 19. Books and Records. The Member shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Member. The Company's books of account shall be kept using the method of accounting determined by the Member.

Section 20. Other Business. The Member and any affiliate of the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement or otherwise notwithstanding any other provision to the contrary at law or in equity.

Section 21. Assignments. The Member may assign in whole or in part its Membership Interest in the Company. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger, conversion or consolidation shall, without further act, be the Member hereunder, and such merger, conversion or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

Section 22. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company.

(b) Notwithstanding any other provision of this Agreement, neither the bankruptcy of the Member nor the occurrence of any other event under Section 18-304 of the Act with respect to the Member shall cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation of the Company by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

(f) The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation of the Company as provided in the Act.

Section 23. Amendment. Any amendment to this Agreement must be made in writing and signed by the sole Member.

Section 24. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 25. Entire Agreement. This Agreement, as may be amended by the Member from time to time, constitutes the entire limited liability company agreement of the Company.

Section 26. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Second Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

CSE Casablanca Holdings II LLC, a Delaware  
limited  
liability company

June 9, 2010

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
CSE Casablanca Holdings II LLC	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

SCHEDULE B

OFFICERS

TITLE

C. Taylor Pickett	President and Chief Executive Officer
Daniel J. Booth	Chief Operating Officer and Secretary
Robert O. Stephenson	Chief Financial Officer and Treasurer
Michael Ritz	Vice President and Chief Accounting Officer

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
CSE CAMBRIDGE LLC

This Second Amended and Restated Limited Liability Company Agreement (the "Agreement") of CSE Cambridge LLC (the "Company"), is entered into by CSE Cambridge Realty LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on November 8, 2006, pursuant to the provisions of the Act;

WHEREAS, on June 9, 2010, OHI Asset CSB LLC acquired all of the outstanding equity interests in CSE Casablanca Holdings LLC, a Delaware limited liability company that owns all of the outstanding equity interests in CSE Casablanca Holdings II LLC, a Delaware limited liability company that owns all of the outstanding equity interests in the Member;

WHEREAS, the Member owns all of the outstanding equity interests in the Company (the "Membership Interest"); and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the Amended and Restated Operating Agreement of the Company dated July 31, 2007, as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the Company is CSE Cambridge LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The Membership Interest percentage and the mailing address of the Member are set forth on Schedule A attached hereto.

Section 6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

Section 7. Purposes. The Company was formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers acting on behalf of the Company in accordance with this Agreement, (a) shall have and may exercise all powers necessary, convenient or incidental to accomplish the Company's purposes as set forth in Section 7 and (b) shall have and may exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title, power and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such power and authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such Officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers and authority set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers and authority shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Certificates. The Membership Interest of the Member may be evidenced by a certificate showing the name of the Member and the percentage of Membership Interest held by the Member. The certificate shall be signed by an Officer of the Company, and such certificate may be signed in counterparts. The certificate representing the Membership Interest of the Member in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. The Member hereby agrees that its Membership Interest in the Company shall be personal property for all purposes. The Member has no interest in specific Company property.

Section 13. Additional Contributions. The Member is not required to make any additional capital contributions to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Tax Matters. Solely for federal and relevant state income and/or state franchise tax purposes and for no other purpose whatsoever, the Company shall constitute a disregarded entity under Section 301.7701-3(a) of the federal income tax regulations and any comparable provision of relevant state income or franchise tax law, regulation or administrative pronouncement.

Section 15. Allocation of Profits and Losses. The Company's economic profits and losses shall be allocated to the Member.

Section 16. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 17. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

Section 18. Resignation. The Member shall have the right to resign from the Company at any time as contemplated under Section 18-603 of the Act. Upon resignation such resigning Member shall continue to be entitled to receive distributions to which such Member is, or becomes, entitled under this Agreement, but shall not be entitled to receive any other distributions or payments from the Company with respect to such resigning Member's Membership Interest.

Section 19. Books and Records. The Member shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Member. The Company's books of account shall be kept using the method of accounting determined by the Member.

Section 20. Other Business. The Member and any affiliate of the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement or otherwise notwithstanding any other provision to the contrary at law or in equity.

Section 21. Assignments. The Member may assign in whole or in part its Membership Interest in the Company. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger, conversion or consolidation shall, without further act, be the Member hereunder, and such merger, conversion or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

Section 22. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company.

(b) Notwithstanding any other provision of this Agreement, neither the bankruptcy of the Member nor the occurrence of any other event under Section 18-304 of the Act with respect to the Member shall cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.



(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation of the Company by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

(f) The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation of the Company as provided in the Act.

Section 23. Amendment. Any amendment to this Agreement must be made in writing and signed by the sole Member.

Section 24. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 25. Entire Agreement. This Agreement, as may be amended by the Member from time to time, constitutes the entire limited liability company agreement of the Company.

Section 26. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Second Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

CSE Cambridge Realty LLC, a Delaware  
limited liability company

June 9, 2010

By: /s/ Daniel J. Booth  
Name: Daniel J. Booth  
Title: Chief Operating Officer

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
CSE Cambridge Realty LLC	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

SCHEDULE B

OFFICERS

TITLE

C. Taylor Pickett

President and Chief Executive Officer

Daniel J. Booth

Chief Operating Officer and Secretary

Robert O. Stephenson

Chief Financial Officer and Treasurer

Michael Ritz

Vice President and Chief Accounting Officer

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
CSE ELKTON LLC

This Second Amended and Restated Limited Liability Company Agreement (the "Agreement") of CSE Elkton LLC (the "Company"), is entered into by CSE Elkton Realty LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on November 8, 2006, pursuant to the provisions of the Act;

WHEREAS, on June 9, 2010, OHI Asset CSB LLC acquired all of the outstanding equity interests in CSE Casablanca Holdings LLC, a Delaware limited liability company that owns all of the outstanding equity interests in CSE Casablanca Holdings II LLC, a Delaware limited liability company that owns all of the outstanding equity interests in the Member;

WHEREAS, the Member owns all of the outstanding equity interests in the Company (the "Membership Interest"); and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the Amended and Restated Operating Agreement of the Company dated July 31, 2007, as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the Company is CSE Elkton LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The Membership Interest percentage and the mailing address of the Member are set forth on Schedule A attached hereto.

Section 6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

Section 7. Purposes. The Company was formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers acting on behalf of the Company in accordance with this Agreement, (a) shall have and may exercise all powers necessary, convenient or incidental to accomplish the Company's purposes as set forth in Section 7 and (b) shall have and may exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title, power and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such power and authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such Officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers and authority set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers and authority shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Certificates. The Membership Interest of the Member may be evidenced by a certificate showing the name of the Member and the percentage of Membership Interest held by the Member. The certificate shall be signed by an Officer of the Company, and such certificate may be signed in counterparts. The certificate representing the Membership Interest of the Member in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. The Member hereby agrees that its Membership Interest in the Company shall be personal property for all purposes. The Member has no interest in specific Company property.

Section 13. Additional Contributions. The Member is not required to make any additional capital contributions to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Tax Matters. Solely for federal and relevant state income and/or state franchise tax purposes and for no other purpose whatsoever, the Company shall constitute a disregarded entity under Section 301.7701-3(a) of the federal income tax regulations and any comparable provision of relevant state income or franchise tax law, regulation or administrative pronouncement.

Section 15. Allocation of Profits and Losses. The Company's economic profits and losses shall be allocated to the Member.

Section 16. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 17. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

Section 18. Resignation. The Member shall have the right to resign from the Company at any time as contemplated under Section 18-603 of the Act. Upon resignation such resigning Member shall continue to be entitled to receive distributions to which such Member is, or becomes, entitled under this Agreement, but shall not be entitled to receive any other distributions or payments from the Company with respect to such resigning Member's Membership Interest.



Section 19. Books and Records. The Member shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Member. The Company's books of account shall be kept using the method of accounting determined by the Member.

Section 20. Other Business. The Member and any affiliate of the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement or otherwise notwithstanding any other provision to the contrary at law or in equity.

Section 21. Assignments. The Member may assign in whole or in part its Membership Interest in the Company. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger, conversion or consolidation shall, without further act, be the Member hereunder, and such merger, conversion or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

Section 22. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company.

(b) Notwithstanding any other provision of this Agreement, neither the bankruptcy of the Member nor the occurrence of any other event under Section 18-304 of the Act with respect to the Member shall cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation of the Company by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

(f) The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation of the Company as provided in the Act.

Section 23. Amendment. Any amendment to this Agreement must be made in writing and signed by the sole Member.

Section 24. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 25. Entire Agreement. This Agreement, as may be amended by the Member from time to time, constitutes the entire limited liability company agreement of the Company.

Section 26. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Second Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

CSE Elkton Realty LLC, a Delaware limited  
liability  
company

June 9, 2010

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
CSE Elkton Realty LLC	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

SCHEDULE B

OFFICERS

TITLE

C. Taylor Pickett

President and Chief Executive Officer

Daniel J. Booth

Chief Operating Officer and Secretary

Robert O. Stephenson

Chief Financial Officer and Treasurer

Michael Ritz

Vice President and Chief Accounting Officer

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
CSE LEXINGTON PARK LLC

This Second Amended and Restated Limited Liability Company Agreement (the "Agreement") of CSE Lexington Park LLC (the "Company"), is entered into by CSE Lexington Park Realty LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on November 8, 2006, pursuant to the provisions of the Act;

WHEREAS, on June 9, 2010, OHI Asset CSB LLC acquired all of the outstanding equity interests in CSE Casablanca Holdings LLC, a Delaware limited liability company that owns all of the outstanding equity interests in CSE Casablanca Holdings II LLC, a Delaware limited liability company that owns all of the outstanding equity interests in the Member;

WHEREAS, the Member owns all of the outstanding equity interests in the Company (the "Membership Interest"); and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the Amended and Restated Operating Agreement of the Company dated July 31, 2007, as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the Company is CSE Lexington Park LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The Membership Interest percentage and the mailing address of the Member are set forth on Schedule A attached hereto.

Section 6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

Section 7. Purposes. The Company was formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers acting on behalf of the Company in accordance with this Agreement, (a) shall have and may exercise all powers necessary, convenient or incidental to accomplish the Company's purposes as set forth in Section 7 and (b) shall have and may exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title, power and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such power and authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such Officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers and authority set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers and authority shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Certificates. The Membership Interest of the Member may be evidenced by a certificate showing the name of the Member and the percentage of Membership Interest held by the Member. The certificate shall be signed by an Officer of the Company, and such certificate may be signed in counterparts. The certificate representing the Membership Interest of the Member in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. The Member hereby agrees that its Membership Interest in the Company shall be personal property for all purposes. The Member has no interest in specific Company property.

Section 13. Additional Contributions. The Member is not required to make any additional capital contributions to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Tax Matters. Solely for federal and relevant state income and/or state franchise tax purposes and for no other purpose whatsoever, the Company shall constitute a disregarded entity under Section 301.7701-3(a) of the federal income tax regulations and any comparable provision of relevant state income or franchise tax law, regulation or administrative pronouncement.

Section 15. Allocation of Profits and Losses. The Company's economic profits and losses shall be allocated to the Member.

Section 16. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.



Section 17. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

Section 18. Resignation. The Member shall have the right to resign from the Company at any time as contemplated under Section 18-603 of the Act. Upon resignation such resigning Member shall continue to be entitled to receive distributions to which such Member is, or becomes, entitled under this Agreement, but shall not be entitled to receive any other distributions or payments from the Company with respect to such resigning Member's Membership Interest.

Section 19. Books and Records. The Member shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Member. The Company's books of account shall be kept using the method of accounting determined by the Member.

Section 20. Other Business. The Member and any affiliate of the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement or otherwise notwithstanding any other provision to the contrary at law or in equity.

Section 21. Assignments. The Member may assign in whole or in part its Membership Interest in the Company. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger, conversion or consolidation shall, without further act, be the Member hereunder, and such merger, conversion or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

Section 22. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company.

(b) Notwithstanding any other provision of this Agreement, neither the bankruptcy of the Member nor the occurrence of any other event under Section 18-304 of the Act with respect to the Member shall cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation of the Company by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

(f) The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation of the Company as provided in the Act.

Section 23. Amendment. Any amendment to this Agreement must be made in writing and signed by the sole Member.

Section 24. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 25. Entire Agreement. This Agreement, as may be amended by the Member from time to time, constitutes the entire limited liability company agreement of the Company.

Section 26. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Second Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

CSE Lexington Park Realty LLC, a Delaware  
limited liability company

June 9, 2010

By: /s/ Daniel J. Booth  
Name: Daniel J. Booth  
Title: Chief Operating Officer

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
CSE Lexington Park Realty LLC	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

SCHEDULE B

OFFICERS

TITLE

C. Taylor Pickett

President and Chief Executive Officer

Daniel J. Booth

Chief Operating Officer and Secretary

Robert O. Stephenson

Chief Financial Officer and Treasurer

Michael Ritz

Vice President and Chief Accounting Officer

# 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 FORMATION OF "[Company]", FILED IN THIS OFFICE ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. \_\_\_\_\_, AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_



\_\_\_\_\_  
/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION:

DATE:

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered \_\_\_\_\_  
FILED \_\_\_\_\_  
\_\_\_\_\_ FILE

**DELAWARE  
CERTIFICATE OF FORMATION**

**OF**

**[Company]**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

**1. NAME**

The name of the limited liability company is [Company] (the "LLC").

**2. REGISTERED OFFICE AND AGENT**

The address of the LLC's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the LLC's registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation of [Company] this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By:           /s/ Carolyn Silva-Quagliato            
Carolyn Silva-Quagliato  
Authorized Person



# Delaware

PAGE 2

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF CERTIFICATE OF FORMATION OF "CARNEGIE GARDENS LLC" FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF DECEMBER, A.D. 2008, AT 3:47 O'CLOCK P.M.



4637631 8100V

081225668

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

/s/ Harriet Smith Windsor

\_\_\_\_\_  
Harriet Smith Windsor, Secretary of State  
AUTHENTICATION: 7051002

DATE: 12-29-08

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 03:57 PM 12/23/2008  
FILED 03:47 PM 12/23/2008  
SRV 081225668 - 4637631 FILE

**CERTIFICATE OF FORMATION  
OF  
CARNEGIE GARDENS LLC**

This Certificate of Formation of Carnegie Gardens LLC (the "LLC"), dated as of December 23, 2008, has been duly executed and is being filed by Carolyn Silva-Quagliato, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. § 18-101, et seq.).

**FIRST.** The name of the limited liability company formed hereby is Carnegie Gardens LLC (the "LLC").

**SECOND.** The address of the registered office of the LLC in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**THIRD.** The name and address of the registered agent for service of process on the LLC in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**[The remainder of this page is intentionally left blank]**

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**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation this 23<sup>rd</sup> day of December, 2008.

By: /s/ Carolyn Silva-Quagliato

Name: Carolyn Silva-Quagliato

Title: Authorized Person

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# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, 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 FLORIDA CORPORATION UNDER THE NAME OF "CARNEGIE GARDENS, INC" TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "CARNEGIE GARDENS, INC." TO "CARNEGIE GARDENS LLC", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF DECEMBER, A.D. 2008, AT 3:47 O'CLOCK P.M.



4637631 8100V

081225668

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

/s/ Harriet Smith Windsor

\_\_\_\_\_  
Harriet Smith Windsor, Secretary of State  
AUTHENTICATION: 7051002

DATE: 12-29-08

**CERTIFICATE OF CONVERSION  
OF CARNEGIE GARDENS, INC. TO  
CARNEGIE GARDENS LLC**

This Certificate of Conversion from a Foreign Corporation to a Delaware Limited Liability Company, dated as of December 23, 2008, is being duly executed and filed by Carnegie Gardens, Inc., a Florida corporation (the "Company"), and Carolyn Silva-Quagliato, as an authorized person of Carnegie Gardens LLC, a Delaware limited liability company (the "LLC"), to convert the Company to the LLC pursuant to applicable provisions of the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.) (the "LLC Act") and the Florida Business Corporation Act (607.0101 et seq.) (the "FBCA").

1. The Company's jurisdiction when it was originally incorporated and immediately prior to the filing of this Certificate of Conversion was Florida.
2. The Company filed its original articles of incorporation with the Secretary of State of the State of Florida and was first incorporated on February 18, 2005, in the State of Florida, and was incorporated in the State of Florida immediately prior to the filing of this Certificate of Conversion.
3. The name of the Corporation immediately prior to filing this Certificate of Conversion is Carnegie Gardens, Inc.
4. The name of the Limited Liability Company into which the Company shall be converted and as set forth in the Certificate of Formation is Carnegie Gardens LLC.
5. The conversion of the Company to the LLC has been approved in accordance with the provisions of Section 18-214 of the LLC Act and Section 607.1112 of the FBCA.
6. The conversion shall become effective on December 23, 2008.

**[The remainder of this page intentionally left blank.]**

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IN WITNESS WHEREOF, the undersigned have executed this Certificate of Conversion as of the date first-above written.

**CARNEGIE GARDENS, INC.**

By: /s/ Carolyn Silva-Quagliato  
Name: Carolyn Silva-Quagliato  
Title: Assistant Secretary

**CARNEGIE GARDENS LLC**

By: /s/ Carolyn Silva-Quagliato  
Name: Carolyn Silva-Quagliato  
Title: Authorized Person

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FLORIDA DEPARTMENT OF STATE  
Division of Corporations

March 1, 2006

CARNEGIE GARDENS, INC.  
2 NORTH PALAFOX ST.  
PENSACOLA, FL 32502

SUBJECT: CARNEGIE GARDENS, INC.

DOCUMENT NUMBER: P05000029896

In compliance with the request on your 2006 Annual Report/Uniform Business Report, the certificate of status for the subject corporation is enclosed.

Should you have any questions regarding this matter, please telephone (850) 245-6056.

Division of Corporations

Letter No. 706A00014465

Annual Reports/Reinstatements Section

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

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# State of Florida



Department of State

I certify from the records of this office that CARNEGIE GARDENS, INC. is a corporation organized under the laws of the State of Florida, filed on February 18, 2005.

The document number of this corporation is P05000029896.

I further certify that said corporation has paid all fees due this office through December 31, 2006, that its most recent annual report/uniform business report was filed on March 1, 2006, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
First day of March, 2006



CR2EO22 (01-06)

/s/ Sue M. Cobb

Sue M. Cobb  
Secretary of State

---





FLORIDA DEPARTMENT OF STATE  
Glenda E. Hood  
Secretary of State

May 3, 2005

SONDRA MCCROY  
2 NORTH PALAFOX ST.  
PENSACOLA, FL 32502

2ND ML

The Articles of Incorporation for CARNEGIE GARDENS, INC. were filed on February 18, 2005 and assigned document number P05000029896. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: Compliance with the following procedures is essential to maintaining your corporate status. Failure to do so may result in dissolution of your corporation.

A corporation annual report must be filed with this office between January 1 and May 1 of each year beginning with the calendar year following the year of the filing/effective date noted above and each year thereafter. Failure to file the annual report on time may result in administrative dissolution of your corporation.

A federal employer identification (FEI) number must be shown on the annual report form prior to its filing with this office. Contact the Internal Revenue Service to insure that you receive the FEI number in time to file the annual report. To obtain a FEI number, contact the IRS at 1-800-829-3676 and request form SS-4.

Should your corporate mailing address change, you must notify this office in writing, to insure important mailings such as the annual report notices reach you.

Should you have any questions regarding corporations, please contact this office at the address given below.

Wanda Cunningham, Document Specialist  
New Filings Section

Letter Number: 105A00013826

**RECEIVED**

**MAY 06 2005**

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

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# State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of CARNEGIE GARDENS, INC., a Florida corporation, filed on February 18, 2005, as shown by the records of this office.

The document number of this corporation is P05000029896.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Third day of May, 2005



CR2EO22 (2-03)

/s/ Glenda E. Hood

Glenda E. Hood  
Secretary of State

---

**ARTICLES OF INCORPORATION**

In compliance with Chapter 607 and/or Chapter 621, F.S. (Profit)

**ARTICLE I NAME**

The name of the corporation shall be:

Camegie Gardens, Inc.

**ARTICLE II PRINCIPAL OFFICE**

The principal place of business/ mailing address is:

2 North Palafox Street, Pensacola, Florida 32502

**ARTICLE III PURPOSE**

The purpose for which the corporation is organized is:

Any and all lawful business

**ARTICLE IV SHARES**

The number of shares of stock is:

1,000

**ARTICLE V INITIAL OFFICERS AND/OR DIRECTORS**

List name(s), address(es) and specific title(s):

Scott J. Bell, President, 2 N. Palafox Street, Pensacola, Florida, 32502; Dana R. Foster, Secretary, 2 N. Palafox Street, Pensacola, Florida, 32502; John J. Tolan, Jr., Treasurer, 2 N. Palafox Street, Pensacola, Florida, 32502; W. Edward Trehern, Vice President, 2 N. Palafox Street, Pensacola, Florida, 32502; J. L. Holloway, Director, 2 N. Palafox Street, Pensacola, Florida, 32502; Jerry St. Pe', Director, 2 N. Palafox Street, Pensacola, Florida, 32502; Roy Williams, Director, 2 N. Palafox Street, Pensacola, Florida, 32502

**ARTICLE VI REGISTERED AGENT**

The **name and Florida street address** (P.O. Box **NOT** acceptable) of the registered agent is:

Sondra McCrory  
2 N. Palafox Street  
Pensacola, FL 32502

**ARTICLE VII INCORPORATOR**

The **name and address** of the Incorporator is:

Scott J. Bell  
2 N. Palafox Street  
Pensacola, FL 32502

\*\*\*\*\*

*Having been named as registered agent to accept service of process for the above stated corporation at the place designated in this certificate, I am familiar with and accept the appointment as registered agent and agree to act in this capacity*

\_\_\_\_\_  
/s/ Sondra McCrory  
Signature/Registered Agent

\_\_\_\_\_  
2/16/05  
Date

\_\_\_\_\_  
/s/ [ILLEGIBLE]  
Signature/Incorporator

\_\_\_\_\_  
2/16/05  
Date

FILED  
2005 FEB 18 P 2:20  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

# Delaware

PAGE 2

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF CERTIFICATE OF FORMATION OF "CSE MARIANNA HOLDINGS LLC" FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF DECEMBER, A. D. 2008, AT 6:39 O'CLOCK P.M.



4637842 8100V

081226879

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 7051328

DATE: 12-29-08

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 07: 01 PM 12/23/2008  
FILED 06:39 PM 12/23/2008  
SRV 081226879 - 4637842 FILE

**CERTIFICATE OF FORMATION  
OF  
CSE MARIANNA HOLDINGS LLC**

This Certificate of Formation of CSE Marianna Holdings LLC (the "LLC"), dated as of December 23, 2008, has been duly executed and is being filed by Carolyn Silva-Quagliato, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. § 18-101, et seq.).

**FIRST.** The name of the limited liability company formed hereby is CSE Marianna Holdings LLC (the "LLC").

**SECOND.** The address of the registered office of the LLC in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**THIRD.** The name and address of the registered agent for service of process on the LLC ins the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**[The remainder of this page is intentionally left blank]**

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**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation this 23<sup>rd</sup> day of December, 2008.

By: /s/ Carolyn Silva-Quagliato  
Name: Carolyn Silva-Quagliato  
Title: Authorized Person

# Delaware

PAGE 2

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF CERTIFICATE OF FORMATION OF "PANAMA CITY NURSING CENTER LLC" FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF DECEMBER, A.D. 2008, AT 3:45 O'CLOCK P.M.

4637627 8100V

081225653

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State  
AUTHENTICATION: 7051004

DATE: 12-29-08

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 03:57 PM 12/23/2008  
FILED 03:45 PM 12/23/2008  
SRV 081225653 - 4637627 FILE

**CERTIFICATE OF FORMATION  
OF  
PANAMA CITY NURSING CENTER LLC**

This Certificate of Formation of Panama City Nursing Center LLC (the "LLC"), dated as of December 23, 2008, has been duly executed and is being filed by Carolyn Silva-Quagliato, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. § 18-101, et seq.).

**FIRST.** The name of the limited liability company formed hereby is Panama City Nursing Center LLC (the "LLC").

**SECOND.** The address of the registered office of the LLC in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**THIRD.** The name and address of the registered agent for service of process on the LLC in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**[The remainder of this page is intentionally left blank]**

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**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation this 23<sup>rd</sup> day of December, 2008.

By: /s/ Carolyn Silva-Quagliato

Name: Carolyn Silva-Quagliato

Title: Authorized Person

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# State of Florida



Department of State

I certify that a Certificate of Conversion, was filed on December 23, 2008, converting PANAMA CITY NURSING CENTER, INC., a Florida corporation, into another business entity, as shown by the records of this office.

The document number of the converted entity is 500000092555.



Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Twenty-fourth day of December, 2008

/s/ Burt S. Browning

Burt S. Browning  
Secretary of State

---



I certify the attached is a true and correct copy of the Certificate of Conversion, filed on December 23, 2008, converting PANAMA CITY NURSING CENTER, INC., a Florida corporation, into another business entity, as shown by the records of this office.

The document number of the converted entity is 500000092555.



Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Twenty-fourth day of December, 2008

/s/ Burt S. Browning

Burt S. Browning  
Secretary of State

---

FILED  
08 DEC 23 01 08 15  
STATE  
TALLAHASSEE, FLORIDA

**COVER LETTER**

**TO:** Registration Section  
Division of Corporations

**SUBJECT:** Panama City Nursing Center, Inc.

The enclosed Certificate of Conversion and fee(s) are submitted to convert a Florida Profit Corporation into an "Other Business Entity" in accordance with s. 607.1113, F.S.

Please return all correspondence concerning this matter to:

Carolyn Silva-Quagliato  
(Contact Person)  
CapitalSource Inc.  
(Firm/Company)  
4445 Willard Avenue, 12<sup>th</sup> Floor  
(Address)  
Chevy Chase, MD 20815  
(City, State and Zip Code)

For further information concerning this matter, please call:

Carolyn Silva-Quagliato at (301) 841-2765  
(Name of Contact Person) (Area Code and Daytime Telephone Number)

Enclosed is a check for the following amount:

- |   |   |   |   |
|---|---|---|---|
| <input type="checkbox"/> \$35.00 Filing Fee | <input type="checkbox"/> \$43.75 Filing Fee<br>and Certificate of<br>Status | <input type="checkbox"/> \$43.75 Filing Fee<br>and Certified Copy | <input checked="" type="checkbox"/> \$52.50 Filing Fee,<br>Certified Copy, and<br>Certificate of Status |
|---|---|---|---|

**STREET ADDRESS: MAILING ADDRESS:**

Registration Section  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

Registration Section  
Division of Corporations  
P.O. Box 6327  
Tallahassee, FL 32314

---

FILED  
08 DEC 23 01 08 15  
STATE  
TALLAHASSEE, FLORIDA

**Certificate of Conversion**  
For  
**Florida Profit Corporation**  
Into  
**"Other Business Entity"**

This Certificate of Conversion is submitted to convert the following Florida Profit Corporation

1. The name of the Florida Profit Corporation converting into the "Other Business Entity" is: Panama City Nursing Center, Inc.
2. The name of the "Other Business Entity" is: Panama City Nursing Center LLC.
3. The "Other Business Entity" is a limited liability company formed under the laws of Delaware.
4. The above referenced Florida Profit Corporation has converted into an "Other Business Entity" in compliance with Chapter 607, F.S., and the conversion complies with the applicable laws governing the "Other Business Entity."
5. The plan of conversion was approved by the converting Florida Profit Corporation in accordance with Chapter 607, F.S.
6. The written consent of each shareholder who, as a result of the conversion, is now a member of the surviving entity was obtained pursuant to s. 607.1112(6), F.S.
7. This conversion was effective under the laws governing the "Other Business Entity on: December 23, 2008.
8. This conversion shall be effective in Florida on: December 23, 2008.
9. The "Other Business Entity's" principal office address, if any:

c/o CapitalSource Inc.  
4445 Willard Avenue, 12<sup>th</sup> Floor  
Chevy Chase, MD 20815

10. If the "Other Business Entity" is an out-of-state entity not registered to transact business in Florida, the "Other Business Entity":

a.) Appoints the Florida Secretary of State as its agent for service of process in a proceeding to enforce obligations of the converting Florida profit corporation, including any appraisal rights of shareholders of the converting Florida profit corporation under ss. 607.1301-607.1333, Florida Statutes.

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b.) Lists the following street and mailing address of an office, which the Florida Department of State may use for purposes of s. 607.1114(4), Florida Statutes.

Street and Mailing Address: c/o CapitalSource Inc.  
4445 Willard Avenue, 12<sup>th</sup> Floor  
Chevy Chase, MD 20815

11. The "Other Business Entity" has agreed to pay any shareholders having appraisal rights the amount to which they are entitled under ss.607-1301-607.1333, F.S.

Signed this 23<sup>rd</sup> day of December, 2008

Signature:           /s/ Carolyn Silva-Quagliato          

Printed Name:           Carolyn Silva-Quagliato          

Title:           Assistant Secretary          

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# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, 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 FLORIDA CORPORATION UNDER THE NAME OF "PANAMA CITY NURSING CENTER, INC." TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "PANAMA CITY NURSING CENTER, INC." TO "PANAMA CITY NURSING CENTER LLC", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF DECEMBER, A.D. 2008, AT 3:45 O'CLOCK P.M.



4637627 8100V

081225653

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 7051004

DATE: 12-29-08

*State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 03:57 PM 12/23/2008  
FILED 03:46 PM 12/23/2008  
SRV 081225660 - 4637628 FILE*

**CERTIFICATE OF FORMATION  
OF  
SKYLER MAITLAND LLC**

This Certificate of Formation of Skyler Maitland LLC (the "LLC"), dated as of December 23, 2008, has been duly executed and is being filed by Carolyn Silva-Quagliato, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. § 18-101, et seq.).

**FIRST.** The name of the limited liability company formed hereby is Skyler Maitland LLC (the "LLC").

**SECOND.** The address of the registered office of the LLC in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**Third.** The name and address of the registered agent for service of process on the LLC in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**[The remainder of this page intentionally left blank.]**

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IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation the 23<sup>rd</sup> day of December, 2008 .

**SKYLER MAITLAND LLC**

By: /s/ Carolyn Silva-Quagliato

Name: Carolyn Silva-Quagliato

Title: Authorized Person

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# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, 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 FLORIDA CORPORATION UNDER THE NAME OF "SKYLER MAITLAND, INC." TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "SKYLER MAITLAND, INC." TO "SKYLER MAITLAND LLC", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF DECEMBER, A.D. 2008, AT 3:46 O'CLOCK P.M.



4637628 8100V

081225660  
You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State  
AUTHENTICATION: 7051065

DATE: 12-29-08

**CERTIFICATE OF CONVERSION  
OF SKYLER MAITLAND, INC. TO  
SKYLER MAITLAND LLC**

This Certificate of Conversion from a Foreign Corporation to a Delaware Limited Liability Company, dated as of December 23, 2008, is being duly executed and filed by Skyler Maitland, Inc., a Florida corporation (the "Company"), and Carolyn Silva-Quagliato, as an authorized person of Skyler Maitland LLC, a Delaware limited liability company (the "LLC"), to convert the Company to the LLC pursuant to applicable provisions of the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.) (the "LLC Act") and the Florida Business Corporation Act (607.0101 et seq.) (the "FBCA").

1. The Company's jurisdiction when it was originally incorporated and immediately prior to the filing of this Certificate of Conversion was Florida.
2. The Company filed its original articles of incorporation with the Secretary of State of the State of Florida and was first incorporated on December 6, 2005, in the State of Florida, and was incorporated in the State of Florida immediately prior to the filing of this Certificate of Conversion.
3. The name of the Corporation immediately prior to filing this Certificate of Conversion is Skyler Maitland, Inc.
4. The name of the Limited Liability Company into which the Company shall be converted and as set forth in the Certificate of Formation is Skyler Maitland LLC.
5. The conversion of the Company to the LLC has been approved in accordance with the provisions of Section 18-214 of the LLC Act and Section 607.1112 of the FBCA.
6. The conversion shall become effective on December 23, 2008.

**[The remainder of this page intentionally left blank.]**

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IN WITNESS WHEREOF, the undersigned have executed this Certificate of Conversion as of the date first-above written.

**SKYLER MAITLAND, INC.**

By: /s/ Carolyn Silva-Quagliato  
Name: Carolyn Silva-Quagliato  
Title: Assistant Secretary

**SKYLER MAITLAND LLC**

By: /s/ Carolyn Silva-Quagliato  
Name: Carolyn Silva-Quagliato  
Title: Authorized Person

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FLORIDA DEPARTMENT OF STATE  
Division of Corporations

December 24, 2008

C T CORPORATION SYSTEM

TALLAHASSEE, FL

Re: Document Number P05000159281

The Certificate of Conversion was filed on December 23, 2008 converting SKYLER MAITLAND, INC., a Florida corporation, into another business entity.

Enclosed is the requested certification.

Should you have any further questions concerning this matter, please feel free to call (850) 245-6051, the Registration Filing Section.

Buck Kohr  
Regulatory Specialist II  
Division of Corporations

Letter Number: 408A00061613

P.O. BOX 6327 -Tallahassee, Florida 32314

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# State of Florida



Department of State

I certify that a Certificate of Conversion, was filed on December 23, 2008, converting SKYLER MAITLAND, INC., a Florida corporation, into another business entity, as shown by the records of this office.

The document number of the converted entity is P05000159281.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Twenty-fourth day of December, 2008



/s/ Burt S. Browning

Burt S. Browning  
Secretary of State

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# State of Florida



Department of State

I certify the attached is a true and correct copy of the Certificate of Conversion, filed on December 23, 2008, converting SKYLER MAITLAND, INC., a Florida corporation, into another business entity, as shown by the records of this office.

The document number of the converted entity is P05000159281.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Twenty-fourth day of December, 2008



/s/ Burt S. Browning

Burt S. Browning  
Secretary of State

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FILED  
08 DEC 23 03 08 15  
TALLAHASSEE, FLORIDA

**COVER LETTER**

**TO:** Registration Section  
Division of Corporations

**SUBJECT:** Sklyer Maitland, Inc.

The enclosed Certificate of Conversion and fee(s) are submitted to convert a Florida Profit Corporation into an "Other Business Entity" in accordance with s. 607.1113, F.S.

Please return all correspondence concerning this matter to:

Carolyn Silva-Quagliato  
(Contact Person)  
CapitalSource Inc.  
(Firm/Company)  
4445 Willard Avenue, 12<sup>th</sup> Floor  
(Address)  
Chevy Chase, MD 20815  
(City, State and Zip Code)

For further information concerning this matter, please call:

Carolyn Silva-Quagliato  
(Name of Contact Person)

at (301) 841-2765  
(Area Code and Daytime Telephone Number)

Enclosed is a check for the following amount:

- |   |   |   |   |
|---|---|---|---|
| <input type="checkbox"/> \$35.00 Filing Fee | <input type="checkbox"/> \$43.75 Filing Fee<br>and Certificate of<br>Status | <input type="checkbox"/> \$43.75 Filing Fee<br>and Certified Copy | <input checked="" type="checkbox"/> \$52.50 Filing Fee,<br>Certified Copy, and<br>Certificate of Status |
|---|---|---|---|

**STREET ADDRESS: MAILING ADDRESS:**

Registration Section  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

Registration Section  
Division of Corporations  
P. O. Box 6327  
Tallahassee, FL 32314

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FILED  
08 DEC 23 01 08 15  
STATE  
TALLAHASSEE, FLORIDA

**Certificate of Conversion**  
For  
**Florida Profit Corporation**  
Into  
**"Other Business Entity"**

This Certificate of Conversion is submitted to convert the following Florida Profit Corporation

1. The name of the Florida Profit Corporation converting into the "Other Business Entity" is: Skyler Maitland, Inc.
2. The name of the "Other Business Entity" is: Skyler Maitland LLC.
3. The "Other Business Entity" is a limited liability company formed under the laws of Delaware.
4. The above referenced Florida Profit Corporation has converted into an "Other Business Entity" in compliance with Chapter 607, F.S., and the conversion complies with the applicable laws governing the "Other Business Entity."
5. The plan of conversion was approved by the converting Florida Profit Corporation in accordance with Chapter 607, F.S.
6. The written consent of each shareholder who, as a result of the conversion, is now a member of the surviving entity was obtained pursuant to s. 607.1112(6), F.S.
7. This conversion was effective under the laws governing the "Other Business Entity on: December 23, 2008.
8. This conversion shall be effective in Florida on: December 23, 2008.
9. The "Other Business Entity's" principal office address, if any:

c/o CapitalSource Inc.  
4445 Willard Avenue, 12<sup>th</sup> Floor  
Chevy Chase, MD 20815

10. If the "Other Business Entity" is an out-of-state entity not registered to transact business in Florida, the "Other Business Entity":

a.) Appoints the Florida Secretary of State as its agent for service of process in a proceeding to enforce obligations of the converting Florida profit corporation, including any appraisal rights of shareholders of the converting Florida profit corporation under ss. 607.1301-607.1333, Florida Statutes.

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b.) Lists the following street and mailing address of an office, which the Florida Department of State may use for purposes of s. 607.1114(4), Florida Statutes.

Street and Mailing Address: c/o CapitalSource Inc.  
4445 Willard Avenue, 12<sup>th</sup> Floor  
Chevy Chase, MD 20815

11. The "Other Business Entity" has agreed to pay any shareholders having appraisal rights the amount to which they are entitled under ss.607-1301-607.1333, F.S.

Signed this 23<sup>rd</sup> day of December, 2008.

Signature: /s/ Carolyn Silva-Quagliato

Printed Name: Carolyn Silva-Quagliato

Title: Assistant Secretary

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
[COMPANY] LLC

This Amended and Restated Limited Liability Company Agreement (the "Agreement") of [COMPANY] LLC (the "Company"), is entered into by OHI Asset CSE-U, LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on [DATE], pursuant to the provisions of the Act;

WHEREAS, the Member acquired all of the outstanding equity interests in the Company (the "Membership Interest") on December 22, 2009; and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the original Operating Agreement of the Company dated [DATE], as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is [COMPANY] LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, OHI Asset CSE-U, LLC is hereby admitted to the Company as the sole member of the Company.

Section 6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business. The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Certificates. All of the equity interests of a Member in the Company (the "Membership Interests") may be evidenced by a certificate showing the name of the Member and the number or percentage of Membership Interests held by that Member. Each such certificate shall be signed by an officer of the Company, and such certificates may be signed in counterparts. The certificates representing the Membership Interests in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Each Member hereby agrees that its Membership Interest in the Company and in its Membership Interests for all purposes shall be personal property. The Members have no interest in specific Company property.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 20. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 21. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 22. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

OHI Asset CSE-U, LLC, a Delaware limited  
liability  
company

January 22, 2010

By: /s/ Taylor Pickett

Name: Taylor Pickett

Title: Chief Executive Officer

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
OHI Asset CSE-U, LLC.	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

SCHEDULE B

OFFICERS

TITLE

C. Taylor Pickett

President and Chief Executive Officer

Daniel J. Booth

Chief Operating Officer and Secretary

Robert O. Stephenson

Chief Financial Officer and Treasurer

Michael Ritz

Vice President and Chief Accounting Officer

# Delaware

*The First State*

PAGE 1

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 LIMITED PARTNERSHIP OF "[Company] L.P.", FILED IN THIS OFFICE ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. \_\_\_\_\_, AT \_\_\_\_ O'CLOCK \_\_\_\_



\_\_\_\_\_  
/s/ Harriet Smith Windsor  
Harriet Smith Windsor, Secretary of State

AUTHENTICATION: \_\_\_\_\_

DATE: \_\_\_\_\_

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered \_\_\_\_\_  
FILED \_\_\_\_\_  
\_\_\_\_\_ FILE

**STATE OF DELAWARE  
CERTIFICATE OF FORMATION**

**OF**

**[Company]**

The undersigned desiring to form a limited partnership pursuant to Delaware Revised Uniform Limited Partnership Act, 6 Delaware Code, Chapter 17, do hereby certify as follows:

**1. NAME**

The name of the limited partnership is [Company] (the "LP").

**2. REGISTERED OFFICE AND AGENT**

The address of the LP's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the LP's registered agent at such address is The Corporation Trust Company.

**3. GENERAL PARTNERS**

The name and address of the general partner is as follows:

CSE North Carolina Holdings I LLC  
4445 Willard Avenue  
Chevy Chase, Maryland 20815

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Limited Partnership of [Company] this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CSE NORTH CAROLINA HOLDINGS I LLC

By: /s/ Carolyn Silva-Quagliato  
Carolyn Silva-Quagliato  
Assistant Secretary

SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT  
OF  
[COMPANY] L.P.

This Second Amended and Restated Limited Partnership Agreement (the "Agreement") of [COMPANY] L.P. (the "Partnership") is made and entered into on this 9th day of June, 2010 by and between CSE North Carolina Holdings I LLC, a Delaware limited liability company, as the general partner (the "General Partner") and CSE North Carolina Holdings II, LLC, a Delaware limited liability company (the "Limited Partner"). (The General Partner and the Limited Partner may be referred to collectively as the "Partners"). As used in this Agreement, the "Act" means the Delaware Revised Uniform Limited Partnership Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Partnership was formed as a Delaware limited partnership on [DATE], pursuant to the provisions of the Act;

WHEREAS, on June 9, 2010, OHI Asset CSB LLC, a Delaware limited liability company, acquired all of the outstanding equity interests in CSE Casablanca Holdings, LLC, a Delaware limited liability company that owns all of the outstanding equity interests in CSE Casablanca Holdings II, LLC, a Delaware limited liability company that owns all of the outstanding equity interests in the General Partner and the Limited Partner;

WHEREAS, the General Partner owns one percent of the outstanding equity interests in the Partnership (the "General Partner Interest") and the Limited Partner owns ninety-nine percent of the outstanding equity interests in the Partnership (the "Limited Partner Interest"). (The General Partner Interest and the Limited Partner Interest may be referred to as the "Partnership Interests"); and

WHEREAS, the General Partner and the Limited Partner now desire to enter into this Agreement to amend and restate the Amended and Restated Limited Partnership Agreement of [COMPANY] dated as of [DATE], as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Name. The name of the Partnership is [COMPANY] L.P.

Section 2. Principal Business Office. The principal business office of the Partnership shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Partnership in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Partnership for service of process on the Partnership in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Partners. The General Partner Interest and Limited Partner Interest percentages (the "Partnership Interest Percentages"), and the mailing addresses of the Partners are set forth on Schedule A attached hereto. In the event of any change with respect to the information stated on Schedule A hereto, the General Partner shall have the authority to amend and update Schedule A to reflect such change; *provided*, however, that the failure of the General Partner to update Schedule A or provide a revised copy of Schedule A to the Limited Partner shall not prevent the effectiveness of, or otherwise affect the underlying adjustments that would be reflected in, such amendment to Schedule A as so updated.

Section 6. Foreign Qualification. The General Partner or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Partnership to qualify to do business in any jurisdiction in which the Partnership may wish to conduct business.

Section 7. Purposes. The Partnership was formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited partnership formed pursuant to the Act may engage.

Section 8. Powers. The Partnership, and the General Partner and the Officers acting on behalf of the Partnership in accordance with this Agreement, (a) shall have and may exercise all powers necessary, convenient or incidental to accomplish the Partnership's purposes as set forth in Section 7 and (b) shall have and may exercise all of the powers and rights conferred upon limited partnerships formed pursuant to the Act.

Section 9. Management. In accordance with Section 17-403, the management of the Partnership shall be vested exclusively in the General Partner. The General Partner shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Partnership, to make all decisions regarding those matters, to execute documents on behalf of, and to otherwise bind the Partnership and to perform any and all other acts or activities customary or incident to the management of the Partnership's business. The General Partner shall have authority to delegate powers and duties to Officers of the Partnership pursuant to Section 10. Except for the right to vote on matters explicitly set forth in this Agreement or the Act (which rights have not been modified by this Agreement), the Limited Partner shall not have the right to take part in the operation, management or control of the Partnership's business or affairs, transact business in the Partnership's name or have the power to sign documents or otherwise act on behalf of or bind the Partnership.

Section 10. Officers.

(a) Officers. The General Partner may, from time to time, designate one or more persons to be officers of the Partnership (each an “ Officer”). Any Officer so designated shall have such title, power and authority and perform such duties as the General Partner may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the General Partner, the Officers shall have such power and authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the General Partner at any time. Any Officer may resign at any time upon written notice to the Partnership. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the General Partner receives such written resignation. The initial Officers of the Partnership designated by the General Partner are listed on Schedule B attached hereto. The General Partner may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Partnership and to execute and/or attest documents as an authorized representative of the Partnership, subject to such specific authority and such specific limitations as the General Partner shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Partnership, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers and authority set forth in this Agreement or otherwise vested in them by the General Partner not inconsistent with this Agreement, are agents of the Partnership for the purpose of the Partnership’s business and, the actions of the Officers taken in accordance with such powers and authority shall bind the Partnership.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as provided in this Agreement or the Act, the General Partner shall have the liabilities of a partner in a Delaware partnership without limited partners. Except as provided in the Act, the Limited Partner shall have no liability for the debts, obligations and liabilities of the Partnership, whether arising in contract, tort or otherwise.

Section 12. Tax Matters. Solely for federal and relevant state income and/or state franchise tax purposes and for no other purpose whatsoever, the Partnership shall constitute a disregarded entity under Section 301.7701-3(a) of the federal income tax regulations and any comparable provision of relevant state income or franchise tax law, regulation or administrative pronouncement.



Section 13. Allocation of Profits and Losses. The Partnership's economic profits and losses shall be allocated among the Partners in proportion to their respective Partnership Interest Percentages.

Section 14. Distributions. Distributions shall be made to the Partners, at such times and in such amounts as the General Partner may determine, in its discretion, in proportion to their respective Partnership Interest Percentages. Notwithstanding any other provision of this Agreement, the Partnership shall not be required to make a distribution to the Partners if such distribution would violate Section 17-607 of the Act or any other applicable law.

Section 15. Certificates. The Partnership Interests of the Partners may be evidenced by certificates showing the names of the Partner and the Partnership Interest Percentage held by the Partner. The certificates shall be signed by the General Partner or an Officer of the Partnership, and such certificates may be signed in counterparts. The certificates representing the Partnership Interests shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. The Partners hereby agree that their Partnership Interests shall be personal property for all purposes. The Partners have no interest in specific Partnership property.

Section 16. Additional Contributions. The Partners are not required to make any additional capital contributions to the Partnership. However, the Partners may make additional capital contributions to the Partnership at any time and in such amounts as the Partners may agree upon in their sole discretion. The provisions of this Agreement, including this Section 16, are intended to benefit the Partners and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Partnership. To the fullest extent permitted by law, the Partners shall not have any duty or obligation to any creditor of the Partnership to make any contribution to the Partnership or to request a call for any capital pursuant to this Agreement.

Section 17. Exculpation and Indemnification.

(a) Neither the Partners nor any Officer, employee or agent of the Partnership nor any employee, representative, agent or affiliate of the Partners (collectively, the "Covered Persons") shall be liable to the Partnership or any other person who has an interest in or claim against the Partnership for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Partnership for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Partnership shall be provided out of and to the extent of Partnership assets only, and the General Partner and the Limited Partner shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Partnership and upon such information, opinions, reports or statements presented to the Partnership by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Partnership, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Partners might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Partnership or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

Section 18. Withdrawal. The Partners have the right to withdraw from the Partnership at any time as contemplated under Sections 17-602 and 17-603 of the Act. Upon withdrawal such withdrawing Partner shall continue to be entitled to receive distributions and payments to which such Partner is, or becomes, entitled under this Agreement, but shall not be entitled to receive any other distributions or payments from the Partnership with respect to such withdrawing Partner's Partnership Interest.

Section 19. Books and Records. The General Partner shall keep or cause to be kept complete and accurate books of account and records with respect to the Partnership's business. The books of the Partnership shall at all times be maintained by the General Partner. The Partnership's books of account shall be kept using the method of accounting determined by the General Partner.

Section 20. Other Business. The General Partner and the Limited Partner and any affiliate of the General Partner or the Limited Partner may engage in or possess an interest in other business ventures (unconnected with the Partnership) of every kind and description, independently or with others. The Partnership shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement or otherwise notwithstanding any other provision to the contrary at law or in equity.

Section 21. Assignments. The General Partner may assign in whole or in part its General Partner Interest in the Partnership. If a General Partner transfers all of its General Partner Interest in the Partnership pursuant to this Section 21, the transferee shall be admitted to the Partnership as a general partner of the Partnership upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor General Partner shall cease to be a general partner of the Partnership. Notwithstanding anything in this Agreement to the contrary, any successor to a General Partner by merger or consolidation shall, without further act, be the General Partner hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Partnership shall continue without dissolution. The Limited Partner may assign in whole or in part its Limited Partner Interest in the Partnership. If a Limited Partner transfers all of its Limited Partner Interest in the Partnership pursuant to this Section 21, the transferee shall be admitted to the Partnership as a limited partner of the Partnership upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Limited Partner shall cease to be a limited partner of the Partnership. Notwithstanding anything in this Agreement to the contrary, any successor to a Limited Partner by merger or consolidation shall, without further act, be the Limited Partner hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Partnership shall continue without dissolution.

Section 22. Dissolution.

- (a) The Partnership shall be dissolved and its affairs shall be wound up upon the first to occur of the following:
- (i) the occurrence of an event of withdrawal (as defined in the Act) with respect to a General Partner, other than an event of withdrawal set forth in Section 17-402(a)(4) or (5) of the Act; provided, the Partnership shall not be dissolved and required to be wound up in connection with any of the events specified in this clause (i) if (1) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and shall carry on the business of the Partnership, or (2) if at such time there is no remaining general partner, if within 120 days after such event of withdrawal, the Limited Partner agrees in writing or vote to continue the business of the Partnership and to appoint effective as the day of withdrawal, one or more additional general partners, or (3) the Partnership is continued without dissolution in a manner permitted by the Act or this Agreement;

- (ii) there are no limited partners of the Partnership unless the business of the Partnership is continued in accordance with the Act and this Agreement; or
- (iii) the entry of a decree of judicial dissolution under Section 17-802 of the Act.

(b) Notwithstanding any other provision of this Agreement to the contrary, upon the occurrence of an event that causes the last remaining limited partner in the Partnership to cease to be a limited partner in the Partnership, to the fullest extent permitted by law, the General Partner agrees that the personal representative of such limited partner is hereby authorized to, and shall within ninety (90) days after the occurrence of the event that terminated the continued membership of such limited partner in the Partnership, agree in writing (i) to continue the Partnership, and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute limited partner of the Partnership, effective as of the occurrence of the event that terminated the continued membership of the last remaining limited partner of the Partnership.

(c) Notwithstanding any other provision of this Agreement, upon the occurrence of any event that results in the General Partner ceasing to be a general partner in the Partnership under the Act, if at the time of the occurrence of such event there is at least one remaining general partner of the Partnership, such remaining general partner(s) of the Partnership is (are) hereby authorized to and, to the fullest extent permitted by law, shall carry on the business of the Partnership.

(d) Notwithstanding any other provision of this Agreement to the contrary, neither the bankruptcy of the General Partner nor the occurrence of any other event set forth in Sections 17-402(a)(4) and (5) of the Act with respect to the General Partner shall cause the General Partner to cease to be a general partner of the Partnership, and upon the occurrence of such an event, the Partnership shall continue without dissolution.

(e) In the event of dissolution, the Partnership shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Partnership in an orderly manner), and the assets of the Partnership shall be applied in the manner, and in the order of priority, set forth in the Act.

(f) The Partnership shall terminate when (i) all of the assets of the Partnership, after payment of or due provision for all debts, liabilities and obligations of the Partnership shall have been distributed to the Partners in the manner provided for in this Agreement, and (ii) the Certificate of Limited Partnership of the Partnership shall have been canceled in the manner required by the Act.

(g) The existence of the Partnership as a separate legal entity shall continue until cancellation of the Certificate of Limited Partnership of the Partnership as provided in the Act.

Section 23. Waiver of Right of Partition. To the fullest extent permitted by law, each of the General Partner and the Limited Partner hereby irrevocably waives any right or power that such person might have to cause the Partnership or any of its assets to be partitioned.

Section 24. Amendment. Any amendment to this Agreement must be in writing and signed by all Partners.

Section 25. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 26. Entire Agreement. This Agreement, as may be amended by the Partners from time to time, constitutes the entire partnership agreement of the Partnership.

Section 27. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 28. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Second Amended and Restated Limited Partnership Agreement, effective as of the date written below.

GENERAL PARTNER:

CSE North Carolina Holdings I LLC, a Delaware  
limited liability company

June 9, 2010

By: /s/ Daniel J. Booth  
Name: Daniel J. Booth  
Title: Chief Operating Officer

LIMITED PARTNER:

CSE North Carolina Holdings II LLC, a  
Delaware limited liability company

June 9, 2010

By: /s/ Daniel J. Booth  
Name: Daniel J. Booth  
Title: Chief Operating Officer

SCHEDULE A

PARTNERS

<u>Name</u>	<u>Mailing Address</u>	<u>Partnership Interest Percentages</u>
General Partner CSE North Carolina Holdings I LLC	200 International Circle Suite 3500 Hunt Valley, MD 21030	1%
Limited Partner CSE North Carolina Holdings II LLC	200 International Circle Suite 3500 Hunt Valley, MD 21030	99%

SCHEDULE B

OFFICERS

TITLE

C. Taylor Pickett

President and Chief Executive Officer

Daniel J. Booth

Chief Operating Officer and Secretary

Robert O. Stephenson

Chief Financial Officer and Treasurer

Michael Ritz

Vice President and Chief Accounting Officer



# Delaware

*The First State*

PAGE 1

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 "CSE CASABLANCA HOLDINGS LLC", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF MARCH, A.D. 2007, AT 9:53 O'CLOCK A.M.



4321459 8100

070346902

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5530040

DATE: 03-22-07

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 10:01 AM 03/22/2007  
FILED 09:53 AM 03/22/2007  
SRV 070346902 - 4321459 FILE

**DELAWARE  
CERTIFICATE OF FORMATION**

**OF**

**CSE CASABLANCA HOLDINGS LLC**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

**1. NAME**

The name of the limited liability company is CSE Casablanca Holdings LLC (the "LLC").

**2. REGISTERED OFFICE AND AGENT**

The address of the LLC's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the LLC's registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation of CSE Casablanca Holdings LLC this 21<sup>st</sup> day of March, 2007.

By: /s/ Carolyn Silva-Quagliato

Carolyn Silva-Quagliato

Authorized Person

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
CSE CASABLANCA HOLDINGS LLC

This Amended and Restated Limited Liability Company Agreement (the "Agreement") of CSE Casablanca Holdings LLC (the "Company"), is entered into by OHI Asset CSB LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on March 22, 2007, pursuant to the provisions of the Act;

WHEREAS, on June 9, 2010, the Member acquired all of the outstanding equity interests in the Company;

WHEREAS, the Member owns all of the outstanding equity interests in the Company (the "Membership Interest"); and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the Operating Agreement of the Company dated March 22, 2007, as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the Company is CSE Casablanca Holdings LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The Membership Interest percentage and the mailing address of the Member are set forth on Schedule A attached hereto.

Section 6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

Section 7. Purposes. The Company was formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers acting on behalf of the Company in accordance with this Agreement, (a) shall have and may exercise all powers necessary, convenient or incidental to accomplish the Company's purposes as set forth in Section 7 and (b) shall have and may exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title, power and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such power and authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such Officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers and authority set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers and authority shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Certificates. The Membership Interest of the Member may be evidenced by a certificate showing the name of the Member and the percentage of Membership Interest held by the Member. The certificate shall be signed by an Officer of the Company, and such certificate may be signed in counterparts. The certificate representing the Membership Interest of the Member in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. The Member hereby agrees that its Membership Interest in the Company shall be personal property for all purposes. The Member has no interest in specific Company property.

Section 13. Additional Contributions. The Member is not required to make any additional capital contributions to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Tax Matters. Solely for federal and relevant state income and/or state franchise tax purposes and for no other purpose whatsoever, the Company shall constitute a disregarded entity under Section 301.7701-3(a) of the federal income tax regulations and any comparable provision of relevant state income or franchise tax law, regulation or administrative pronouncement.

Section 15. Allocation of Profits and Losses. The Company's economic profits and losses shall be allocated to the Member.

Section 16. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 17. Exculpation and Indemnification.

( a ) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

( c ) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

Section 18. Resignation. The Member shall have the right to resign from the Company at any time as contemplated under Section 18-603 of the Act. Upon resignation such resigning Member shall continue to be entitled to receive distributions to which such Member is, or becomes, entitled under this Agreement, but shall not be entitled to receive any other distributions or payments from the Company with respect to such resigning Member's Membership Interest.

Section 19. Books and Records. The Member shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Member. The Company's books of account shall be kept using the method of accounting determined by the Member.

Section 20. Other Business. The Member and any affiliate of the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement or otherwise notwithstanding any other provision to the contrary at law or in equity.

Section 21. Assignments. The Member may assign in whole or in part its Membership Interest in the Company. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger, conversion or consolidation shall, without further act, be the Member hereunder, and such merger, conversion or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

Section 22. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company.

(b) Notwithstanding any other provision of this Agreement, neither the bankruptcy of the Member nor the occurrence of any other event under Section 18-304 of the Act with respect to the Member shall cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation of the Company by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

( f ) The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation of the Company as provided in the Act.

Section 23. Amendment. Any amendment to this Agreement must be made in writing and signed by the sole Member.

Section 24. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 25. Entire Agreement. This Agreement, as may be amended by the Member from time to time, constitutes the entire limited liability company agreement of the Company.

Section 26. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

OHI Asset CSB LLC, a Delaware limited liability company

June 9, 2010

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
OHI Asset CSB LLC	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

Michael Ritz

TITLE

President and Chief Executive  
Officer

Chief Operating Officer and  
Secretary

Chief Financial Officer and  
Treasurer

Vice President and Chief  
Accounting Officer

# Delaware

*The First State*

PAGE 1

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 "CSE CASABLANCA HOLDINGS II LLC", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF JULY, A.D. 2007, AT 9:30 O'CLOCK A.M.



4396283 8100

070855507

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State  
AUTHENTICATION: 5876233

DATE: 07-26-07

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 09:33 AM 07/26/2007  
FILED 09:30 AM 07/26/2007  
SRV 070855507 - 4396283 FILE

**DELAWARE  
CERTIFICATE OF FORMATION**

**OF**

**CSE CASABLANCA HOLDINGS II LLC**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

**1. NAME**

The name of the limited liability company is CSE Casablanca Holdings II LLC (the "LLC").

**2. REGISTERED OFFICE AND AGENT**

The address of the LLC's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the LLC's registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation of CSE Casablanca Holdings II LLC this 26<sup>th</sup> day of July, 2007.

By: /s/ Carolyn Silva-Quagliato

Carolyn Silva-Quagliato

Authorized Person

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
CSE CASABLANCA HOLDINGS II LLC

This Amended and Restated Limited Liability Company Agreement (the "Agreement") of CSE Casablanca Holdings II LLC (the "Company"), is entered into by CSE Casablanca Holdings LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on July 26, 2007, pursuant to the provisions of the Act;

WHEREAS, on June 9, 2010, OHI Asset CSB LLC acquired all of the outstanding equity interests in the Member;

WHEREAS, the Member owns all of the outstanding equity interests in the Company (the "Membership Interest"); and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the Operating Agreement of the Company dated July 31, 2007, as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the Company is CSE Casablanca Holdings II LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The Membership Interest percentage and the mailing address of the Member are set forth on Schedule A attached hereto.

Section 6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

Section 7. Purposes. The Company was formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers acting on behalf of the Company in accordance with this Agreement, (a) shall have and may exercise all powers necessary, convenient or incidental to accomplish the Company's purposes as set forth in Section 7 and (b) shall have and may exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title, power and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such power and authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such Officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

(b) Officers as Agents. The Officers, to the extent of their powers and authority set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers and authority shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Certificates. The Membership Interest of the Member may be evidenced by a certificate showing the name of the Member and the percentage of Membership Interest held by the Member. The certificate shall be signed by an Officer of the Company, and such certificate may be signed in counterparts. The certificate representing the Membership Interest of the Member in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. The Member hereby agrees that its Membership Interest in the Company shall be personal property for all purposes. The Member has no interest in specific Company property.

Section 13. Additional Contributions. The Member is not required to make any additional capital contributions to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Tax Matters. Solely for federal and relevant state income and/or state franchise tax purposes and for no other purpose whatsoever, the Company shall constitute a disregarded entity under Section 301.7701-3(a) of the federal income tax regulations and any comparable provision of relevant state income or franchise tax law, regulation or administrative pronouncement.

Section 15. Allocation of Profits and Losses. The Company's economic profits and losses shall be allocated to the Member.

Section 16. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.



Section 17. Exculpation and Indemnification.

( a ) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

( c ) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

Section 18. Resignation. The Member shall have the right to resign from the Company at any time as contemplated under Section 18-603 of the Act. Upon resignation such resigning Member shall continue to be entitled to receive distributions to which such Member is, or becomes, entitled under this Agreement, but shall not be entitled to receive any other distributions or payments from the Company with respect to such resigning Member's Membership Interest.

Section 19. Books and Records. The Member shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Member. The Company's books of account shall be kept using the method of accounting determined by the Member.

Section 20. Other Business. The Member and any affiliate of the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement or otherwise notwithstanding any other provision to the contrary at law or in equity.

Section 21. Assignments. The Member may assign in whole or in part its Membership Interest in the Company. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger, conversion or consolidation shall, without further act, be the Member hereunder, and such merger, conversion or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

Section 22. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company.

(b) Notwithstanding any other provision of this Agreement, neither the bankruptcy of the Member nor the occurrence of any other event under Section 18-304 of the Act with respect to the Member shall cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation of the Company by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

(f) The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation of the Company as provided in the Act.

Section 23. Amendment. Any amendment to this Agreement must be made in writing and signed by the sole Member.

Section 24. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 25. Entire Agreement. This Agreement, as may be amended by the Member from time to time, constitutes the entire limited liability company agreement of the Company.

Section 26. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

CSE Casablanca Holdings LLC, a Delaware limited liability company

June 9, 2010

By: /s/ Daniel J. Booth  
Name: Daniel J. Booth  
Title: Chief Operating Officer

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SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
CSE Casablanca Holdings LLC	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

Michael Ritz

TITLE

President and Chief Executive  
Officer

Chief Operating Officer and  
Secretary

Chief Financial Officer and  
Treasurer

Vice President and Chief  
Accounting Officer

**CERTIFICATE OF TRUST  
OF  
CSE CENTENNIAL VILLAGE**

This Certificate of Trust of CSE Centennial Village (the "Trust") is being duly executed and filed on behalf of the Trust by the undersigned, as trustee, to form a statutory trust under the Delaware Statutory Trust Act (12 Del. C. §3801 et seq.) (the "Act").

1. Name. The name of the statutory trust formed by this Certificate of Trust is: "CSE Centennial Village."
2. Delaware Trustee. The name and business address of the trustee of the Trust with its principal place of business in the State of Delaware are The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.
3. Effective Date. This Certificate of Trust shall be effective upon its filing with the Secretary of State of the State of Delaware.

[signature page follows]

*State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 06:35 PM 06/07/2006  
FILED 06:35 PM 06/07/2006  
SRV 060552448 - 4171518 FILE*

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Trust in accordance with Section 3811(a)(l) of the Act.

**THE CORPORATION TRUST COMPANY**, not  
in its individual capacity, but solely as Trustee

By: /s/ Jennifer A. Schwartz

Name: Jennifer A. Schwartz

Title: Assistant Vice President



**AMENDED AND RESTATED TRUST AGREEMENT**

**OF**

**CSE CENTENNIAL VILLAGE**

---

**AMENDED AND RESTATED TRUST AGREEMENT  
OF  
CSE CENTENNIAL VILLAGE**

This AMENDED AND RESTATED TRUST AGREEMENT is made as of the 20th day of November, 2007, by and among CSE SLB LLC, a Delaware limited liability company, as Settlor, James J. Pieczynski, as Managing Trustee, The Corporation Trust Company, as Statutory Trustee and Jennifer A. Schwartz as Independent Trustee.

**WITNESSETH:**

WHEREAS, the Settlor, the Managing Trustee and the Statutory Trustee have previously entered into that certain Trust Agreement, dated as of June 14, 2006, whereby a statutory trust was established under and in accordance with the Delaware Statutory Trust Act for the purpose of engaging in any lawful act or activity for which statutory trusts may be organized under and in accordance with the provisions of the Delaware Statutory Trust Act; and

WHEREAS, the Settlor, the Managing Trustee and the Statutory Trustee desire to amend and restate the terms of the Trust Agreement in its entirety on the terms indicated herein;

NOW THEREFORE, in consideration of the mutual agreements and covenants herein contained, the Settlor, the Managing Trustee, the Statutory Trustee and the Independent Trustees agree as follows:

**ARTICLE I  
DEFINITIONS AND CONSTRUCTION**

Section 1.1 **Definitions.** Whenever used in this Agreement, unless the context otherwise requires, the terms defined below shall have the following meanings:

- (a) **Affiliate** means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person.
- (b) **Agreement** means this Amended and Restated Trust Agreement of CSE Centennial Village, together with all subsequent amendments and modifications.
- (c) **Basic Documents** mean, collectively, this Agreement, the Loan Agreement, the Lease, the Purchase Agreement and all other documents and agreements executed or entered into by the Trust pursuant to or in connection with the foregoing.
- (d) **Beneficial Interest** means the beneficial interest of the Beneficial Owners in the Trust.
- (e) **Beneficial Owner** means the Initial Beneficiary and other owners of beneficial interests in the Trust as set forth on the books of the Trust, and "Beneficial Owners" shall mean all such owners collectively.

- (f) Business Day means any day on which the principal office of CSE SLB LLC is open for business.
- (g) Bylaws means the Bylaws referred to in Section 4.4, if adopted.
- (h) Control means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise. "Controlling" and "Controlled" shall have correlative meanings. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, a majority of the ownership interests.
- (i) Delaware Statutory Trust Act means Chapter 38 of Title 12 of the Delaware Code, Part V §§3801 et seq., as may be amended from time to time.
- (j) Independent Trustee means individually Jennifer A. Schwartz, and her successors serving in the capacity as Independent Trustee under this Agreement.
- (k) Initial Beneficiary means CSE SLB LLC, a Delaware limited liability company.
- (l) Lease means the certain lease to be entered into by and among the Trust, as landlord, and the Lessee, as tenant, as such agreement is amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time.
- (m) Lessee means the lessee that is obligated on the Lease with the Trust.
- (n) Lender means CSE Mortgage LLC, a Delaware limited liability company, as lender and/or agent, pursuant to the Loan Agreement, together with its successors and/or assigns.
- (o) Loan Agreement means the certain loan agreement to be entered into by and among the Trust, as borrower, and Lender, as such agreement is amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time.
- (p) Managing Trustee means, initially, James J. Pieczynski, and his successors serving in the capacity as Managing Trustee under this Agreement.
- (q) "Material Action" means to consolidate or merge the Trust with or into any Person, or sell all or substantially all of the assets of the Trust, or to institute proceedings to have the Trust be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Trust or file a petition seeking, or consent to, reorganization or relief with respect to the Trust under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trust or a substantial part of its property, or make any assignment for the benefit of creditors of the Trust, or admit in writing the Trust inability to pay its debts generally as they become due, or take action in furtherance of any such action, or, to the fullest extent permitted by law, dissolve or liquidate the Trust.

(r) Obligations mean the indebtedness, liabilities and obligations of the Trust under or in connection with the Basic Documents.

(s) Person includes individuals, corporations, limited partnerships, general partnerships, limited liability companies, joint stock companies or associations, joint ventures, associations, consortia, companies, trusts, banks, trust companies, land trusts, common law trusts, statutory trusts or other entities, and governments and agencies and political subdivisions thereof.

(t) Purchase Agreement means the certain real estate purchase agreement entered into by and among the Trust, as purchaser, and the owner of the Real Estate, as seller, pursuant to which the Trust acquired the Real Estate, as such agreement may be amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time.

(u) Real Estate means the real estate purchased by the Trust pursuant to the Purchase Agreement, and subsequently leased by the Trust to Lessee pursuant to the Lease.

(v) Securities means (i) any stock, shares, voting trust certificates, bonds, debentures, notes, or other evidences of indebtedness or ownership, (ii) in general, any instruments commonly known as securities, or (iii) any certificates of interest, shares or participation in temporary or interim certificates for, receipts for, guarantees of, or warrants, options or rights to subscribe, in any of the foregoing,

(w) Settlor means CSE SLB LLC, a Delaware limited liability company.

(x) Statutory Trustee means The Corporation Trust Company, solely in the capacity as Statutory Trustee for the purpose of qualifying the Trust as a Delaware statutory trust under the Delaware Statutory Trust Act, and any successor Statutory Trustee hereunder.

(y) Trust means CSE Centennial Village, the statutory trust established and continued hereunder.

(z) Trust Agreement means that certain agreement previously entered into by the Settlor, the Managing Trustee and the Statutory Trustee, dated as of June 19, 2006 as amended by this Agreement.

(aa) Trustees means, as of any particular time, those Persons who serve and hold office as Managing Trustee, the Statutory Trustee or Independent Trustee hereunder at such time, whether they be the Trustees named herein or additional or successor Trustees. "Trustees" does not include the officers, representatives or agents of the Trust or the Settlor; provided; however, that nothing herein shall be deemed to preclude the Trustees from also serving as officers, representatives or agents of the Trust, the Settlor.

(bb) Trust Property means, as of any particular time, any and all property, real or personal or otherwise, tangible or intangible, transferred, conveyed, or paid to the Trust or to the Trustee as Trustee, and all rents, income, profits and gains therefrom, together with the proceeds from the sale or other disposition thereof, which at such time are owned or held by the Trust or the Trustee in his capacity as Trustee.

Section 1.2 **Construction.** In this Agreement and in any amendment hereto, references to this Agreement and to “herein,” “hereof” and “hereunder” shall be deemed to refer to this Agreement as a whole as amended or modified. References to the masculine gender shall include the feminine and neuter genders. Words in the singular number include the plural and the plural number include the singular.

**ARTICLE II**  
**PURPOSE AND NATURE OF TRUST**

Section 2.1 **Name.** The Trust created and continued by this Agreement shall be known as the CSE Centennial Village. So far as may be practicable, legal and convenient, the affairs of the Trust shall be conducted and transacted under that name. The name of the Trust may be changed at any time without the approval of the Beneficial Owners.

Section 2.2 **Declaration of Trust.** The Managing Trustee hereby declares that he will hold and administer the Trust Property in trust in accordance with and subject to the terms and conditions set forth herein, for the use and benefit of the Beneficial Owners.

Section 2.3 **Purposes and Powers.** The sole purpose of the Trust is to enter into the transactions contemplated in the Basic Documents, perform its Obligations and exercise its rights and remedies under the Basic Documents, to transact lawful business and exercise any power permitted to statutory trusts settled under the laws of the State of Delaware that is incident, related, necessary and appropriate to accomplish the foregoing and to do, perform and undertake such other activities as may be required in connection with the distribution of Trust Property and proceeds to Beneficial Owners.

Subject to Section 2.4, the Trust, by or through the Settlor or the Trustees on behalf of the Trust, may enter into, perform and from time to time amend the Basic Documents and all documents, agreements, certificates or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any other Person notwithstanding any other provision of this Agreement, the Delaware Statutory Trust Act or applicable law, rule or regulation. The foregoing authorization shall not be deemed a restriction on the powers of the Settlor or the Trustees to enter into other agreements on behalf of the Trust.

Section 2.4 **Limitations on the Trust’s Activities.**

(a) This Section 2.4 is being adopted in order to comply with certain provisions required in order to qualify the Trust as a “special purpose entity.”

(b) The Settlor shall not, so long as any Obligation is outstanding, amend, alter, change or repeal the provisions of Articles I, II, IV, VII, VIII or Sections 3.5, 6.7, 8.3, 9.2 or 9.7 of this Agreement without the unanimous written consent of the Trustees other than the Statutory Trustee (but including all Independent Trustees). Subject to this Section 2.4, the Settlor reserves the right to amend, alter, change or repeal any provisions in this Agreement in accordance with Section 8.3.

(c) Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Trust, the Settlor, the Trustees or any other Person, neither the Settlor nor the Trustees nor any Persons shall be authorized or empowered, nor shall they permit the Trust, without the prior unanimous written consent of the Settlor and the Trustees (including all Independent Trustees), to take any Material Action; provided, however, that the Trustees may not vote on or authorize the taking of any Material Action unless there are at least two Independent Trustees then serving in such capacity.

(d) The Trustees and the Settlor shall cause the Trust to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. So long as any Obligation is outstanding, and except as contemplated by the Basic Documents, the Trustees also shall cause the Trust to:

- (i) maintain its own separate books and records, bank accounts, resolutions and agreements, except to the extent that such entity is treated as a disregarded entity for tax purposes or is otherwise required to file consolidated tax returns by law, and, if part of a consolidated group, is shown as a separate member of such group;
- (ii) at all times hold itself out to the public and all other Persons as a legal entity separate from the Settlor and any other Person;
- (iii) file its own tax returns, if any, as may be required under applicable law, to the extent (1) not part of a consolidated group filing a consolidated return or returns, or (2) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable law;
- (iv) hold its assets in its own name and not commingle its assets with the assets of any other Person or participate in any cash management system with any other Person;
- (v) conduct its business, hold itself out and identify itself in its own name and not as a division or part of any other Person and strictly comply with all organizational formalities to maintain its separate existence;
- (vi) maintain separate financial statements, accounting records and entity documents, except to the extent that such entity is treated as a disregarded entity for tax purposes or is otherwise required to file consolidated tax returns by law, and, if part of a consolidated group, is shown as a separate member of such group;
- (vii) pay its own debts, expenses and liabilities only out of its own funds as the same become due and maintain a sufficient number of employees, if any, in light of its contemplated business operations;
- (viii) maintain an arm's length relationship with its Affiliates and the Settlor;
- (ix) pay the salaries of its own employees, if any;
- (x) allocate fairly and reasonably any overhead, including, without limitation, for shared office space and services performed by an employee of an Affiliate;

- (xi) use stationery, invoices and checks that are separate from those used by any other Person;
- (xii) maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;
- (xiii) correct any known misunderstanding regarding its separate identity;
- (xiv) remain solvent and maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;
- (xv) cause its Trustees to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware statutory trust formalities; and
- (xvi) cause the Trustees, agents and other representatives of the Trust to act at all times with respect to the Trust consistently and in furtherance of the foregoing and in the best interests of the Trust.

Failure of the Trust, or the Settlor or the Trustees on behalf of the Trust, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Trust as a separate legal entity or the limited liability of the Settlor or the Trustees.

(e) So long as any Obligation is outstanding, and except as contemplated by the Basic Documents, the Trustees and the Settlor shall not and neither the Trustees nor the Settlor shall cause or permit the Trust to:

- (i) pledge its assets for the benefit of any other Person or make loans or advances to any other Person;
- (ii) assume or guarantee any obligation of any Person, including any Affiliate;
- (iii) engage, directly or indirectly, in any business other than the actions required or permitted to be performed under Section 2.3, the Basic Documents or this Section 2.4;
- (iv) make a general assignment for the benefit of creditors, voluntarily commence any proceeding or file any petition in bankruptcy, petition or apply to any tribunal for the appointment of a custodian, receiver or any trustee for the Trust or for a substantial part of the Trust's property, commence any proceedings under any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereinafter in effect, consent or acquiesce in the filing of any such petition, application, proceeding or appointment of or taking possession by the custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trust or any substantial part of the Trust's property, or admit the Trust's inability to pay its debts generally as they become due or authorize any of the foregoing to be done or take on behalf of the Trust or take any action in furtherance of any such action;

- (v) take any Material Action that would adversely affect its governance as a statutory trust;
- (vi) incur, create or assume any indebtedness other than the Obligations;
- (vii) form, acquire or hold any subsidiary (whether corporate, partnership, limited liability company or other type of entity);
- (viii) make loans or hold evidence of indebtedness issued by any other Person or otherwise extend any credit to any other Person;
- (ix) to the fullest extent permitted by law, engage in, seek or consent to any dissolution, winding up, liquidation, consolidation, merger or sale of all or substantially all of its assets; sell, pledge, assign or transfer the Trust Property to any other Person;
- (x) be a party to any merger or consolidation or purchase or otherwise acquire any of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person;
- (xi) change its name, move the location of its principal place of business and chief executive office, change the offices where it keeps the records, or change the jurisdiction of its formation;
- (xii) identify the Settlor or any Affiliate as a division or part of it, or identify itself as a division of any other Person;
- (xiii) have any obligation to, and will not, indemnify the Settlor unless such an obligation is (a) fully subordinated to the indebtedness evidenced and secured by the Loan Agreement; and (b) will not constitute a claim against the Trust in the event that cash flow in excess of the amount required to pay the indebtedness evidenced and secured by the Loan Agreement is insufficient to pay such obligations;
- (xiv) hold out its credit or assets as being available to satisfy the obligations of any other Person;
- (xv) assume or acquire any obligations of its Settlor or an Affiliate;
- (xvi) have any of its obligations guaranteed by any Affiliate;
- (xvii) acquire any securities representing an equity interest in the Settlor or an Affiliate; or



(f) amend the special purpose or separateness provisions of this Agreement.

Section 2.5 **Principal Office**. The Trust shall have and maintain a registered office in the State of Delaware at the Statutory Trustee's office. The Trust may maintain other offices within or without the State of Delaware as the Trustee may from time to time determine. The original, or a copy, of this Agreement, and any amendment or supplement hereto, shall be kept at the registered office of the Trust in the State of Delaware, where it may be inspected by the Beneficial Owners upon reasonable notice.

Section 2.6 **Nature of Trust**. The Trust is a statutory trust of the type referred to in Section 3801(a) of the Delaware Statutory Trust Act. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, joint venture, corporation or joint stock company or association for purposes of Delaware law or the laws of any other state of the United States. Neither the Trustees nor the Beneficial Owners shall be deemed to be, or be treated, in any way as partners or joint venturers or as agents of one another, or liable or responsible as such hereunder. The relationship of the Beneficial Owners to the Trustee shall be solely that of the beneficiary of the Trust and its rights shall be limited to those conferred upon it by this Agreement and the Delaware Statutory Trust Act.

Section 2.7 **Certificate of Trust**. The Statutory Trustee has caused to be filed on behalf of the Trust a Certificate of Trust with the Secretary of State of the State of Delaware.

### ARTICLE III TRUSTEES

Section 3.1 **Acceptance of Trust and Duties**. The Trustees accept the Trust hereby created and the duties created hereunder and agree to perform the same, but only upon the terms of this Agreement. The Trustees shall not be answerable or accountable to the Trust or the Beneficial Owners under the circumstances except for their own respective willful misconduct or gross negligence and except for liabilities that may result from the failure of the Trustee to perform its obligations under Article IV hereof.

Section 3.2 **Number and Qualifications of Managing Trustees**. There shall be no fewer than one (1) and no more than three (3) Managing Trustees. The initial Managing Trustee shall be the Managing Trustee executing this Agreement. The Managing Trustee may from time to time fix the number of Trustees within the range established in this Agreement and may change the range in the authorized number of Managing Trustees so long as there is never less than one Managing Trustee. The Managing Trustees shall be individuals at least 21 years of age who are not under legal disability. The Managing Trustees in their capacity as Managing Trustees shall not be required to devote their entire time to the business and affairs of the Trust.

Section 3.3 **Term of Office**. Each Managing Trustee shall hold office for a term of one year and until the appointment and qualification of his successor. At each annual meeting of the Beneficial Owners, the Beneficial Owners shall appoint successors to the Managing Trustees. Managing Trustees may be reappointed without limit as to the number of times.

Section 3.4 **Compensation and Other Remuneration of Managing Trustees.** The Managing Trustees shall not be compensated for their services as Managing Trustees. They shall, however, be reimbursed for their reasonable expenses incurred in connection with their services as Managing Trustees.

Section 3.5 **Resignation or Removal of Managing Trustees.**

(a) Subject to Section 3.14, the Trustee or any successors thereto may resign at any time without cause by giving at least 30 days' prior written notice to the Beneficial Owners, such resignation to be effective upon the acceptance of appointment by a successor Trustee. In addition, a majority of the Beneficial Owners may, at any time, remove a Trustee without cause by an instrument in writing delivered to that Trustee. In the case of the resignation or removal of the Trustee, a majority of the Beneficial Owners may appoint a successor having the qualifications set forth in paragraph (c) of this Section by an instrument signed by a majority of the Beneficial Owners. If a majority of the Beneficial Owners shall not have appointed a successor Trustee within 30 days after such resignation or removal, the Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor shall have been appointed by the holders of a majority of the Beneficial Owners as above provided. Any successor Trustee so appointed by such court shall immediately and without further act be superseded by any successor Trustee appointed by a majority of the Beneficial Owners within one year from the date of the appointment by such court. Each successor Trustee hereunder shall be deemed either a "Managing Trustee" or the "Statutory Trustee", as appropriate, for all purposes hereof.

(b) Any successor Trustee, whether appointed by a court or by a majority of the Beneficial Owners, shall execute and deliver to the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, right, powers, duties and trusts of the predecessor Trustee in the Trust hereunder with like effect as if originally named as Trustee herein; but nevertheless upon the written request of such successor Trustee, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor Trustee and such predecessor Trustee shall duty transfer, assign, deliver and pay over to such successor Trustee any property or money then held by such predecessor Trustee upon the trusts herein expressed.

Section 3.6 **Vacancies of Managing Trustees.** If the Managing Trustee ceases to be Managing Trustee hereunder, whether by reason of resignation, removal, incapacity, death, bankruptcy, dissolution or otherwise, such event shall not terminate the Trust or affect its continuity. Until vacancies are filled, the remaining Managing Trustees or Managing Trustee may exercise the powers of the Managing Trustee hereunder. Vacancies (including vacancies created by increases in the number of Trustees) may be filled for the unexpired term by the remaining Managing Trustee or by a majority of the remaining Managing Trustees. If, at any time, no Managing Trustees remain in office, successor Trustees shall be appointed by the Beneficial Owners as provided by Section 6.4.

Section 3.7 **Successor and Additional Managing Trustees**. The right, title and interest of the Managing Trustee in and to the Trust Property shall vest automatically in successor and additional Managing Trustees upon their qualification, and they shall thereupon have all the rights and obligations of Managing Trustees hereunder. Such right, title and interest shall vest in the Managing Trustees whether or not the appropriate transfer documents have been executed and delivered pursuant to Section 3.5 or otherwise. Appropriate written evidence of the appointment and qualification of successor and additional Trustees shall be kept with the records of the Trust. Upon the resignation, removal or death of a Trustee, such Trustee (and in the event of his death, his estate) shall automatically cease to have any right, title or interest in or to any Trust Property, and the right, title and interest of such Trustee in and to the Trust Property shall vest automatically in the remaining Managing Trustees without any further act.

Section 3.8 **Actions by Managing Trustees and Consents**. The Managing Trustee may act with or without a meeting. A quorum for all meetings of the Managing Trustees shall be a majority of the Managing Trustees. Unless specifically provided otherwise in this Agreement, any action of the Managing Trustees may be taken at a meeting by vote of a majority of the Managing Trustees present at such meeting if a quorum is present, or without a meeting by unanimous written consent of the Managing Trustees. Any agreement, deed, mortgage, lease or other instrument or writing executed by any one or more of the Managing Trustees or by any one or more authorized Persons shall be valid and binding upon the Managing Trustees and upon the Trust when authorized by action of the Managing Trustees or as provided in the Bylaws, if any are adopted. Managing Trustees and members of any committee of the Managing Trustees may conduct meetings by conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 3.9 **Meetings of the Managing Trustees; Notice and Waiver of Notice**. An annual meeting of the Managing Trustees shall be held immediately after the annual meeting of the Beneficial Owners. Regular meetings, if any, shall be held at such other times as shall be fixed by the Managing Trustees. No notice shall be required of an annual or regular meeting of the Managing Trustees. Special meetings of the Managing Trustees shall be called by the President upon the request of any two Managing Trustees and may be called by the President on his own motion, with such notice as the Managing Trustees or person calling such meeting shall determine. Such notice, which need not state the purpose of the meeting, shall be by oral, telegraphic, telephonic or written communications stating the time and place therefor. Notice of any special meeting need not be given to any Trustee entitled thereto who submits a written and signed waiver of notice, either before or after the meeting, or who attends the meeting without protesting the lack of notice prior to or at the commencement of the meeting. Regular or special meetings of the Trustees may be held, within or without the State of Delaware, at such places as shall be designated by the Managing Trustees. The Managing Trustees may adopt such rules and regulations for their conduct and the management of the affairs of the Trust as they may deem proper and as are not consistent with this Agreement.

Section 3.10 **Committees**. The Managing Trustees may appoint from among their number an executive committee and such other standing or special committees as the Managing Trustees determine. Each committee shall have such powers, duties and obligations as the Managing Trustees may deem necessary and appropriate. Without limiting the generality of the foregoing, the executive committee shall have the power to conduct the business and affairs of the Trust during periods between meetings of the Managing Trustees. The executive committee and other committees shall report their activities periodically to the Managing Trustees.

Section 3.11 **Ownership of Trust Assets.** Legal title to the Trust Property subject from time to time to this Agreement shall be transferred to, vested in and held by the Managing Trustee as Trustee of this Trust. The Managing Trustee shall have the power to cause legal title to any property of the Trust to be held by and/or in the name of one or more of the Managing Trustees, or any other Person as nominee, on such terms, in such manner, and with such powers as the Managing Trustee may determine. Further, the Managing Trustee shall have the power to cause any property of the Trust to be held in the custody of any bank and that such bank may hold the property of the Trust in the name of any nominee, partnership or nontaxable corporation.

Section 3.12 **Statutory Trustee.** The Statutory Trustee is hereby appointed as a Trustee of the Trust effective as of the date hereof, solely to serve as resident trustee as required by Section 3807(a) of the Delaware Statutory Trust Act and to perform the functions specifically required of a resident trustee thereunder. The Statutory Trustee shall have no other power or duties with respect to the Trust. The Statutory Trustee shall at all times be a corporation or other Person satisfying the provisions of Section 3807(a) of the Delaware Statutory Trust Act.

The Statutory Trustee shall receive as compensation for its services hereunder those fees agreed to between the Managing Trust and The Statutory Trustee and the Statutory Trustee shall be entitled to be reimbursed by Settlor for its other reasonable expenses hereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as such Statutory Trustee may employ in connection with the exercise and performance of its rights and duties hereunder.

If at any time the Statutory Trustee shall cease to be eligible in accordance with the provisions of this Section 3.12 and shall fail to resign after written request therefore by the Managing Trustee or if at any time the Statutory Trustee shall be legally unable to act or shall be adjudged bankrupt or insolvent or a receiver of the Statutory Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Statutory Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Managing Trustee may remove the Statutory Trustee. If the Managing Trustee removes the Statutory Trustee under the authority of the immediately preceding sentence, the Managing Trustee shall promptly appoint a successor Statutory Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Statutory Trustee so removed, together with payment of all fees owing to the outgoing Statutory Trustee, and one copy shall be delivered to the successor Statutory Trustee.

Any successor Statutory Trustee appointed pursuant to this Section 3.12 shall execute, acknowledge and deliver to the Managing Trustee and to its predecessor Statutory Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Statutory Trustee shall become effective and such successor Statutory Trustee, without any further act, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Statutory Trustee. The predecessor Statutory Trustee shall upon payment of its fees and expenses deliver to the successor Statutory Trustee all documents and statements and money held by it under this Agreement. The Managing Trustee and the predecessor Statutory Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Statutory Trustee all such rights, powers, duties and obligations.

Section 3.13 **No Bond Required.** Unless otherwise required by law or by action of the Managing Trustee, no Managing Trustee shall be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder.

Section 3.14 **Independent Trustee.** As long as any Obligation is outstanding, the Settlor shall cause the Trust at all times to have at least one (1) Independent Trustee who will be appointed by the Settlor. The initial Independent Trustee is Jennifer A. Schwartz. To the fullest extent permitted by law, the Independent Trustees shall consider only the interests of the Trust, including its respective creditors, in acting or otherwise voting on the matters referred to in Section 2.4. No resignation or removal of an Independent Trustee, and no appointment of a successor Independent Trustee, shall be effective until such successor shall have accepted his, her or its appointment as an Independent Trustee by a written instrument. In the event of a vacancy in the position of Independent Trustee, the Settlor shall, as soon as practicable, appoint a successor Independent Trustee. All right, power and authority of each Independent Trustee shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. No Independent Trustee shall at any time serve as trustee in bankruptcy for any Affiliate of the Trust.

#### **ARTICLE IV MANAGING TRUSTEE'S POWERS**

Section 4.1 **Power and Authority of Managing Trustees.** Subject to the limitations set forth in this Agreement, the Managing Trustee shall have full, absolute and exclusive power, control and authority over the Trust Property and over the business and affairs of the Trust to the same extent as if the Managing Trustee was the sole owner thereof in his own right. The Managing Trustee shall also have full, absolute and exclusive power to do all such acts and things in his sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Trust or conducting the business of the Trust. Any determination made in good faith by the Managing Trustee of the purposes of the Trust or the existence of any power or authority hereunder shall be conclusive. In construing the provisions of this Agreement, the presumption shall be in favor of the grant of powers and authority to the Managing Trustee. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specific power or authority conferred upon the Managing Trustee.

Section 4.2 **General Powers and Authority.** Subject to the limitations set forth in this Agreement, the Managing Trustee shall have and may (but are not required to) exercise, the following powers and authorities as they may deem proper:

(a) To receive title to hold, buy, sell, exchange, transfer and convey real and personal property for the use of the Trust;

(b) To take, receive, invest or disburse the receipts, earnings, rents, profits or returns of the Trust;

(c) To carry on and conduct any lawful business designated in this Agreement (including without limitation any business associated with the purpose of the Trust as set forth in or established by the Managing Trustee pursuant to Section 2.3), and generally to do any lawful act in relation to the Trust Property that any individual owning the same absolutely might do; and

(d) To cause the Trust to merge with another statutory trust, association, corporation, partnership or other Person, to divide or to engage in any fundamental or other transaction (including, without limitation, dissolution) contemplated by this agreement.

Section 4.3 **Specific Powers and Authority**. Without limiting the generality of the powers and authority set forth in Section 4.2 (and subject to the qualifications set forth above including, without limitation, Section 2.4), the specific powers of the Managing Trustee shall include the following:

(a) For such consideration as the Managing Trustee deems proper, to purchase or otherwise acquire for cash or other property and hold for investment real or personal property of any kind, tangible or intangible, in entirety or in participation, all without regard to whether any such property is authorized by law for the investment of trust funds, and to possess and exercise all the rights, powers and privileges relating to the ownership of the Trust Property with respect thereto;

(b) To sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of or grant interests in all or any portion of the Trust Property by deeds, financing statements, security agreements and other instruments, trust deeds, assignments, bills of sale, transfers, leases or mortgages for any of such purposes;

(c) To enter into leases, contracts, obligations and other agreements for a term which may extend beyond the term of office of the Managing Trustee,

(d) To borrow money and give negotiable or nonnegotiable instruments therefor: to grantee, indemnify or act as surety with respect to payment or performance of obligations of third parties; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the Trust Property to secure any of the foregoing;

(e) To lend money, whether secured or unsecured, to any Person;

(f) To create reserve funds for any purpose;

(g) To incur and pay out of the Trust Property any charges or expenses, and disburse any funds of the Trust, which charges, expenses or disbursements are, in the opinion of the Managing Trustees, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the business of the Trust, including, without limitation, tax and other governmental levies, charges and assessments, of whatever kind or nature, imposed upon or against the Managing Trustees in connection with the Trust or the Trust Property or upon or against the Trust Property or any part thereof;

(h) To deposit funds of the Trust in or with banks, trust companies, savings and loan associations, money market organizations and other depositories or issues of depository-type accounts, whether such deposits will draw interest or be insured, the same to be subject to withdrawal or redemption on such terms and in such manner and by such Person or Persons (including any one or more Managing Trustees, officers, agents or representatives of the Trust) as the Managing Trustee may determine;

(i) To possess and exercise all the rights, powers and privileges relating to the ownership of all or any mortgages or Securities issued or created by, or interests in, any Person, forming part of the Trust Property, to the same extent that an individual might, which may include the exercise of discretionary powers; and, without limiting the generality of the foregoing, to vote or give consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more Persons, for meetings or action generally or for any particular meeting or action;

(j) To cause to be organized or assist in organizing any Person under the laws of any jurisdiction to acquire the Trust Property or any part or parts thereof or to carry on any business in which the Trust shall, directly or indirectly, have an interest; to sell, rent, lease, hire, convey, negotiate, assign, exchange or transfer the Trust Property or any part or parts thereof to or with any such Person in exchange for the Securities thereof or otherwise; and to lend money to, subscribe for the Securities of, and enter into any contracts with, any such Person in which the Trust holds or is about to acquire Securities or any other interest;

(k) To enter into joint ventures, general or limited partnerships, limited liability companies and any other lawful combinations or associations;

(l) To elect or appoint officers of the Trust (which shall include a President, who will be the Managing Trustee, and which may, include one or more Vice Presidents and other officers as the Managing Trustee may determine, and none of whom needs to be a Managing Trustee), who may be removed or discharged at the discretion of the Managing Trustee, which officers shall have such powers and duties, and shall serve such terms, as may be prescribed by the Managing Trustee or in the Bylaws of the Trust, if adopted; to engage or to employ any persons as agents, representatives, employees, or independent contractors in one or more capacities, in connection with the management of the Trust's affairs or otherwise, and to pay compensation from the Trust for services to such Persons in as many capacities as such Person may be so engaged or employed, notwithstanding that any such Person is a Managing Trustee or officer of the Trust or an affiliate thereof; and, except as prohibited by law, to delegate any of the powers and duties of the Managing Trustee to any one or more Managing Trustees, agents, representatives, officers, employees, independent contractors or other Persons;

(m) To collect, sue for and receive all sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compound, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, controversies, demands or other litigation relating to the Trust, the Trust Property or the Trust's affairs; to enter into agreements relating thereto whether any suit is commenced or claim accrued or asserted; and to enter into agreements regarding arbitration, adjudication or settlement of any controversy in advance thereof;

(n) To sue or be sued in the name of the Trust;

(o) To foreclose any security interest securing any obligations owed to the Trust;

(p) To renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;

(q) To purchase and pay for out of the Trust Property insurance contracts and policies insuring the Trust Property against any and all risks and insuring the Trust, the Managing Trustees, the Beneficial Owners, the officers of the Trust, such agents, representatives, employees or independent contractors for the Trust, or any or all of them, against any and all claims and liabilities of every nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Managing Trustee, the Beneficial Owners, the officers of the Trust, or such agents, representatives, employees or independent contractors for the Trust;

(r) To cause legal title to any of the Trust Property to be held by or in the name of the Managing Trustee or, except as prohibited by law, by or in the name of the Trust or one or more of the Managing Trustees or any other Person as the Managing Trustee may determine, on such terms, in such manner, and with such powers as the Managing Trustee may determine, and with or without disclosure that the Trust or Managing Trustee are interested therein:

(s) To adopt a calendar year and accounting method for the Trust and to engage a firm of independent public accountants to audit the financial records of the Trust;

(t) To adopt and use a seal (but the use of a seal shall not be required for the execution of instruments or obligations of the Trust);

(u) To make distributions out of the Trust Property to the Beneficial Owners, payable in cash, property or any combination of cash and property, as determined by the Managing Trustees in accordance with the terms of this Agreement;

(v) To file any and all documents and take any and all such other action as the Managing Trustee in his sole judgment may deem necessary in order that the Trust may lawfully conduct its business in any jurisdiction;

(w) To sign and deliver on behalf of the Trust any required tax return or filing with any governmental body;



(x) To participate in any reorganization, readjustment, consolidation, merger, dissolution, sale or purchase of assets, lease or similar proceedings of any corporation, partnership or other organization; to delegate discretionary powers to any reorganization, protective or similar committee in connection therewith; and to pay assessments and other expenses in connection therewith;

(y) To cause to be organized or assist in organization any Person, which may or may not be a subsidiary or affiliate of the Trust, under the laws of any jurisdiction to acquire the Trust Property or any part or parts thereof or to carry on any business in which the Trust shall, directly or indirectly, have any interest; subject to the provisions of this Agreement, to cause the Trust to merge with such Person or any existing Person or to sell, rent, lease, hire, convey, negotiate, assign, exchange or transfer the Trust Property or any part or parts thereof to or with any such Person or any existing Person in exchange for the Securities thereof or otherwise; and to lend money to, subscribe for the Securities of, and enter into any contracts with, any such Person in which the Trust holds or is about to acquire Securities or any other interest;

(z) To decide whether, at any time or from time to time, to cause the Trust to maintain its status or to cease to maintain its status as a statutory trust, and to take all action deemed by the Trustee appropriate in connection with maintaining or ceasing to maintain such status;

(aa) To make any indemnification payment authorized by this Agreement;

(bb) To do all other such acts and things as are incident to the foregoing; to exercise all powers which are necessary or useful to carry on the business of the Trust; to promote any of the purposes for which the Trust is formed; and to carry out the provisions of this Agreement.

Section 4.4 **Bylaws.** The Managing Trustee may, but is not required to, make, adopt, amend or repeal Bylaws containing provisions relating to the business of the Trust, the conduct of the affairs, its rights or powers of the Beneficial Owners, of the Managing Trustee, or of the officers of the Trust not inconsistent with law or with this Agreement. Such Bylaws may provide for the appointment by the President of assistant officers or of agents of the Trust in addition to those provided for in the foregoing Section 4.3(1), subject however to the right of the Managing Trustee to remove or discharge such officers or agents.

Section 4.5 **No Action Except Under this Agreement.** The Managing Trustee agrees that he will not manage, control, sue, sell, dispose of or otherwise deal with any part of the Trust Property except in accordance with the powers granted to or other authority conferred upon the Trustee pursuant to this Agreement.

Section 4.6 **Managing Trustees Action Only in Fiduciary Capacity.** Each and every power, authority and discretion given to or vested in the Managing Trustee by or pursuant to the provisions of this Agreement or by law shall be exercised by the Managing Trustee only in a fiduciary capacity.

Section 4.7 **No Duties Except as Specified Herein or in Instructions**. The Managing Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with any part of the Trust Property, or otherwise to take or refrain from taking any action under or in connection with the Trust Property except as expressly provided by the terms of this Agreement or by instruction of the Initial Beneficiary, and no implied duties or obligations shall be read into this Agreement against the Trustee. The Managing Trustee agrees that he will, in his individual capacity and at his own cost and expense (but without any right of indemnity in respect of any such cost or expense under this Agreement) promptly take such action as may be necessary to duly discharge any and all liens, charges, security interest or other encumbrances on any part of the Trust Property which result from claims against the Managing Trustee not related to the ownership of the Trust Property or the administration of the Trust Property or any other transaction contemplated by this Agreement.

**ARTICLE V  
OFFICERS, EMPLOYEES AND OTHER AGENTS**

Section 5.1 **Employment of Officers, Employees and Other Agents**. The Managing Trustee is responsible for the general policies of the Trust and for such general supervision of the business of the Trust conducted by all officers, agents, employees, advisers, managers or independent contractors of the Trust as may be necessary to insure that such business conforms to the provisions of this Agreement. However, the Managing Trustee is not, and shall not be, required personally to conduct the business of the Trust. Consistent with the powers described in Section 4.3(1), the Managing Trustee shall have the power to appoint, employ or contract with any Person (including one or more of themselves, or any corporation, partnership or trust in which one or more of them may be directors, officers, stockholders, partners or trustees) as the Managing Trustee may deem necessary or proper for the transaction of the business of the Trust. For such purposes, the Managing Trustee may grant or delegate such authority to any such Person as the Managing Trustee may in his, sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees.

Section 5.2 **Compensation and Powers**. The Managing Trustee shall have the power to determine the terms and compensation of any Person whom they may employ or with whom they may contract. The Managing Trustee may exercise broad discretion in allowing officers, employees or other agents to administer and regulate the operations of the Trust, to act as agent for the Trust, to execute documents on behalf of the Managing Trustee, and to make executive decisions which conform to general policies and principles previously established by the Managing Trustee and not inconsistent with this Agreement.

**ARTICLE VI  
BENEFICIAL OWNERS AND BENEFICIAL INTERESTS IN THE TRUST**

Section 6.1 **Beneficial Interests**. Simultaneously with the execution of the Trust Agreement, the Initial Beneficiary made a contribution to the capital of the Trust in the amount of \$100.

Section 6.2 **Eligibility for Participation**. The Managing Trustee may establish eligibility requirements for admission of a Beneficial Owner.

Section 6.3 **Maintenance of the Record Books.** No certificates representing Beneficial Interests will be issued, but the Trustee shall maintain or cause to be maintained a record book which shall record the identity and interest of each Beneficial Owner at any time. The record books of the Trust as maintained by or on behalf of the Managing Trustee shall be conclusive as to who are the Beneficial Owners outstanding at any time.

Section 6.4 **Voting Rights.** A majority of holders of Beneficial Interests shall have the power to amend or terminate this Agreement or to appoint, select, vote for or remove the Trustees or their agents and to otherwise participate in the business decisions of the Trust, by a vote of the majority of the Beneficial Interests. Under no circumstance shall the holders of Beneficial Interests be deemed Trustees by participating in voting.

Section 6.5 **Rights of the Beneficial Owners.** The ownership of the Trust Property and the right to conduct the business described in this Agreement are vested exclusively in the Managing Trustee, and the Beneficial Owners shall have no interest herein other than the beneficial interest conferred by this Agreement. Beneficial Owners shall have no rights of dissenting shareholders in the event the Trust participates in any transaction which would give rise to appraisal or dissenters' rights by a stockholder of a corporation organized under the General Corporation Law of the State of Delaware, or otherwise.

Section 6.6 **Status of Beneficial Owner.** Every Beneficial Owner by virtue of having become a Beneficial Owner shall be held to have expressly assented and agreed to the terms of this Agreement (as it may be amended from time to time) and to have become a party hereto. A Beneficial Owner shall not be entitled to any title in or to the whole or any part of the Trust Property or right to call for a partition or division of the same or for an accounting.

Section 6.7 **Distributions.** The Managing Trustee shall have the right to declare, and simultaneously or at any other time in the Trustee's reasonable discretion, to pay distributions on Beneficial Interests from the Trust Property from time to time. Distributions shall be made to the Beneficial Owners in accordance with their Ownership Percentage at the date and time of record established for the payment of such distributions, including distributions on liquidation or dissolution of the Trust.

Section 6.8 **Transferability of Beneficial Interests.** The beneficial interest in the Trust of a Beneficial Owner may be transferred only upon prior written consent of the Managing Trustee. Any other purported transfer or assignment shall be void and of no effect. Any legal, equitable or other claim or interest in the Trust on the part of any such purported transferee of a Beneficial Interest, whether or not any of them shall have express or other notice of such claim or interest, shall not be entitled to recognition. Beneficial Interests have not been, and are not expected to be, registered under federal, state, or other securities laws.

Section 6.9 **Notice of Proposed Transfer.** If a Beneficial Owner intends to transfer its interests hereunder pursuant to Section 6.8 hereof, it shall give 30 business days prior written notice to the Trustees unless such period is waived by the Trustees, specifying the name and address of the intended Transferee, and enclosing the agreement or agreements referred to in Section 6.9.

Section 6.10 **Right of Inspection.** Holders of Beneficial Interests are entitled to the same right of inspection as holders of non-beneficial interests and in addition may review and receive an annual report from the Trustees and review audited financial statements.

**ARTICLE VII**  
**LIABILITY OF TRUSTEES, THE BENEFICIAL OWNERS**  
**AND OFFICERS, AND OTHER MATTERS**

Section 7.1 **Limitation of Liability of Trustees and Officers.** No Trustee or officer of the Trust shall be liable to the Trust or to any Trustee or the Beneficial Owner for any act or omission whether his or its own or that of any other Trustee or officer of the Trust or of the Beneficial Owner or any agent of the Trust, nor shall any such Trustee be held to any personal liability whatsoever in tort, contract or otherwise in connection with the affairs of this Trust, except only that arising from his or its own bad faith, willful misfeasance, gross negligence or reckless disregard of his or its duties.

Section 7.2 **Limitation of Liability of the Beneficial Owners, Trustees and Officers.** The Trustee and officers incurring any debts, liabilities or obligations, or in taking or omitting any other actions for or in connection with the Trust are, and shall be deemed to be, acting as Trustees or officers of the Trust and not in their own individual capacities. Except to the extent provided in Section 7.1, no Trustee or officer of the Trust or Beneficial Owner shall be liable for any debt, claim, demand, judgment, decree, liability or obligation of any kind of, against, or with respect to the Trust arising out of any action taken or omitted for or on behalf of the Trust. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Property for the payment or performance thereof. The Beneficial Owners shall be entitled to indemnification from the Trust Property if, contrary to the provisions hereof, the Beneficial Owners shall be held to any such personal liability.

Section 7.3 **Express Exculpatory Clauses in Instruments.** To the extent practicable, the Managing Trustee shall make reasonable efforts to cause any written instrument creating an obligation of the Trust to include a reference to this Agreement, and to provide that neither the Beneficial Owner nor the Trustee or the officers of the Trust shall be liable thereunder and that the other parties to such instrument shall look solely to the Trust Property for the payment of any claim thereunder or for the performance thereof; provided, however, that the omission of such provision from any such instrument shall not render the Beneficial Owner or any Trustee or officer of the Trust liable nor shall the Trustee or any officer of the Trust be liable to anyone for such omission.

Section 7.4 **Indemnification and Reimbursement of Trustees and Officers.**

(a) **Right to Indemnification.** Each Trustee and officer of the Trust shall be entitled as of right to be indemnified by such Trust against any expenses and liabilities paid or incurred by such Person in connection with any actual or threatened claim, action, suit or proceeding, civil, criminal, administrative, investigative or other, whether brought by or in the right of the Trust or otherwise, in which he may be involved in, any manner as a party, witness or otherwise, or is threatened to be made so involved, by reason of such Person being or having been a Trustee or officer of the Trust or by reason of the fact that such Person is or was serving at the request of the Trustee as a director, officer, employee, fiduciary or other representative of another Person (such claim, action, suit or proceeding hereinafter being referred to as an "Action"); provided, however, that no such right of indemnification shall exist with respect to an Action initiated by an Indemnitee (as hereinafter defined) against the Trust (an "Indemnitee Action"), except as provided in the last sentence of this subsection (a). Persons who are not Trustees or officers of the Trust may be similarly indemnified in respect of service to the Trust or to any Person on behalf of the Trust at the request of the Trustee to the extent the Trustee at any time denominate any of such Persons as entitled to the benefits of this Section 7.4.

As used in this Section 7.4, the following terms shall have the following meanings:

- (i) "Indemnitee" shall include each Trustee and officer of the Trust and each other Person denominated by the Trustee as entitled to the benefits of this Section 7.4;
- (ii) "expenses" shall mean all expenses actually and reasonably incurred, including fees and expenses of counsel selected by an Indemnitee; and
- (iii) "liabilities" shall mean amounts of judgments, excise taxes, fines, penalties and amounts paid in settlement.

An Indemnitee shall be entitled to be indemnified pursuant to this subsection (a) for expenses incurred in connection with any Indemnitee Action only (1) if the Indemnitee Action is instituted under subsection (c) of this Section 7.4 and the Indemnitee is successful in whole or in part in such Indemnitee Action; (ii) if the Indemnitee is successful in whole or in part in another Indemnitee action for which expenses are claimed; or (iii) if the Indemnification for expenses is included in a settlement of, or is awarded by a court in, such other Indemnitee Action.

(b) **Right to Advancement of Expenses.** Every indemnitee shall be entitled as of right to have his expenses in defending any Action, or in initiating and pursuing any indemnitee Action for indemnity or advancement of expenses under section (c), paid in advance by the Trust prior to final disposition of such Action or Indemnitee Action, provided that the Trust received a written understanding by or on behalf of the indemnitee to repay the amount advanced if it should ultimately be determined that the indemnitee is not entitled to be indemnified for such expenses.

(c) **Right of Indemnitee to Initiate Action.** If a written claim under subsection (a) or (b) is not paid in full by the Trust within thirty (30) days after such claim has been received by the Trust, the indemnitee may at any time thereafter initiate an Indemnitee Action to recover the unpaid amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the expense of prosecuting such Indemnitee Action. The only defense to an indemnitee Action to recover on a claim for indemnification under subsection (a) shall be that the indemnitee's conduct was such that under Delaware law the Trust is prohibited from indemnifying the indemnitee for the amount claimed, but the burden of providing such defense shall be on the Trust. Neither the failure of the Trust (including its Trustees, independent legal counsel, or the Beneficial Owners) to have made a determination prior to the commencement of such Indemnitee Action that indemnification of the indemnitee is proper in the circumstances, nor an actual determination by the Trust (including its Trustees, independent legal counsel, or the Beneficial Owners) that the indemnitee's conduct was such that indemnification is prohibited by Delaware law, shall be a defense to such Indemnitee Action or create a presumption that the indemnitee's conduct was such the indemnification is prohibited by Delaware law. The only defense to an Indemnitee Action to recover on a claim for advancement of expenses under subsection (b) shall be the Indemnitee's failure to provide the undertaking required by subsection (b).

(d) **Insurance and Funding.** The Trust may purchase and maintain insurance to protect itself and any Person eligible to be indemnified hereunder against any liability or expense asserted or incurred by such Person in connection with any Action whether or not the Trust would have the power to indemnify such Person against such liability or expense by law or under the provisions of this Section 7.4. The Trust may create a trust fund, grant a security interest, cause a letter of credit to be issued or use other means (whether or not similar to the foregoing) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

(e) **Non-Exclusivity: Nature and Extent of Rights.** The rights to indemnification and advancement of expenses provided for in this Section 7.4 shall (i) not be deemed exclusive of any other rights, whether now existing or, hereafter created, to which any indemnitee may be entitled under any agreement or Bylaws (if adopted), vote of the Beneficial Owner or Trustees or otherwise, (ii) be deemed to create contractual rights in favor of each Indemnitee who serves the Trust at any time while this Section 7.4 is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of this Section 7.4), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he was entitled or was denominated as entitled to indemnification under this Section 7.4 and shall inure to the benefit of the heirs and legal representatives of each indemnitee. Any amendment or repeal of this Section 7.4 or the adoption of any Bylaw or provision of this Agreement which has the effect of limiting in any way the rights to indemnification or advancement of expenses provided for in this Section 7.4 shall operate prospectively only and shall not affect any action taken or failure to act, by an indemnitee prior to the adoption of such amendment, repeal, Bylaw or provision.

(f) **Partial Indemnity.** If an indemnitee is entitled under any provision of this Section 7.4 to indemnification by the Trust for some or a portion of the expenses or liabilities paid or incurred by the indemnitee in the preparation, investigation, defense, appeal or settlement of any Action or Indemnitee Action but not, however, for the total amount thereof, the Trust shall indemnify the indemnitee for the portion of such expenses or liabilities to which the indemnitee is entitled.

Section 7.5 **Persons Dealing With Trustees or Officers.** Any act of the Trustees or officers purporting to be done in their capacity as such shall, as to any Persons dealing with such Trustees or officers, be conclusively deemed to be within the purposes of this Trust and within the powers of the Trustees and officers. No Person dealing with the Trustees or any of them, or with the authorized officers, agents or representatives of the Trust, shall be bound to see to the application of any funds or property passing into their hands or control. The receipt of the Trustees or any of them, or of authorized officers, agents or representatives of the Trust, for money or other consideration, shall be binding upon the Trust.

Section 7.6 **Reliance.** In the administration of the Trust, the Managing Trustee may execute any of the powers hereof and perform their powers and duties hereunder directly or through agents, independent contractors, consultant or attorneys, and such Trustee has specific authority to engage such agents, and may consult with such counsel, accountants, consultants, agents, independent contractors, or other skilled persons to be selected and employed by them, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by them in accordance with the advice or opinion of any such counsel, accountants or other skilled person and not contrary to this Agreement. The Trustee may rely, and shall be personally protected in acting, upon any instrument or other documents believed by them to be genuine.

Section 7.7 **Action upon Ambiguity or Conflict.** In the event that any Trustee is unsure as to the application of any provision of this Agreement or such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Agreement or any agreement contemplated hereby permits any determination by the Trustee or is silent or incomplete as to the course of action which the Trustee is required to take with respect to a particular set of facts, the Trustee may request and rely upon instructions of the Beneficial Owners; provided, however, that in the event that no response is made to the Trustee by the Beneficial Owners within 10 days after such request, the Trustee shall not be liable for any failure to act.

#### **ARTICLE VIII DURATION, MERGER, DISSOLUTION AND AMENDMENT OF THIS AGREEMENT**

Section 8.1 **Duration of Trust.** The period of duration of the Trust shall be perpetual; provided that the period of duration may be changed pursuant to an appropriate amendment to this Agreement.

Section 8.2 **Merger or Consolidation.** Subject to Section 2.4, the Managing Trustee may, with the prior approval of at least 66% of the Beneficial Owners, (a) merge or consolidate the Trust with and/or into, or sell, convey and transfer the Trust Property to any Person in exchange for shares or Securities thereof, or beneficial interests therein, or other consideration, and (if the Trust is not the surviving entity of such merger, consolidation or other transaction) the assumption by such transferee of the liabilities of the Trust and (b) subject to Section 8.3, if the Trust is not the surviving entity of such merger, consolidation or other transaction, thereupon terminate the Trust and distribute such shares, securities, beneficial interests or other consideration to the Beneficial Owners pursuant to a plan or other determination duly adopted by the Managing Trustee.

Section 8.3 **Amendment of this Agreement.** Subject to Section 2.4, this Agreement may be amended by the Managing Trustee, but only with the prior approval of 66% of the Beneficial Owners; provided, further, that no amendment shall adversely affect the liability of the Beneficial Owners without their approval.

Section 8.4 **Liquidation/Dissolution.** Subject to Section 2.4, the Managing Trustee may, with the prior approval of at least 66% of the Beneficial Owners, liquidate or dissolve the Trust. Upon such liquidation/dissolution, payment shall be made in accordance with Section 6.7 hereof.

**ARTICLE IX  
MISCELLANEOUS**

Section 9.1 **Applicable Law.** The Trust set forth in this Agreement is created under and shall be governed by and construed and administered according to the laws of the State of Delaware.

Section 9.2 **Situs of the Trust.** The Trust will maintain a registered office and agent in the State of Delaware. The initial registered office and agent of the Trust in the State of Delaware shall be the Statutory Trustees at 1209 Orange Street, Wilmington, DE 19801-1120. The Trust may have such principal and other business offices or places of business within or without the State of Delaware as the Managing Trustee may from time to time determine. The Managing Trustee shall select and may from time to time change the situs of the Trust within the United States.

Section 9.3 **Certificates.** Any person dealing with the Trust may rely on a certificate by a Managing Trustee or an officer of the Trust as to the terms of this Agreement and any amendments to the Agreement, as to the identity of the Trustee and officers, and as to any matters in connection with the Trust hereunder. Any person dealing with the Trust may, with the same effect as if it were the original, rely on a copy of this Agreement or of any of the amendments hereto certified by a Managing Trustee or an officer of the Trust to be such a copy of the Agreement or of any such amendments.

Section 9.4 **Headings.** The headings of the various Articles and Sections herein are for convenience of reference only and do not form a part of nor shall be deemed to govern or affect the construction or interpretation of this Agreement.

Section 9.5 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

Section 9.6 **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.7 **Binding Effect. Successors in Interest.** Each Person who becomes the holder of all or a part of the Beneficial Interest in the Trust shall agree to be, and shall be, bound by the provisions of this Agreement. This Agreement shall be binding upon and inure to the benefit of the Trustee and the Beneficial Owners and the respective successors, assigns, heirs, distributees and legal representatives of each of them.

Section 9.8 **Irrevocability by Settlor.** This Agreement and the Trust created hereunder shall be irrevocable by the Settlor, subject to the provisions of Article VIII hereof.



[Remainder of the page left intentionally blank.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

**SETTLOR:**

CSE SLB LLC

By: /s/ James J. Pieczynski

Name: James J. Pieczynski

Title: President

**MANAGING TRUSTEE:**

/s/ James J. Pieczynski

James J. Pieczynski

Address: 30699 Russell Ranch Road  
Suite 200  
Westlake Village, CA 91362

**STATUTORY TRUSTEE:**

The Corporation Trust Company

By: /s/ Jennifer A. Schwartz

Name: Jennifer A. Schwartz

Title: Assistant Vice President

**INDEPENDENT TRUSTEES:**

/s/ Jennifer A. Schwartz

Jennifer A. Schwartz

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

**SETTLOR:**

CSE SLB LLC

By: /s/ James J. Pieczynski

Name: James J. Pieczynski

Title: President

**MANAGING TRUSTEE:**

/s/ James J. Pieczynski

James J. Pieczynski

Address: 30699 Russell Ranch Road  
Suite 200  
Westlake Village, CA 91362

**STATUTORY TRUSTEE:**

The Corporation Trust Company

By: /s/ Jennifer A. Schwartz

Name: Jennifer A. Schwartz

Title: Assistant Vice President

**INDEPENDENT TRUSTEES:**

/s/ Jennifer A. Schwartz

Jennifer A. Schwartz

**AMENDMENT  
TO  
TRUST AGREEMENT  
OF  
CSE CENTENNIAL VILLAGE**

This **AMENDMENT TO TRUST AGREEMENT OF CSE CENTENNIAL VILLAGE** (this "**Amendment**") is made and entered into on December 22, 2009, by CSE SLB LLC, a Delaware limited liability company (the "**Settlor**"), James J. Pieczynski (the "**Managing Trustee**"), Jennifer Schwartz (the "**Independent Trustee**," and together with the Managing Trustee, the "**Trustees**") and CSE Pennsylvania Holdings (the "**Beneficial Owner**"). Capitalized terms used but not otherwise defined in this Amendment shall have the meanings ascribed to them in the Trust Agreement (as defined below).

**WITNESSETH:**

WHEREAS, the Managing Trustee, in his capacity as Managing Trustee of the CSE Centennial Village (the "**Trust**"), is a party to the Amended and Restated Trust Agreement of CSE Centennial Village (the "**Trust Agreement**");

WHEREAS, the Settlor has entered into that certain Securities Purchase Agreement, dated as of November 17, 2009, by and among CapitalSource Inc., CHR HUD Borrower LLC, CSE Mortgage LLC, the Settlor, CSE SNF Holding LLC and Omega Healthcare Investors, Inc. (the "**Purchase Agreement**");

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, the Settlor, the Trustees and the Beneficial Owner desire to amend the Trust Agreement pursuant to Sections 8.3 and 2.4 of the Trust Agreement upon the terms and conditions contained in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Settlor, the Trustees and the Beneficial Owner hereby agree as follows:

- A. **Amendment to Trust Agreement.** The Trust Agreement is hereby amended as follows:
- (1) By deleting Section I.I(j) in its entirety and in its entirety and replacing it with the phrase "[Intentionally Omitted]."
  - (2) By adding a new Section 1.1(t) (and renumbering all subsequent subsections in Section 1.1), which shall read:

OHI – CSE Project End Game  
Amendment to Trust Agreement – CSE Centennial Village

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“**Permitted Indebtedness**’ means (i) indebtedness of the Company arising solely from unsecured guarantees of the Member or its Affiliates pursuant to any public or private debt offering or any senior revolving credit facility, and (ii) liabilities in the ordinary course of business relating to owning, financing, selling or leasing its facilities.”

(3) By deleting from Section 1.1(aa) all references to the “Independent Trustee.”

(4) By adding to Section 2.3 the phrase “, own, finance, and/or lease its facilities as skilled nursing facilities, sell its facilities, incur any Permitted Indebtedness, perform its obligations with respect to the Permitted Indebtedness, exercise its rights and remedies under the documentation evidencing the Permitted Indebtedness,” immediately following the phrase “The sole purpose of the Trust is to enter into the transactions contemplated in the Basic Documents.”

(5) By deleting Section 2.4 in its entirety and replacing it with the following:

“Section 2.4 **Limitations on the Trust’s Activities.**

(a) This Section 2.4 is being adopted in order to comply with certain provisions required in order to qualify the Trust as a “special purpose entity.”

(b) The Settlor shall not, so long as any Obligation is outstanding, amend, alter, change or repeal the provisions of Articles I, II, IV, VII, VIII or Sections 3.5, 6.7, 8.3, 9.2 or 9.7 of this Agreement without the unanimous written consent of the Trustees other than the Statutory Trustee. Subject to this Section 2.4, the Settlor reserves the right to amend, alter, change or repeal any provisions in this Agreement in accordance with Section 8.3.

(c) Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Trust, the Settlor, the Trustees or any other Person, neither Settlor nor the Trustees nor any Persons shall be authorized or empowered, nor shall they permit the Trust, without the prior unanimous written consent of the Settlor and the Trustee, to take any Material Action.

(d) The Trustees and the Settlor shall cause the Trust to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. So long as any Obligation is outstanding, and except as contemplated by the Basic Documents, the Trustees also shall cause the Trust to not commingle its assets with the assets of any other Person.

(e) So long as any Obligation is outstanding, and except as contemplated by the Basic Documents, the Trustees and the Settlor shall not and neither the Trustees nor the Settlor shall cause or permit the Trust to:

- (i) pledge its assets for the benefit of any other Person without the prior written consent of the Lender;
  - (ii) assume or guarantee any obligation of any Person, including any Affiliate, other than Permitted Indebtedness;
  - (iii) engage, directly or indirectly, in any business other than the actions required or permitted to be performed under Section 2.3, the Basic Documents or this Section 2.4;
  - (iv) incur, create, or assume any indebtedness other than the Obligations and the Permitted Indebtedness; or
  - (v) amend the special purpose or separateness provisions of this Agreement.”
- (6) By deleting Section 3.14 in its entirety and replacing it with the phrase “[Intentionally Omitted].”

B. **Effectiveness.** This Amendment shall be effective as of the effective time of the Core Portfolio Closing (as defined in the Purchase Agreement) (the “**Effective Time**”).

C. **Miscellaneous.** The terms and conditions of the Trust Agreement, as amended hereby, are ratified and confirmed and are in full force and effect. The terms of this Amendment shall be binding upon and inure to the benefit of the Settlor, the Trustees and the Beneficial Owner and, to the extent permitted by the Trust Agreement, their heirs, legal representatives, successors and assigns. This Amendment, and the application or interpretation hereof, shall be governed exclusively by its terms and the Delaware Statutory Trust Act as amended from time to time (or any corresponding provisions of succeeding law).

\* \* \* \* \*

IN WITNESS WHEREOF, the undersigned parties have duly executed this Amendment as of the date first above written.

**CSE PENNSYLVANIA HOLDINGS**

By: /s/ James J. Pieczynski  
Name: James J. Pieczynski  
Title: Managing Trustee

**MANAGING TRUSTEE**

/s/ James J. Pieczynski  
James J. Pieczynski

**INDEPENDENT TRUSTEE**

/s/ Jennifer Schwartz  
Jennifer Schwartz

**CSE SLB LLC**

By: /s/ James J. Pieczynski  
Name:  
Title:

[SIGNATURE PAGE TO AMENDMENT TO CSE CENTENNIAL VILLAGE A&R TRUST AGREEMENT]

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IN WITNESS WHEREOF, the undersigned parties have duly executed this Amendment as of the date first above written.

**CSE PENNSYLVANIA HOLDINGS**

By: /s/ James J. Pieczynski  
Name: James J. Pieczynski  
Title: Managing Trustee

**MANAGING TRUSTEE**

/s/ James J. Pieczynski  
James J. Pieczynski

**INDEPENDENT TRUSTEE**

/s/ Jennifer Schwartz  
Jennifer Schwartz

**CSE SLB LLC**

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

[SIGNATURE PAGE TO AMENDMENT TO CSE CENTENNIAL VILLAGE A&R TRUST AGREEMENT]



# Delaware

*The First State*

PAGE 1

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 "[Company]", FILED IN THIS OFFICE ON THE \_\_\_\_ DAY OF \_\_\_\_, A.D. \_\_\_\_, AT \_\_\_\_ O'CLOCK P.M.



/s/ Harriet Smith Windsor  
Harriet Smith Windsor, Secretary of State

AUTHENTICATION:

DATE: \_\_\_\_\_

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered  
FILED  
FILE

**DELAWARE  
CERTIFICATE OF FORMATION**

**OF**

**[Company]**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

**1. NAME**

The name of the limited liability company is [Company] (the "LLC").

**2. REGISTERED OFFICE AND AGENT**

The address of the LLC's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the LLC's registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation of [Company] this \_\_\_\_ day of \_\_\_\_, \_\_\_\_.

By: /s/ Steven A. Museles

Steven A. Museles  
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 FORMATION OF "DESERT LANE LLC", FILED IN THIS OFFICE ON THE TWENTY-NINTH DAY OF JUNE, A.D. 2005, AT 10:21 O'CLOCK A.M.



3992988 8100

050541301

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 3987452

DATE: 06-29-05

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 10:41 AM 06/29/2005  
FILED 10:21 AM 06/29/2005  
SRV 050541301 - 3992988 FILE

**STATE OF DELAWARE  
CERTIFICATE OF FORMATION  
OF  
DESERT LANE LLC**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

1. The name of the limited liability company is Desert Lane LLC (hereafter referred to as the "Limited Liability Company").
2. The address of its registered office of the Limited Liability Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the Limited Liability Company's registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of Desert Lane LLC this 28<sup>th</sup> day of June, 2005.

/s/ Steven A. Museles

Steven A. Museles

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 FORMATION OF "NORTH LAS VEGAS LLC", FILED IN THIS OFFICE ON THE TWENTY-NINTH DAY OF JUNE, A.D. 2005, AT 10:23 O'CLOCK A.M.



3992991 8100

050541310

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 3987447

DATE: 06-29-05

*State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 10:41 AM 06/29/2005  
FILED 10:23 AM 06/29/2005  
SRV 050541310 - 3992991 FILE*

**STATE OF DELAWARE  
CERTIFICATE OF FORMATION  
OF  
NORTH LAS VEGAS LLC**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

1. The name of the limited liability company is North Las Vegas LLC (hereafter referred to as the "Limited Liability Company").
2. The address of its registered office of the Limited Liability Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the Limited Liability Company's registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of North Las Vegas LLC this 28<sup>th</sup> day of June, 2005.

/s/ Steven A. Museles

Steven A. Museles  
Authorized Person

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
[COMPANY] LLC

This Second Amended and Restated Limited Liability Company Agreement (the "Agreement") of [COMPANY] LLC (the "Company"), is entered into by OHI Asset CSE-E, LLC a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on [DATE], pursuant to the provisions of the Act.

WHEREAS, the Member acquired all of the outstanding equity interests in the Company (the "Membership Interest") on December 22, 2009; and

WHEREAS, the Member desires to enter into this Agreement to amend and restate in its entirety the Amended and Restated Operating Agreement of the Company dated [DATE], as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

1. Certain Definitions. When used in this Agreement, the following terms shall have the meanings designated in this Section 1. Capitalized terms not defined in this Section 1 shall have the meanings ascribed to them elsewhere in this Agreement.

(a) "Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person.

(b) "Basic Documents" mean, collectively, this Agreement, the Loan Agreement, the Lease, the Purchase Agreement and all other documents and agreements executed or entered into by the Company pursuant to or in connection with the foregoing.

(c) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise. "Controlling" and "Controlled" shall have correlative meanings. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, a majority of ownership interests.

(d) "Lease" means that certain lease between the Company, as landlord, and the Lessee, as tenant, as such agreement is amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time.

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(e) "Lender" means CSE Mortgage LLC, a Delaware limited liability company, as lender and/or agent, pursuant to the Loan Agreement, together with its successors and/or assigns.

(f) "Lessee" means the lessee that is obligated on the Lease with the Company.

(g) "Loan Agreement" means that certain loan agreement among the Company and the other parties thereto, as Borrower, and Lender, as such agreement is amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time.

(h) "Material Action" means to consolidate or merge the Company with or into any Person, or sell all or substantially all of the assets of the Company, or to institute proceedings to have the Company adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company or file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestator (or other similar official) of the Company or a substantial part of its property, or make any assignment for the benefit of creditors of the Company, or admit in writing the Company's inability to pay its debts generally as they become due, or take action in furtherance of any such action, or, to the fullest extent permitted by law, dissolve or liquidate the Company.

(i) "Obligations" means the indebtedness, liabilities and obligations of the Company under or in connection with the Basic Documents.

(j) "Permitted Indebtedness" means (i) indebtedness of the Company arising solely from unsecured guarantees of Omega Healthcare Investors, Inc. or its wholly owned subsidiaries pursuant to any public or private debt offering (including without limitation any senior or subordinated note issuance, convertible debentures or similar public or private issuance) or any senior revolving credit facility, and (ii) liabilities in the ordinary course of business relating to owning, financing, selling or leasing its facilities.

(k) "Person" means any individual, corporation, partnership, partnership, co-tenancy, joint venture, business trust, limited liability company, unincorporated organization or association, any other legal entity, whether or not a party to this Agreement.

(l) "Purchase Agreement" means the certain real estate purchase agreement by between the Company, as purchaser, and the owner of the Real Estate, as seller, pursuant to which the Company acquired the Real Estate, as such agreement may be amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time.

(m) "Real Estate" means the real estate purchased by the Company pursuant to the Purchase Agreement, and subsequently leased by the Company to Lessee pursuant to the Lease.

2. Name. The name of the limited liability company is [COMPANY] LLC.

3. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.



4 . Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

5 . Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

6 . Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, OHI Asset CSE-E, LLC is hereby admitted to the Company as the sole member of the Company.

7 . Foreign Qualifications. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business. The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

8 . Purposes. The sole purpose of the Company is to enter into the transactions contemplated in the Basic Documents, perform its Obligations and exercise its rights and remedies under the Basic Documents, own, finance, and/or lease its facilities as skilled nursing facilities, sell its facilities, incur any Permitted Indebtedness, perform its obligations with respect to the Permitted Indebtedness, exercise its rights and remedies under the documentation evidencing the Permitted Indebtedness, and engage in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage that is incident, related, necessary and appropriate to accomplish the foregoing. Subject to Section 9, the Company, by or through the Member or any Officer on behalf of the Company, may enter into, perform and from time to time amend the Basic Documents and all documents, agreements, certificates or financing statements contemplated thereby or related thereto, all without further act, vote or approval of any other Person notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation. The foregoing authorization shall not be deemed a restriction on the powers of the Member or any Officer to enter into other agreements on behalf of the Company.

9 . Powers. This Section 9 is being adopted in order to comply with certain provisions required in order to qualify the Company as a "special purpose entity." Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Company, the Member, any Officer or any other Person, neither the Member nor any Officer nor any other Person shall be authorized or empowered, nor shall they permit the Company, without the prior unanimous written consent of the Member, to take any Material Action. The Member shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. So long as any Obligation is outstanding, and except as contemplated by the Basic Documents, the Member also shall cause the Company to not commingle its assets with the assets of any other Person. So long as any Obligation is outstanding, and except as contemplated by the Basic Documents, the Member shall not cause or permit the Company to:

- (a) pledge its assets for the benefit of any other Person without the prior written consent of the Lender;
- (b) assume or guarantee any obligation of any Person, including any Affiliate, other than Permitted Indebtedness;
- (c) engage, directly or indirectly, in any business other than the actions required or permitted to be performed under Section 8, the Basic Documents or this Section 9;
- (d) incur, create or assume any indebtedness, other than Permitted Indebtedness; or
- (e) amend the special purpose or separateness provisions of this Agreement.

The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 8 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

10. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. Subject to Section 9, the Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. Subject to Section 9, the Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

11. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member and subject to Section 9, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to Section 9, such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. Subject to Section 9, the action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 9, the actions of the Officers taken in accordance with such powers shall bind the Company.

( c ) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

1 2 . Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

13. Certificates. All of the equity interests of a Member in the Company (the "Membership Interests") shall be evidenced by a certificate showing the name of the Member and the number or percentage of Membership Interests held by that Member. Each such certificate shall be signed by an officer of the Company, and such certificates may be signed in counterparts. The certificates representing the Membership Interests in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Each Member hereby agrees that its Membership Interest in the Company and in its Membership Interests for all purposes shall be personal property. The Members have no interest in specific Company property.

1 4 . Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 14, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

15. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

16. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

17. Exculpation and Indemnification.

( a ) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

( c ) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

18. Assignment. Subject to the terms and provisions of the Basic Documents so long as any Obligation is outstanding, and all times subject to Section 19, the Member may assign in whole its Membership Interest in the Company. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 18, the transferee shall be admitted to the Company as a substitute member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, contemporaneously with the transfer, the transferor Member shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger or consolidation shall, without further act, be the Member hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

19. Resignation. So long as any Obligation is outstanding, the Member may not resign. If the Member is permitted to resign pursuant to this Section 19, an additional member of the Company shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. Such admission shall be deemed effective immediately prior to the resignation and immediately following such admission, the resigning Member shall cease to be a member of the Company.

20. Dissolution.

(a) Subject to Section 9, the Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

( e ) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate; provided, however, notwithstanding anything contained herein to the contrary, to the fullest extent permitted by law, the Company shall not terminate prior to the satisfaction in full of all Obligations.

21. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

22. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

23. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

24. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Second Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

OHI Asset CSE-E, LLC, a Delaware limited liability company

January 22, 2010

By: /s/ Taylor Pickett

Name: Taylor Pickett

Title: Chief Executive Officer

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SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
OHI Asset CSE-E, LLC.	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

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SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

Michael Ritz

TITLE

President and Chief Executive  
Officer

Chief Operating Officer and  
Secretary

Chief Financial Officer and  
Treasurer

Vice President and Chief  
Accounting Officer

# Delaware

*The First State*

PAGE 1

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 "CSE CRANE LLC", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF MARCH, A. D. 2007, AT 6:53 O'CLOCK P.M.



4320556 8100

070340570

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary  
of State

AUTHENTICATION: 5524476

DATE: 03-21-07

**DELAWARE  
CERTIFICATE OF FORMATION  
OF  
CSE CRANE LLC**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

**1. NAME**

The name of the limited liability company is CSE Crane LLC (the "LLC").

**2. REGISTERED OFFICE AND AGENT**

The address of the LLC's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the LLC's registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation of CSE Crane LLC this 20<sup>th</sup> day of March, 2007.

By: /s/ Carolyn Silva-Quagliato  
Carolyn Silva-Quagliato  
Authorized Person

*State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 07:36 PM 03/20/2007  
FILED 06:53 PM 03/20/2007  
SRV 070340570 - 4320556 FILE*

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
CSE CRANE LLC

This Amended and Restated Limited Liability Company Agreement (the "Agreement") of CSE Crane LLC (the "Company"), is entered into by OHI Asset CSE-E, LLC a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on March 20, 2007, pursuant to the provisions of the Act.

WHEREAS, the Member acquired all of the outstanding equity interests in the Company (the "Membership Interest") on December 22, 2009; and

WHEREAS, the Member desires to enter into this Agreement to amend and restate in its entirety the Operating Agreement of the Company dated March 20, 2007, as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

1 . Certain Definitions. When used in this Agreement, the following terms shall have the meanings designated in this Section 1. Capitalized terms not defined in this Section 1 shall have the meanings ascribed to them elsewhere in this Agreement.

(a) "Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person.

(b) "Basic Documents" mean, collectively, this Agreement, the Loan Agreement and all other documents and agreements executed or entered into by the Company pursuant to or in connection with the foregoing.

(c) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise. "Controlling" and "Controlled" shall have correlative meanings. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, a majority of ownership interests.

(d) "Lender" means CSE Mortgage LLC, a Delaware limited liability company, as lender and/or agent, pursuant to the Loan Agreement, together with its successors and/or assigns.

(e) "Loan Agreement" means that certain loan agreement among the Company and the other parties thereto, as borrowers, and Lender, as such agreement is amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time.

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(f) "Obligations" means the indebtedness, liabilities and obligations of the Company under or in connection with the Basic Documents.

(g) "Permitted Indebtedness" means (i) indebtedness of the Company arising solely from unsecured guarantees of Omega Healthcare Investors, Inc. or its wholly owned subsidiaries pursuant to any public or private debt offering (including without limitation any senior or subordinated note issuance, convertible debentures or similar public or private issuance) or any senior revolving credit facility, and (ii) liabilities in the ordinary course of business relating to owning, financing, selling or leasing its facilities.

( h ) "Person" means any individual, corporation, partnership, partnership, co-tenancy, joint venture, business trust, limited liability company, unincorporated organization or association, any other legal entity, whether or not a party to this Agreement.

2. Name. The name of the limited liability company is CSE Crane LLC.

3. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

4 . Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

5 . Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

6 . Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, OHI Asset CSE-E, LLC is hereby admitted to the Company as the sole member of the Company.

7 . Foreign Qualifications. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business. The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

8. Purposes. The sole purpose of the Company is to enter into the transactions contemplated in this Basic Documents, own, finance and or lease its facilities as skilled nursing facilities, sell its facilities, incur any Permitted Indebtedness, perform its obligations with respect to the Permitted Indebtedness, exercise its rights and remedies under the documentation evidencing the Permitted Indebtedness, perform its Obligations and exercise its rights and remedies under the Basic Documents, and to transact lawful business and exercise any power permitted to limited liability companies organized under the laws of the State of Delaware that is incident, related, necessary and appropriate to accomplish the foregoing. Subject to Section 9, the Company, by or through the Member or any Officer on behalf of the Company, may enter into, perform and from time to time amend the Basic Documents and all documents, agreements, certificates or financing statements contemplated thereby or related thereto, all without further act, vote or approval of any other Person notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation. The foregoing authorization shall not be deemed a restriction on the powers of the Member or any Officer to enter into other agreements on behalf of the Company.

9. Powers. This Section 9 is being adopted in order to comply with certain provisions required in order to qualify the Company as a “special purpose entity.” Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Company, the Member, any Officer or any other Person, neither the Member nor any Officer nor any other Person shall be authorized or empowered, nor shall they permit the Company, without the prior unanimous written consent of the Member, to take any Material Action. The Member shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. So long as any Obligation is outstanding, and except as contemplated by the Basic Documents, the Member also shall cause the Company to not commingle its assets with the assets of any other Person. So long as any Obligation is outstanding, and except as contemplated by the Basic Documents, the Member shall not cause or permit the Company to:

- (a) pledge its assets for the benefit of any other Person without the prior written consent of the Lender;
- (b) assume or guarantee any obligation of any Person, including any Affiliate, other than Permitted Indebtedness;
- (c) engage, directly or indirectly, in any business other than the actions required or permitted to be performed under Section 8, the Basic Documents or this Section 9;
- (d) incur, create or assume any indebtedness, other than Permitted Indebtedness; or
- (e) amend the special purpose or separateness provisions of this Agreement.

The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 8 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

10. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. Subject to Section 9, the Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. Subject to Section 9, the Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

11. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an “ Officer”). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member and subject to Section 9, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to Section 9, such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. Subject to Section 9, the action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company’s business and, subject to Section 9, the actions of the Officers taken in accordance with such powers shall bind the Company.

( c ) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

1 2 . Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

13. Certificates. All of the equity interests of a Member in the Company (the “ Membership Interests”) shall be evidenced by a certificate showing the name of the Member and the number or percentage of Membership Interests held by that Member. Each such certificate shall be signed by an officer of the Company, and such certificates may be signed in counterparts. The certificates representing the Membership Interests in the Company shall constitute a “security” within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Each Member hereby agrees that its Membership Interest in the Company and in its Membership Interests for all purposes shall be personal property. The Members have no interest in specific Company property.

14. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 14, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

15. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

16. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

17. Exculpation and Indemnification.

( a ) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

( c ) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 17.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.



(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 17 shall survive any termination of this Agreement.

18. Assignment. The Member may assign in whole its Membership Interest in the Company. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 18, the transferee shall be admitted to the Company as a substitute member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, contemporaneously with the transfer, the transferor Member shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger or consolidation shall, without further act, be the Member hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

19. Dissolution.

(a) Subject to Section 9, the Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

( e ) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

20 . Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

21. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

22. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Second Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

OHI Asset CSE-E, LLC, a Delaware limited liability company

January 20, 2010

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

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SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Membership Interest</u>
OHI Asset CSE-E, LLC.	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

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SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

Michael Ritz

TITLE

President and Chief Executive  
Officer

Chief Operating Officer and  
Secretary

Chief Financial Officer and  
Treasurer

Vice President and Chief  
Accounting Officer

# 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 STATUTORY TRUST REGISTRATION OF "CSE PENNSYLVANIA HOLDINGS", FILED IN THIS OFFICE ON THE SEVENTH DAY OF JUNE, A.D. 2006, AT 6:09 O'CLOCK P.M.



/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4171388 8100

060552438

AUTHENTICATION: 4807597

DATE: 06-08-06

**CERTIFICATE OF TRUST  
OF  
CSE PENNSYLVANIA HOLDINGS**

This Certificate of Trust of CSE Pennsylvania Holdings (the "Trust") is being duly executed and filed on behalf of the Trust by the undersigned, as trustee, to form a statutory trust under the Delaware Statutory Trust Act (12 Del. C. §3801 et seq.) (the "Act").

1. Name. The name of the statutory trust formed by this Certificate of Trust is: "CSE Pennsylvania Holdings."
2. Delaware Trustee. The name and business address of the trustee of the Trust with its principal place of business in the State of Delaware are The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.
3. Effective Date. This Certificate of Trust shall be effective upon its filing with the Secretary of State of the State of Delaware.

[signature page follows]

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IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Trust in accordance with Section 3811(a)(l) of the Act.

**THE CORPORATION TRUST COMPANY**, not  
in its individual capacity, but solely as Trustee

By: /s/ Jennifer A. Schwartz

Name: Jennifer A. Schwartz

Title: Assistant Vice President



TRUST AGREEMENT  
OF  
CSE PENNSYLVANIA HOLDINGS

---

**TRUST AGREEMENT  
OF  
CSE PENNSYLVANIA HOLDINGS**

This TRUST AGREEMENT is made as of the 14<sup>th</sup> day of June, 2006, by and among CSE SLB LLC, a Delaware limited liability company, as Settlor, James J. Pieczynski, as Managing Trustee, and The Corporation Trust Company, as Statutory Trustee.

**WITNESSETH :**

WHEREAS, the Settlor desires to establish a business trust under and in accordance with Chapter 38 of Title 12 of the Delaware Code, Part V, §§3801 et seq. (the "Delaware Business Trust Act") for the purpose or purposes of engaging in any lawful act or activity for which business trusts may be organized under and in accordance with the provisions of the Delaware Business Trust Act; and

WHEREAS, the Managing Trustee is willing to undertake the provision of services and such other lawful business purposes on the terms and conditions set forth herein.

NOW THEREFORE, the Settlor hereby expressly declares that there is created a business trust under provisions of the Delaware Business Trust Act, and the Settlor hereby transfers and delivers to the Managing Trustee certain property in trust under and in accordance with the Delaware Business Trust Act as set forth herein;

FURTHER, the Managing Trustee hereby declares (i) that all property, real or personal, tangible or intangible, or of any other description now held or hereafter acquired by him in his capacity as Managing Trustee, together with the income and profits therefrom and the proceeds thereof, shall be held by him in trust and shall be received, managed and disposed of by him for the benefit of the Beneficial Owners hereunder subject to the terms and conditions provided herein; and (ii) that all activities of the Trust shall be conducted in accordance with the provisions of this Agreement and the Delaware Business Trust Act.

**ARTICLE I  
Definitions and Construction**

Section 1.1. Definitions. Whenever used in this Agreement, unless the context otherwise requires, the terms defined below shall have the following meanings:

- (a) Agreement means this Trust Agreement of CSE Pennsylvania Holdings, together with all subsequent amendments and modifications.
-

- (b) Beneficial Interest means the beneficial interest of the Beneficial Owners in the Trust.
- (c) Beneficial Owner means the initial Beneficiary and other owners of interests in the Trust as set forth on the books of the Trust, and “Beneficial Owners” shall mean all such owners collectively.
- (d) Business Day means any day on which the principal office of CSE Mortgage LLC is open for business.
- (e) Bylaws means the Bylaws referred to in Section 4.4, if adopted.
- (f) Delaware Business Trust Act means Chapter 38 of Title 12 of the Delaware Code, Part V §§3801 et seq., as may be amended from time to time.
- (g) Initial Beneficiary means CSE SLB LLC, a Delaware limited liability company.
- (h) Managing Trustee means, initially, James J. Pieczynski, and his successors serving in the capacity as Managing Trustee under this Agreement.
- (i) Person includes individuals, corporations, limited partnerships, general partnerships, limited liability companies, joint stock companies or associations, joint ventures, associations, consortia, companies, trusts, banks, trust companies, land trusts, common law trusts, business trusts or other entities, and governments and agencies and political subdivisions thereof.
- (j) Securities means (i) any stock, shares, voting trust certificates, bonds, debentures, notes, or other evidences of indebtedness or ownership, (ii) in general, any instruments commonly known as securities, or (iii) any certificates of interest, shares or participation in temporary or interim certificates for, receipts for, guarantees of, or warrants, options or rights to subscribe, in any of the foregoing,
- (k) Settlor means CSE SLB LLC, a Delaware limited liability company.
- (1) Statutory Trustee means The Corporation Trust Company, solely in the capacity as Statutory Trustee for the purpose of qualifying the Trust as a Delaware business trust, and any successor Statutory Trustee hereunder.
- (m) Trust means the CSE Pennsylvania Holdings, the business trust established hereunder.
- (n) Trustees means, as of any particular time, those Persons who serve and hold office as Managing Trustees or the Statutory Trustee hereunder at such time, whether they be the Trustees named herein or additional or successor Trustees. “Trustees” does not include the officers, representatives or agents of the Trust or the Settlor; provided; however, that nothing herein shall be deemed to preclude the Trustees from also serving as officers, representatives or agents of the Trust, the Settlor.

(o) Trust Property means, as of any particular time, any and all property, real or personal or otherwise, tangible or intangible, transferred, conveyed, or paid to the Trust or to the Trustee as Trustee, and all rents, income, profits and gains therefrom, together with the proceeds from the sale or other disposition thereof, which at such time are owned or held by the Trust or the Trustee in his capacity as Trustee.

Section 1.2. Construction. In this Agreement and in any amendment hereto, references to this Agreement and to “herein,” “hereof” and “hereunder” shall be deemed to refer to this Agreement as a whole as amended or modified. References to the masculine gender shall include the feminine and neuter genders. Words in the singular number include the plural and the plural number include the singular.

## **ARTICLE II**

### **Purpose and Nature of Trust**

Section 2.1. Name. The Trust created by this Agreement shall be known as the CSE Pennsylvania Holdings. So far as may be practicable, legal and convenient, the affairs of the Trust shall be conducted and transacted under that name. The name of the Trust may be changed at any time without the approval of the Beneficial Owners.

Section 2.2. Declaration of Trust. The Managing Trustee hereby declares that he will hold and administer the Trust Property in trust in accordance with and subject to the terms and conditions set forth herein, for the use and benefit of the Beneficial Owners.

Section 2.3. Purposes and Powers. The purposes and nature of the business of the Trust are (i) to acquire, own, hold, operate, manage and maintain the Trust Property; (ii) to assume, perform and discharge any and all obligations and liabilities assumed in connection with the acquisition, ownership, holding, operation, management and maintenance or other dealing with the Trust Property; (iii) to engage in and carry on any activities related to or incidental to any of the foregoing; and (iv) to do, perform and undertake such other activities as may be required in connection with the distribution of Trust Property and proceeds to Beneficial Owners.

In furtherance of the above purposes, the Trust shall have the power (i) to enter into, perform and carry out contracts or agreements of any kind necessary or incidental to the accomplishment of the purposes of the Trust; (ii) to borrow money and to insure evidences of indebtedness on behalf of the Trust and to secure the same by mortgage, security interest or other lien on any or all of the Trust Property; (iii) to sell, exchange or otherwise dispose of all or any part of the Trust Property; and (iv) to engage in and carry on any other activities necessary or incidental to the accomplishment of the Trust that may be engaged in or carried on by a business trust under the Act.

Section 2.4. Principal Office. The Trust shall have and maintain a registered office in the State of Delaware at the Statutory Trustee's office. The Trust may maintain other offices within or without the State of Delaware as the Trustee may from time to time determine. The original, or a copy, of this Agreement, and any amendment or supplement hereto, shall be kept at the registered office of the Trust in the State of Delaware, where it may be inspected by the Beneficial Owners upon reasonable notice.

Section 2.5. Nature of Trust. The Trust is a business trust of the type referred to in Section 3801(a) of the Delaware Business Trust Act. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, joint venture, corporation or joint stock company or association for purposes of Delaware law or the laws of any other state of the United States. Neither the Trustees nor the Beneficial Owners shall be deemed to be, or be treated, in any way as partners or joint venturers or as agents of one another, or liable or responsible as such hereunder. The relationship of the Beneficial Owners to the Trustee shall be solely that of the beneficiary of the Trust and its rights shall be limited to those conferred upon it by this Agreement and the Delaware Business Trust Act.

Section 2.6. Certificate of Trust. The Statutory Trustee shall cause to be filed on behalf of the Trust a Certificate of Trust with the Delaware Secretary of State.

### **ARTICLE III Trustees**

Section 3.1. Acceptance of Trust and Duties. The Trustee accepts the Trust hereby created and the duties created hereunder and agrees to perform the same, but only upon the terms of this Trust Agreement. The Trustee shall not be answerable or accountable to the Trust or the Beneficial Owners under the circumstances except for their own respective willful misconduct or gross negligence and except for liabilities that may result from the failure of the Trustee to perform its obligations under Article IV hereof.

Section 3.2. Number and Qualifications of Managing Trustees. There shall be no fewer than one (1) and no more than three (3) Managing Trustees. The initial Managing Trustee shall be the Managing Trustee executing this Agreement. The Managing Trustee may from time to time fix the number of Trustees within the range established in this Agreement and may change the range in the authorized number of Managing Trustees so long as there is never less than one Managing Trustee. The Managing Trustees shall be individuals at least 21 years of age who are not under legal disability. The Managing Trustees in their capacity as Managing Trustees shall not be required to devote their entire time to the business and affairs of the Trust.

Section 3.3. Term of Office. Each Managing Trustee shall hold office for a term of one year and until the appointment and qualification of his successor. At each annual meeting of the Beneficial Owners, the Beneficial Owners shall appoint successors to the Managing Trustees. Managing Trustees may be reappointed without limit as to the number of times.

Section 3.4. Compensation and Other Remuneration of Managing Trustees. The Managing Trustees shall not be compensated for their services as Managing Trustees. They shall, however, be reimbursed for their reasonable expenses incurred in connection with their services as Managing Trustees.

Section 3.5. Resignation or Removal of Managing Trustees.

(a) The Trustee or any successors thereto may resign at any time without cause by giving at least 30 days' prior written notice to the Beneficial Owners, such resignation to be effective upon the acceptance of appointment by a successor Trustee. In addition, a majority of the Beneficial Owners may, at any time, remove a Trustee without cause by an instrument in writing delivered to that Trustee. In the case of the resignation or removal of the Trustee, a majority of the Beneficial Owners may appoint a successor having the qualifications set forth in paragraph (c) of this Section by an instrument signed by a majority of the Beneficial Owners. If a majority of the Beneficial Owners shall not have appointed a successor Trustee within 30 days after such resignation or removal, the Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor shall have been appointed by the holders of a majority of the Beneficial Owners as above provided. Any successor Trustee so appointed by such court shall immediately and without further act be superseded by any successor Trustee appointed by a majority of the Beneficial Owners within one year from the date of the appointment by such court. Each successor Trustee hereunder shall be deemed either a "Managing Trustee" or the "Statutory Trustee", as appropriate, for all purposes hereof.

(b) Any successor Trustee, whether appointed by a court or by a majority of the Beneficial Owners, shall execute and deliver to the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, right, powers, duties and trusts of the predecessor Trustee in the Trust hereunder with like effect as if originally named as Trustee herein; but nevertheless upon the written request of such successor Trustee, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor Trustee and such predecessor Trustee shall duty transfer, assign, deliver and pay over to such successor Trustee any property or money then held by such predecessor Trustee upon the trusts herein expressed.

Section 3.6. Vacancies of Managing Trustees. If the Managing Trustee ceases to be Managing Trustee hereunder, whether by reason of resignation, removal, incapacity, death, bankruptcy, dissolution or otherwise, such event shall not terminate the Trust or affect its continuity. Until vacancies are filled, the remaining Managing Trustees or Managing Trustee may exercise the powers of the Managing Trustee hereunder. Vacancies (including vacancies created by increases in the number of Trustees) may be filled for the unexpired term by the remaining Managing Trustee or by a majority of the remaining Managing Trustees. If, at any time, no Managing Trustees remain in office, successor Trustees shall be appointed by the Beneficial Owners as provided by Section 6.4.

Section 3.7. Successor and Additional Managing Trustees. The right, title and interest of the Managing Trustee in and to the Trust Property shall vest automatically in successor and additional Managing Trustees upon their qualification, and they shall thereupon have all the rights and obligations of Managing Trustees hereunder. Such right, title and interest shall vest in the Managing Trustees whether or not the appropriate transfer documents have been executed and delivered pursuant to Section 3.5 or otherwise. Appropriate written evidence of the appointment and qualification of successor and additional Trustees shall be kept with the records of the Trust. Upon the resignation, removal or death of a Trustee, such Trustee (and in the event of his death, his estate) shall automatically cease to have any right, title or interest in or to any Trust Property, and the right, title and interest of such Trustee in and to the Trust Property shall vest automatically in the remaining Managing Trustees without any further act.

Section 3.8. Actions by Managing Trustees and Consents. The Managing Trustee may act with or without a meeting. A quorum for all meetings of the Managing Trustees shall be a majority of the Managing Trustees. Unless specifically provided otherwise in this Agreement, any action of the Managing Trustees may be taken at a meeting by vote of a majority of the Managing Trustees present at such meeting if a quorum is present, or without a meeting by unanimous written consent of the Managing Trustees. Any agreement, deed, mortgage, lease or other instrument or writing executed by any one or more of the Managing Trustees or by any one or more authorized Persons shall be valid and binding upon the Managing Trustees and upon the Trust when authorized by action of the Managing Trustees or as provided in the Bylaws, if any are adopted.

Managing Trustees and members of any committee of the Managing Trustees may conduct meetings by conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 3.9. Meetings of the Managing Trustees: Notice and Waiver of Notice. An annual meeting of the Managing Trustees shall be held immediately after the annual meeting of the Beneficial Owners. Regular meetings, if any, shall be held at such other times as shall be fixed by the Managing Trustees. No notice shall be required of an annual or regular meeting of the Managing Trustees. Special meetings of the Managing Trustees shall be called by the President upon the request of any two Managing Trustees and may be called by the President on his own motion, with such notice as the Managing Trustees or person calling such meeting shall determine. Such notice, which need not state the purpose of the meeting, shall be by oral, telegraphic, telephonic or written communications stating the time and place therefor. Notice of any special meeting need not be given to any Trustee entitled thereto who submits a written and signed waiver of notice, either before or after the meeting, or who attends the meeting without protesting the lack of notice prior to or at the commencement of the meeting. Regular or special meetings of the Trustees may be held, within or without the State of Delaware, at such places as shall be designated by the Managing Trustees. The Managing Trustees may adopt such rules and regulations for their conduct and the management of the affairs of the Trust as they may deem proper and as are not consistent with this Agreement.

Section 3.10. Committees. The Managing Trustees may appoint from among their number an executive committee and such other standing or special committees as the Managing Trustees determine. Each committee shall have such powers, duties and obligations as the Managing Trustees may deem necessary and appropriate. Without limiting the generality of the foregoing, the executive committee shall have the power to conduct the business and affairs of the Trust during periods between meetings of the Managing Trustees. The executive committee and other committees shall report their activities periodically to the Managing Trustees.

Section 3.11. Ownership of Trust Assets. Legal title to the Trust Property subject from time to time to this Agreement shall be transferred to, vested in and held by the Managing Trustee as Trustee of this Trust. The Managing Trustee shall have the power to cause legal title to any property of the Trust to be held by and/or in the name of one or more of the Managing Trustees, or any other Person as nominee, on such terms, in such manner, and with such powers as the Managing Trustee may determine. Further, the Managing Trustee shall have the power to cause any property of the Trust to be held in the custody of any bank and that such bank may hold the property of the Trust in the name of any nominee, partnership or nontaxable corporation.



Section 3.12. Statutory Trustee. The Statutory Trustee is hereby appointed as a Trustee of the Trust effective as of the date hereof, solely to serve as resident trustee as required by Section 3807(a) of the Delaware Business Trust Act and to perform the functions specifically required of a resident trustee thereunder. The Statutory Trustee shall have no other power or duties with respect to the Trust. The Statutory Trustee shall at all times be a corporation or other Person satisfying the provisions of Section 3807(a) of the Delaware Business Trust Act.

The Statutory Trustee shall receive as compensation for its services hereunder those fees agreed to between the Managing Trust and the Statutory Trustee and the Statutory Trustee shall be entitled to be reimbursed by Settlor for its other reasonable expenses hereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as such Statutory Trustee may employ in connection with the exercise and performance of its rights and duties hereunder.

If at any time the Statutory Trustee shall cease to be eligible in accordance with the provisions of this Section 3.12 and shall fail to resign after written request therefore by the Managing Trustee or if at any time the Statutory Trustee shall be legally unable to act or shall be adjudged bankrupt or insolvent or a receiver of the Statutory Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Statutory Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Managing Trustee may remove the Statutory Trustee. If the Managing Trustee removes the Statutory Trustee under the authority of the immediately preceding sentence, the Managing Trustee shall promptly appoint a successor Statutory Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Statutory Trustee so removed, together with payment of all fees owing to the outgoing Statutory Trustee, and one copy shall be delivered to the successor Statutory Trustee.

Any successor Statutory Trustee appointed pursuant to this Section 3.12 shall execute, acknowledge and deliver to the Managing Trustee and to its predecessor Statutory Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Statutory Trustee shall become effective and such successor Statutory Trustee, without any further act, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Statutory Trustee. The predecessor Statutory Trustee shall upon payment of its fees and expenses deliver to the successor Statutory Trustee all documents and statements and money held by it under this Agreement. The Managing Trustee and the predecessor Statutory Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Statutory Trustee all such rights, powers, duties and obligations.

Section 3.13. No Bond Required. Unless otherwise required by law or by action of the Managing Trustee, no Managing Trustee shall be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder.

**ARTICLE IV**  
**Managing Trustee's Powers**

Section 4.1. Power and Authority of Managing Trustees. Subject to the limitations set forth in this Agreement, the Managing Trustee shall have full, absolute and exclusive power, control and authority over the Trust Property and over the business and affairs of the Trust to the same extent as if the Managing Trustee was the sole owner thereof in his own right. The Managing Trustee shall also have full, absolute and exclusive power to do all such acts and things in his sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Trust or conducting the business of the Trust. Any determination made in good faith by the Managing Trustee of the purposes of the Trust or the existence of any power or authority hereunder shall be conclusive. In construing the provisions of this Agreement, the presumption shall be in favor of the grant of powers and authority to the Managing Trustee. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specific power or authority conferred upon the Managing Trustee.

Section 4.2. General Powers and Authority. Subject to the limitations set forth in this Agreement, the Managing Trustee shall have and may (but are not required to) exercise, the following powers and authorities as they may deem proper:

- (a) To receive title to hold, buy, sell, exchange, transfer and convey real and personal property for the use of the Trust;
- (b) To take, receive, invest or disburse the receipts, earnings, rents, profits or returns of the Trust;
- (c) To carry on and conduct any lawful business designated in this Agreement (including without limitation any business associated with the purpose of the Trust as set forth in or established by the Managing Trustee pursuant to Section 2.3), and generally to do any lawful act in relation to the Trust Property that any individual owning the same absolutely might do; and

(d) To cause the Trust to merge with another business trust, association, corporation, partnership or other Person, to divide or to engage in any fundamental or other transaction (including, without limitation, dissolution) contemplated by this agreement.

Section 4.3. Specific Powers and Authority. Without limiting the generality of the powers and authority set forth in Section 4.2 (and subject to the qualifications set forth above), the specific powers of the Managing Trustee shall include the following:

(a) For such consideration as the Managing Trustee deems proper, to purchase or otherwise acquire for cash or other property and hold for investment real or personal property of any kind, tangible or intangible, in entirety or in participation, all without regard to whether any such property is authorized by law for the investment of trust funds, and to possess and exercise all the rights, powers and privileges relating to the ownership of the Trust Property with respect thereto;

(b) To sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of or grant interests in all or any portion of the Trust Property by deeds, financing statements, security agreements and other instruments, trust deeds, assignments, bills of sale, transfers, leases or mortgages for any of such purposes;

(c) To enter into leases, contracts, obligations and other agreements for a term which may extend beyond the term of office of the Managing Trustee,

(d) To borrow money and give negotiable or nonnegotiable instruments therefor: to grantee, indemnify or act as surety with respect to payment or performance of obligations of third parties; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the Trust Property to secure any of the foregoing;

(e) To lend money, whether secured or unsecured, to any Person;

(f) To create reserve funds for any purpose;

(g) To incur and pay out of the Trust Property any charges or expenses, and disburse any funds of the Trust, which charges, expenses or disbursements are, in the opinion of the Managing Trustees, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the business of the Trust, including, without limitation, tax and other governmental levies, charges and assessments, of whatever kind or nature, imposed upon or against the Managing Trustees in connection with the Trust or the Trust Property or upon or against the Trust Property or any part thereof;

(h) To deposit funds of the Trust in or with banks, trust companies, savings and loan associations, money market organizations and other depositories or issues of depository-type accounts, whether such deposits will draw interest or be insured, the same to be subject to withdrawal or redemption on such terms and in such manner and by such Person or Persons (including any one or more Managing Trustees, officers, agents or representatives of the Trust) as the Managing Trustee may determine;

(i) To possess and exercise all the rights, powers and privileges relating to the ownership of all or any mortgages or Securities issued or created by, or interests in, any Person, forming part of the Trust Property, to the same extent that an individual might, which may include the exercise of discretionary powers; and, without limiting the generality of the foregoing, to vote or give consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more Persons, for meetings or action generally or for any particular meeting or action;

(j) To cause to be organized or assist in organizing any Person under the laws of any jurisdiction to acquire the Trust Property or any part or parts thereof or to carry on any business in which the Trust shall, directly or indirectly, have an interest; to sell, rent, lease, hire, convey, negotiate, assign, exchange or transfer the Trust Property or any part or parts thereof to or with any such Person in exchange for the Securities thereof or otherwise; and to lend money to, subscribe for the Securities of, and enter into any contracts with, any such Person in which the Trust holds or is about to acquire Securities or any other interest;

(k) To enter into joint ventures, general or limited partnerships, limited liability companies and any other lawful combinations or associations;

(l) To elect or appoint officers of the Trust (which shall include a President, who will be the Managing Trustee, and which may, include one or more Vice Presidents and other officers as the Managing Trustee may determine, and none of whom needs to be a Managing Trustee), who may be removed or discharged at the discretion of the Managing Trustee, which officers shall have such powers and duties, and shall serve such terms, as may be prescribed by the Managing Trustee or in the Bylaws of the Trust, if adopted; to engage or to employ any persons as agents, representatives, employees, or independent contractors in one or more capacities, in connection with the management of the Trust's affairs or otherwise, and to pay compensation from the Trust for services to such Persons in as many capacities as such Person may be so engaged or employed, notwithstanding that any such Person is a Managing Trustee or officer of the Trust or an affiliate thereof; and, except as prohibited by law, to delegate any of the powers and duties of the Managing Trustee to any one or more Managing Trustees, agents, representatives, officers, employees, independent contractors or other Persons;

(m) To collect, sue for and receive all sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compound, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, controversies, demands or other litigation relating to the Trust, the Trust Property or the Trust's affairs; to enter into agreements relating thereto whether any suit is commenced or claim accrued or asserted; and to enter into agreements regarding arbitration, adjudication or settlement of any controversy in advance thereof;

(n) To sue or be sued in the name of the Trust;

(o) To foreclose any security interest securing any obligations owed to the Trust;

(p) To renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;

(q) To purchase and pay for out of the Trust Property insurance contracts and policies insuring the Trust Property against any and all risks and insuring the Trust, the Managing Trustees, the Beneficial Owners, the officers of the Trust, such agents, representatives, employees or independent contractors for the Trust, or any or all of them, against any and all claims and liabilities of every nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Managing Trustee, the Beneficial Owners, the officers of the Trust, or such agents, representatives, employees or independent contractors for the Trust;

(r) To cause legal title to any of the Trust Property to be held by or in the name of the Managing Trustee or, except as prohibited by law, by or in the name of the Trust or one or more of the Managing Trustees or any other Person as the Managing Trustee may determine, on such terms, in such manner, and with such powers as the Managing Trustee may determine, and with or without disclosure that the Trust or Managing Trustee are interested therein:

(s) To adopt a calendar year and accounting method for the Trust and to engage a firm of independent public accountants to audit the financial records of the Trust;

(t) To adopt and use a seal (but the use of a seal shall not be required for the execution of instruments or obligations of the Trust);

(u) To make distributions out of the Trust Property to the Beneficial Owners, payable in cash, property or any combination of cash and property, as determined by the Managing Trustees in accordance with the terms of this Agreement;

(v) To file any and all documents and take any and all such other action as the Managing Trustee in his sole judgment may deem necessary in order that the Trust may lawfully conduct its business in any jurisdiction;

(w) To sign and deliver on behalf of the Trust any required tax return or filing with any governmental body;

(x) To participate in any reorganization, readjustment, consolidation, merger, dissolution, sale or purchase of assets, lease or similar proceedings of any corporation, partnership or other organization; to delegate discretionary powers to any reorganization, protective or similar committee in connection therewith; and to pay assessments and other expenses in connection therewith;

(y) To cause to be organized or assist in organization any Person, which may or may not be a subsidiary or affiliate of the Trust, under the laws of any jurisdiction to acquire the Trust Property or any part or parts thereof or to carry on any business in which the Trust shall, directly or indirectly, have any interest; subject to the provisions of this Agreement, to cause the Trust to merge with such Person or any existing Person or to sell, rent, lease, hire, convey, negotiate, assign, exchange or transfer the Trust Property or any part or parts thereof to or with any such Person or any existing Person in exchange for the Securities thereof or otherwise; and to lend money to, subscribe for the Securities of, and enter into any contracts with, any such Person in which the Trust holds or is about to acquire Securities or any other interest;

(z) To decide whether, at any time or from time to time, to cause the Trust to maintain its status or to cease to maintain its status as a business trust, and to take all action deemed by the Trustee appropriate in connection with maintaining or ceasing to maintain such status;

(aa) To make any indemnification payment authorized by this Agreement;

(bb) To do all other such acts and things as are incident to the foregoing; to exercise all powers which are necessary or useful to carry on the business of the Trust; to promote any of the purposes for which the Trust is formed; and to carry out the provisions of this Agreement.

Section 4.4. Bylaws. The Managing Trustee may, but is not required to, make, adopt, amend or repeal Bylaws containing provisions relating to the business of the Trust, the conduct of the affairs, its rights or powers of the Beneficial Owners, of the Managing Trustee, or of the officers of the Trust not inconsistent with law or with this Agreement. Such Bylaws may provide for the appointment by the President of assistant officers or of agents of the Trust in addition to those provided for in the foregoing Section 4.3(1), subject however to the right of the Managing Trustee to remove or discharge such officers or agents.

Section 4.5. No Action Except Under this Agreement. The Managing Trustee agrees that he will not manage, control, sue, sell, dispose of or otherwise deal with any part of the Trust Property except in accordance with the powers granted to or other authority conferred upon the Trustee pursuant to this Trust Agreement.

Section 4.6. Managing Trustees Action Only in Fiduciary Capacity. Each and every power, authority and discretion given to or vested in the Managing Trustee by or pursuant to the provisions of this Agreement or by law shall be exercised by the Managing Trustee only in a fiduciary capacity.

Section 4.7. No Duties Except as Specified Herein or in Instructions. The Managing Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with any part of the Trust Property, or otherwise to take or refrain from taking any action under or in connection with the Trust Property except as expressly provided by the terms of this Agreement or by instruction of the Initial Beneficiary, and no implied duties or obligations shall be read into this Agreement against the Trustee. The Managing Trustee agrees that he will, in his individual capacity and at his own cost and expense (but without any right of indemnity in respect of any such cost or expense under this Agreement) promptly take such action as may be necessary to duly discharge any and all liens, charges, security interest or other encumbrances on any part of the Trust Property which result from claims against the Managing Trustee not related to the ownership of the Trust Property or the administration of the Trust Property or any other transaction contemplated by this Agreement.

## **ARTICLE V**

### **Officers, Employees and Other Agents**

Section 5.1. Employment of Officers, Employees and Other Agents. The Managing Trustee is responsible for the general policies of the Trust and for such general supervision of the business of the Trust conducted by all officers, agents, employees, advisers, managers or independent contractors of the Trust as may be necessary to insure that such business conforms to the provisions of this Agreement. However, the Managing Trustee is not, and shall not be, required personally to conduct the business of the Trust. Consistent with the powers described in Section 4.3(1), the Managing Trustee shall have the power to appoint, employ or contract with any Person (including one or more of themselves, or any corporation, partnership or trust in which one or more of them may be directors, officers, stockholders, partners or trustees) as the Managing Trustee may deem necessary or proper for the transaction of the business of the Trust. For such purposes, the Managing Trustee may grant or delegate such authority to any such Person as the Managing Trustee may in his, sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees.

Section 5.2. Compensation and Powers. The Managing Trustee shall have the power to determine the terms and compensation of any Person whom they may employ or with whom they may contract. The Managing Trustee may exercise broad discretion in allowing officers, employees or other agents to administer and regulate the operations of the Trust, to act as agent for the Trust, to execute documents on behalf of the Managing Trustee, and to make executive decisions which conform to general policies and principles previously established by the Managing Trustee and not inconsistent with this Agreement.

**ARTICLE VI**  
**Beneficial Owners and Beneficial Interests in The Trust**

Section 6.1. Beneficial Interests. Simultaneously with the execution of this Agreement, the Initial Beneficiary has made a contribution to the capital of the Trust in the amount of \$100.

Section 6.2. Eligibility for Participation. The Managing Trustee may establish eligibility requirements for admission of a Beneficial Owner.

Section 6.3. Maintenance of the Record Books. No certificates representing Beneficial Interests will be issued, but the Trustee shall maintain or cause to be maintained a record book which shall record the identity and interest of each Beneficial Owner at any time. The record books of the Trust as maintained by or on behalf of the Managing Trustee shall be conclusive as to who are the Beneficial Owners outstanding at any time.

Section 6.4. Voting Rights. A majority of holders of Beneficial Interests shall have the power to amend or terminate this Agreement or to appoint, select, vote for or remove the Trustees or their agents and to otherwise participate in the business decisions of the Trust, by a vote of the majority of the Beneficial Interests. Under no circumstance shall the holders of Beneficial Interests be deemed Trustees by participating in voting.

Section 6.5. Rights of the Beneficial Owners. The ownership of the Trust Property and the right to conduct the business described in this Agreement are vested exclusively in the Managing Trustee, and the Beneficial Owners shall have no interest herein other than the beneficial interest conferred by this Agreement. Beneficial Owners shall have no rights of dissenting shareholders in the event the Trust participates in any transaction which would give rise to appraisal or dissenters' rights by a stockholder of a corporation organized under the General Corporation Law of the State of Delaware, or otherwise.

Section 6.6. Status of Beneficial Owner. Every Beneficial Owner by virtue of having become a Beneficial Owner shall be held to have expressly assented and agreed to the terms of this Agreement (as it may be amended from time to time) and to have become a party hereto. A Beneficial Owner shall not be entitled to any title in or to the whole or any part of the Trust Property or right to call for a partition or division of the same or for an accounting.



Section 6.7. Distributions. The Managing Trustee shall have the right to declare, and simultaneously or at any other time in the Trustee's reasonable discretion, to pay distributions on Beneficial Interests from the Trust Property from time to time. Distributions shall be made to the Beneficial Owners in accordance with their Ownership Percentage at the date and time of record established for the payment of such distributions, including distributions on liquidation or dissolution of the Trust.

Section 6.8. Transferability of Beneficial Interests. The beneficial interest in the Trust of a Beneficial Owner may be transferred only upon prior written consent of the Managing Trustee. Any other purported transfer or assignment shall be void and of no effect. Any legal, equitable or other claim or interest in the Trust on the part of any such purported transferee of a Beneficial Interest, whether or not any of them shall have express or other notice of such claim or interest, shall not be entitled to recognition. Beneficial Interests have not been, and are not expected to be, registered under federal, state, or other securities laws.

Section 6.9. Notice of Proposed Transfer. If a Beneficial Owner intends to transfer its interests hereunder pursuant to Section 6.8 hereof, it shall give 30 business days prior written notice to the Trustees unless such period is waived by the Trustees, specifying the name and address of the intended Transferee, and enclosing the agreement or agreements referred to in Section 6.9.

Section 6.10. Right of Inspection. Holders of Beneficial Interests are entitled to the same right of inspection as holders of non-beneficial interests and in addition may review and receive an annual report from the Trustees and review audited financial statements.

**ARTICLE VII**  
**Liability of Trustees, the Beneficial Owners and Officers,**  
**and Other Matters**

Section 7.1. Limitation of Liability of Trustees and Officers. No Trustee or officer of the Trust shall be liable to the Trust or to any Trustee or the Beneficial Owner for any act or omission whether his or its own or that of any other Trustee or officer of the Trust or of the Beneficial Owner or any agent of the Trust, nor shall any such Trustee be held to any personal liability whatsoever in tort, contract or otherwise in connection with the affairs of this Trust, except only that arising from his or its own bad faith, willful misfeasance, gross negligence or reckless disregard of his or its duties.

Section 7.2. Limitation of Liability of the Beneficial Owners, Trustees and Officers. The Trustee and officers incurring any debts, liabilities or obligations, or in taking or omitting any other actions for or in connection with the Trust are, and shall be deemed to be, acting as Trustees or officers of the Trust and not in their own individual capacities. Except to the extent provided in Section 7.1, no Trustee or officer of the Trust or Beneficial Owner shall be liable for any debt, claim, demand, judgment, decree, liability or obligation of any kind of, against, or with respect to the Trust arising out of any action taken or omitted for or on behalf of the Trust. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Property for the payment or performance thereof. The Beneficial Owners shall be entitled to indemnification from the Trust Property if, contrary to the provisions hereof, the Beneficial Owners shall be held to any such personal liability.

Section 7.3. Express Exculpatory Clauses in Instruments. To the extent practicable, the Managing Trustee shall make reasonable efforts to cause any written instrument creating an obligation of the Trust to include a reference to this Agreement, and to provide that neither the Beneficial Owner nor the Trustee or the officers of the Trust shall be liable thereunder and that the other parties to such instrument shall look solely to the Trust Property for the payment of any claim thereunder or for the performance thereof; provided, however, that the omission of such provision from any such instrument shall not render the Beneficial Owner or any Trustee or officer of the Trust liable nor shall the Trustee or any officer of the Trust be liable to anyone for such omission.

Section 7.4. Indemnification and Reimbursement of Trustees and Officers.

(a) Right to Indemnification. Each Trustee and officer of the Trust shall be entitled as of right to be indemnified by such Trust against any expenses and liabilities paid or incurred by such Person in connection with any actual or threatened claim, action, suit or proceeding, civil, criminal, administrative, investigative or other, whether brought by or in the right of the Trust or otherwise, in which he may be involved in, any manner as a party, witness or otherwise, or is threatened to be made so involved, by reason of such Person being or having been a Trustee or officer of the Trust or by reason of the fact that such Person is or was serving at the request of the Trustee as a director, officer, employee, fiduciary or other representative of another Person (such claim, action, suit or proceeding hereinafter being referred to as an "Action"); provided, however, that no such right of indemnification shall exist with respect to an Action initiated by an Indemnitee (as hereinafter defined) against the Trust (an "Indemnitee Action"), except as provided in the last sentence of this subsection (a). Persons who are not Trustees or officers of the Trust may be similarly indemnified in respect of service to the Trust or to any Person on behalf of the Trust at the request of the Trustee to the extent the Trustee at any time denominate any of such Persons as entitled to the benefits of this Section 7.4.

As used in this Section 7.4, the following terms shall have the following meanings:

- (i) "Indemnitee" shall include each Trustee and officer of the Trust and each other Person denominated by the Trustee as entitled to the benefits of this Section 7.4;
- (ii) "expenses" shall mean all expenses actually and reasonably incurred, including fees and expenses of counsel selected by an Indemnitee; and
- (iii) "liabilities" shall mean amounts of judgments, excise taxes, fines, penalties and amounts paid in settlement.

An Indemnitee shall be entitled to be indemnified pursuant to this subsection (a) for expenses incurred in connection with any Indemnitee Action only (1) if the Indemnitee Action is instituted under subsection (c) of this Section 7.4 and the Indemnitee is successful in whole or in part in such Indemnitee Action; (ii) if the Indemnitee is successful in whole or in part in another Indemnitee action for which expenses are claimed; or (iii) if the Indemnification for expenses is included in a settlement of, or is awarded by a court in, such other Indemnitee Action.

(b) Right to Advancement of Expenses. Every indemnitee shall be entitled as of right to have his expenses in defending any Action, or in initiating and pursuing any indemnitee Action for indemnity or advancement of expenses under section (c), paid in advance by the Trust prior to final disposition of such Action or Indemnitee Action, provided that the Trust received a written understanding by or on behalf of the indemnitee to repay the amount advanced if it should ultimately be determined that the indemnitee is not entitled to be indemnified for such expenses.

(c) Right of Indemnitee to Initiate Action. If a written claim under subsection (a) or (b) is not paid in full by the Trust within thirty (30) days after such claim has been received by the Trust, the indemnitee may at any time thereafter initiate an Indemnitee Action to recover the unpaid amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the expense of prosecuting such Indemnitee Action. The only defense to an Indemnitee Action to recover on a claim for indemnification under subsection (a) shall be that the indemnitee's conduct was such that under Delaware law the Trust is prohibited from indemnifying the indemnitee for the amount claimed, but the burden of providing such defense shall be on the Trust. Neither the failure of the Trust (including its Trustees, independent legal counsel, or the Beneficial Owners) to have made a determination prior to the commencement of such Indemnitee Action that indemnification of the indemnitee is proper in the circumstances, nor an actual determination by the Trust (including its Trustees, independent legal counsel, or the Beneficial Owners) that the indemnitee's conduct was such that indemnification is prohibited by Delaware law, shall be a defense to such Indemnitee Action or create a presumption that the indemnitee's conduct was such the indemnification is prohibited by Delaware law. The only defense to an Indemnitee Action to recover on a claim for advancement of expenses under subsection (b) shall be the Indemnitee's failure to provide the undertaking required by subsection (b).

(d) Insurance and Funding. The Trust may purchase and maintain insurance to protect itself and any Person eligible to be indemnified hereunder against any liability or expense asserted or incurred by such Person in connection with any Action whether or not the Trust would have the power to indemnify such Person against such liability or expense by law or under the provisions of this Section 7.4. The Trust may create a trust fund, grant a security interest, cause a letter of credit to be issued or use other means (whether or not similar to the foregoing) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

(e) Non-Exclusivity: Nature and Extent of Rights. The rights to indemnification and advancement of expenses provided for in this Section 7.4 shall (i) not be deemed exclusive of any other rights, whether now existing or hereafter created, to which any indemnitee may be entitled under any agreement or Bylaws (if adopted), vote of the Beneficial Owner or Trustees or otherwise, (ii) be deemed to create contractual rights in favor of each Indemnitee who serves the Trust at any time while this Section 7.4 is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of this Section 7.4), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he was entitled or was denominated as entitled to indemnification under this Section 7.4 and shall inure to the benefit of the heirs and legal representatives of each indemnitee. Any amendment or repeal of this Section 7.4 or the adoption of any Bylaw or provision of this Agreement which has the effect of limiting in any way the rights to indemnification or advancement of expenses provided for in this Section 7.4 shall operate prospectively only and shall not affect any action taken or failure to act, by an indemnitee prior to the adoption of such amendment, repeal, Bylaw or provision.

(f) Partial Indemnity. If an indemnitee is entitled under any provision of this Section 7.4 to indemnification by the Trust for some or a portion of the expenses or liabilities paid or incurred by the indemnitee in the preparation, investigation, defense, appeal or settlement of any Action or Indemnitee Action but not, however, for the total amount thereof, the Trust shall indemnify the indemnitee for the portion of such expenses or liabilities to which the indemnitee is entitled.

Section 7.5. Persons Dealing With Trustees or Officers. Any act of the Trustees or officers purporting to be done in their capacity as such shall, as to any Persons dealing with such Trustees or officers, be conclusively deemed to be within the purposes of this Trust and within the powers of the Trustees and officers. No Person dealing with the Trustees or any of them, or with the authorized officers, agents or representatives of the Trust, shall be bound to see to the application of any funds or property passing into their hands or control. The receipt of the Trustees or any of them, or of authorized officers, agents or representatives of the Trust, for money or other consideration, shall be binding upon the Trust.

Section 7.6. Reliance. In the administration of the Trust, the Managing Trustee may execute any of the powers hereof and perform their powers and duties hereunder directly or through agents, independent contractors, consultant or attorneys, and such Trustee has specific authority to engage such agents, and may consult with such counsel, accountants, consultants, agents, independent contractors, or other skilled persons to be selected and employed by them, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by them in accordance with the advice or opinion of any such counsel, accountants or other skilled person and not contrary to this Trust Agreement. The Trustee may rely, and shall be personally protected in acting, upon any instrument or other documents believed by them to be genuine.

Section 7.7. Action upon Ambiguity or Conflict. In the event that any Trustee is unsure as to the application of any provision of this Agreement or such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Agreement or any agreement contemplated hereby permits any determination by the Trustee or is silent or incomplete as to the course of action which the Trustee is required to take with respect to a particular set of facts, the Trustee may request and rely upon instructions of the Beneficial Owners; provided, however, that in the event that no response is made to the Trustee by the Beneficial Owners within 10 days after such request, the Trustee shall not be liable for any failure to act.

**ARTICLE VIII**  
**Duration, Merger, Dissolution and**  
**Amendment of the Trust Agreement**

Section 8.1. Duration of Trust. The period of duration of the Trust shall be perpetual; provided that the period of duration may be changed pursuant to an appropriate amendment to this Agreement.

Section 8.2. Merger or Consolidation. The Managing Trustee may, with the prior approval of at least 66% of the Beneficial Owners, (a) merge or consolidate the Trust with and/or into, or sell, convey and transfer the Trust Property to any Person in exchange for shares or Securities thereof, or beneficial interests therein, or other consideration, and (if the Trust is not the surviving entity of such merger, consolidation or other transaction) the assumption by such transferee of the liabilities of the Trust and (b) subject to Section 8.3, if the Trust is not the surviving entity of such merger, consolidation or other transaction, thereupon terminate the Trust and distribute such shares, securities, beneficial interests or other consideration to the Beneficial Owners pursuant to a plan or other determination duly adopted by the Managing Trustee.

Section 8.3. Amendment of the Trust Agreement. This Agreement may be amended by the Managing Trustee, but only with the prior approval of 66% of the Beneficial Owners; provided, further, that no amendment shall adversely affect the liability of the Beneficial Owners without their approval.

Section 8.4. Liquidation/Dissolution. The Managing Trustee may, with the prior approval of at least 66% of the Beneficial Owners, liquidate or dissolve the Trust. Upon such liquidation/dissolution, payment shall be made in accordance with Section 6.7 hereof.

#### **ARTICLE IX Miscellaneous**

Section 9.1. Applicable Law. The Trust set forth in this Agreement is created under and shall be governed by and construed and administered according to the laws of the State of Delaware.

Section 9.2. Situs of the Trust. The Trust will maintain a registered office and agent in the State of Delaware. The initial registered office and agent of the Trust in the State of Delaware shall be the Statutory Trustees at 1209 Orange Street, Wilmington, DE 19801-1120. The Trust may have such principal and other business offices or places of business within or without the State of Delaware as the Managing Trustee may from time to time determine. The Managing Trustee shall select and may from time to time change the situs of the Trust within the United States.

Section 9.3. Certificates. Any person dealing with the Trust may rely on a certificate by a Managing Trustee or an officer of the Trust as to the terms of this Agreement and any amendments to the Agreement, as to the identity of the Trustee and officers, and as to any matters in connection with the Trust hereunder. Any person dealing with the Trust may, with the same effect as if it were the original, rely on a copy of this Agreement or of any of the amendments hereto certified by a Managing Trustee or an officer of the Trust to be such a copy of the Agreement or of any such amendments.

Section 9.4. Headings. The headings of the various Articles and Sections herein are for convenience of reference only and do not form a part of nor shall be deemed to govern or affect the construction or interpretation of this Agreement.

Section 9.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

Section 9.6. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.7. Binding Effect. Successors in Interest. Each Person who becomes the holder of all or a part of the Beneficial Interest in the Trust shall agree to be, and shall be, bound by the provisions of this Agreement. This Agreement shall be binding upon and inure to the benefit of the Trustee and the Beneficial Owners and the respective successors, assigns, heirs, distributees and legal representatives of each of them.

Section 9.8. Irrevocability by Settlor. This Agreement and the Trust created hereunder shall be irrevocable by the Settlor, subject to the provisions of Article VIII hereof.

[Remainder of the page left intentionally blank.]





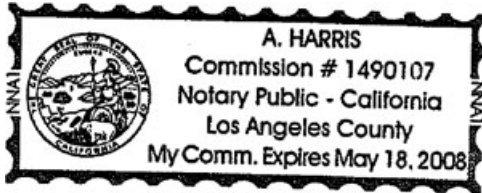
**ACKNOWLEDGEMENT**

State of CALIFORNIA        )  
  ) ss.  
County of LOS ANGELES    )

On November 20, 2006, before me, A. Harris, Notary Public, personally appeared James J. Pieczynski, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY SEAL



/s/ A. Harris  
Name: A. Harris  
My Commission Expires: 5/18/2008

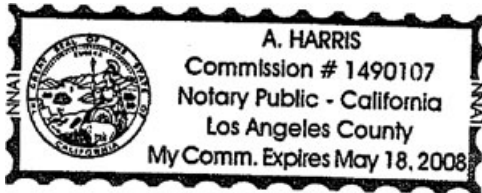
**ACKNOWLEDGEMENT**

State of CALIFORNIA        )  
  ) ss.  
County of LOS ANGELES    )

On November 20, 2006, before me, A. Harris, Notary Public, personally appeared James J. Pieczynski, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY SEAL



/s/ A. Harris  
Name: A. Harris  
My Commission Expires: 5/18/2008

APPROVED [ILLEGIBLE]

**ARTICLES OF ORGANIZATION OF [Company]**

PURSUANT TO THE MARYLAND LIMITED LIABILITY COMPANY ACT, as amended (the "Act"), the undersigned authorized individual hereby executes these Articles of Organization:

ARTICLE I

The name of the limited liability company (the "Company") is [Company].

ARTICLE II

The Company is organized to (a) purchase (and/or otherwise acquire) ownership and/or leasehold interests in one or more nursing homes, and (b) assume (and/or otherwise incur) any such obligations, and conduct any such operations, as shall be incidental or reasonably related thereto.

ARTICLE III

The address of the Company's principal office in the State of Maryland is c/o The Corporation Trust Incorporated, 32 South Street, Baltimore, Maryland 21202, and the name and the address of the Company's resident agent in the State of Maryland are The Corporation Trust Incorporated, 32 South Street, Baltimore, Maryland 21202.

ARTICLE IV

The Company shall be managed by one or more managers (who need not be members), and the authority of members to act for the Company solely by virtue of their being members is limited.

[ILLEGIBLE]

ARTICLE V

Without limiting the ability of the Company to hereafter admit (and/or substitute) members and/or managers in accordance with the Company's operating agreement, as such agreement may be amended from time to time (the "Operating Agreement"), the Company's initial member, and the Company's initial manager, shall be Omega Healthcare Investors, Inc., a Maryland corporation.

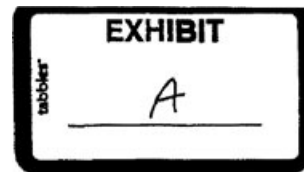
ARTICLE VI

The Company's existence shall commence upon the later of (a) [date], or (b) the date on which these Articles of Organization are duly filed with the Maryland State Department of Assessments and Taxation. Unless terminated earlier pursuant to the Act or pursuant to the Company's Operating Agreement, the Company's term shall end on [date].

IN WITNESS WHEREOF, the undersigned individual, being duly authorized by the Company's member and manager, executes and certifies these Articles on this \_\_\_th day of \_\_\_\_\_, \_\_\_\_.

/s/ Stuart D. Logan  
Stuart D. Logan

/s/ [ILLEGIBLE]



I certify the attached is a true and correct copy of Articles of Organization of FLORIDA REAL ESTATE COMPANY, LLC, a limited liability company, organized under the laws of the State of Florida, filed on August 5, 2004, as shown by the records of this office.

The document number of this company is L04000058176.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Tenth day of January, 2006



/s/ Sue M. Cobb  
Sue M. Cobb  
Secretary of State

CR2EO22 (01-06)

**Electronic Articles of Organization  
For  
Florida Limited Liability Company**

**L04000058176  
FILED 8:00 AM  
August 05, 2004  
Sec. Of State  
Irrivers**

**Article I**

The name of the Limited Liability Company is:  
FLORIDA REAL ESTATE COMPANY, LLC

**Article II**

The street address of the principal office of the Limited Liability Company is:  
100 SECOND AVENUE SOUTH  
SUITE 901S  
ST. PETERSBURG, FL. US 33701

The mailing address of the Limited Liability Company is:  
100 SECOND AVENUE SOUTH  
SUITE 901S  
ST. PETERSBURG, FL. US 33701

**Article III**

The purpose for which this Limited Liability Company is organized is:  
ANY AND ALL LAWFUL BUSINESS.

**Article IV**

The name and Florida street address of the registered agent is:  
BART WYATT  
100 SECOND AVENUE SOUTH  
SUITE 901S  
ST. PETERSBURG, FL. 33701

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: BART WYATT  
Signature of member or an authorized representative of a member  
Signature: LIANNE BARNARD

---



January 30, 2006

FLORIDA DEPARTMENT OF STATE  
Division of Corporations

FLORIDA REAL ESTATE COMPANY, LLC  
C/O CAPITALSOURCE INC.  
4445 WILLARD AVENUE 12TH FL  
CHEVY CHASE, MD 20815US

Re: Document Number L04000058176

The Amended and Restated Articles of Organization for FLORIDA REAL ESTATE COMPANY, LLC, a Florida limited liability company, were filed on January 27, 2006.

This document was electronically received and filed under FAX audit number H06000024469.

Should you have any questions concerning this matter, please telephone (850) 245-6051, the Registration Section.

Marsha Thomas  
Document Specialist  
Division of Corporations

Letter Number: 506A00006503

P.O BOX 6327 – Tallahassee, Florida 32314

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**ARTICLES OF AMENDMENT  
TO  
ARTICLES OF ORGANIZATION  
OF**

Florida Real Estate Company, LLC

\_\_\_\_\_  
(Present Name)  
(A Florida Limited Liability Company)

**FIRST:** The Articles of Organization were filed on August 5, 2004 and assigned document number L04000058176.

**SECOND:** This amendment is submitted to amend the following:

see attached

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

Dated January 27, 2006.

\_\_\_\_\_  
*/s/ Steven A. Museles*

Signature of a member or authorized representative of a member

Steven A. Museles

\_\_\_\_\_  
Typed or printed name of signee

**Filing Fee: \$25.00**

---

**FLORIDA  
AMENDED AND RESTATED  
ARTICLES OF ORGANIZATION**

**OF**

**FLORIDA REAL ESTATE COMPANY, LLC**

**ARTICLE I - Name**

The name of the Limited Liability Company is Florida Real Estate Company, LLC.

**ARTICLE II - Address**

The street address of the principal office of the Limited Liability Company is:

c/o CapitalSource Inc.  
4445 Willard Avenue  
12th Floor  
Chevy Chase, MD 20815

The mailing address of the Limited Liability Company is:

c/o CapitalSource Inc.  
4445 Willard Avenue  
12th Floor  
Chevy Chase, MD 20815





**COVER LETTER**

**TO:** Registration Section  
Division of Corporations

**SUBJECT:** Florida Real Estate Company, LLC  
(Name of Limited Liability Company)

The enclosed Articles of Amendment and fee(s) are submitted for filing.

Please return all correspondence concerning this matter to the following:

Mark S. Eppley  
(Name of Person)

CT Corporation System  
(Firm/Company)

1015 15th Street, NW  
(Address)

Washington, DC 20005  
(City/State and Zip Code)

For further information concerning this matter, please call:

Mark S. Eppley at ( 202 ) 572-3160  
(Name of Person) (Area Code & Daytime Telephone Number)

Enclosed is a check for the following amount:

- |   |   |  |   |
|---|---|--|---|
| <input type="checkbox"/> \$25.00 Filing Fee | <input type="checkbox"/> \$30.00 Filing Fee & Certificate of Status | <input type="checkbox"/> \$55.00 Filing Fee & Certified Copy (additional copy is enclosed) | <input type="checkbox"/> \$60.00 Filing Fee, Certificate of Status & Certified Copy (additional copy is enclosed) |
|---|---|--|---|

**MAILING ADDRESS:**  
Registration Section  
Division of Corporations  
P.O. Box 6327  
Tallahassee, FL 32314

**STREET/COURIER ADDRESS:**  
Registration Section  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
FLORIDA REAL ESTATE COMPANY, LLC

This Second Amended and Restated Limited Liability Company Agreement (the "Agreement") of Florida Real Estate Company, LLC (the "Company"), is entered into by OHI Asset CSE-U, LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Florida Limited Liability Company Act, Florida Statutes Sections 608.401, et. seq., as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on August 5, 2004, pursuant to the provisions of the Act;

WHEREAS, the Member acquired all of the outstanding equity interests in the Company (the "Membership Interest") on December 22, 2009; and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the Amended and Restated Operating Agreement of the Company dated January 27, 2006, as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

1. Name. The name of the limited liability company is Florida Real Estate Company, LLC.
2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.
3. Registered Office. The address of the registered office of the Company in the State of Florida is c/o CT Corporation System, 1200 South Pine Island Road, Plantation, Broward County, Florida 33324.
4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Florida is CT Corporation System, 1200 South Pine Island Road, Plantation, Broward County, Florida 33324.
5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, OHI Asset CSE-U, LLC is hereby admitted to the Company as the sole member of the Company.
6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business. The existence of the Company as a separate legal entity shall continue until cancellation of the Articles of Organization as provided in the Act.

7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

9. Management. In accordance with Section 608.422 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Florida. The Member has the authority to bind the Company within the meaning of Section 608.4235 of the Act

10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an “ Officer”). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the Florida Business Corporation Act. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company’s business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of managing members under Section 608.4225 of the Act.

11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

12. Certificates. All of the equity interests of a Member in the Company (the "Membership Interests") may be evidenced by a certificate showing the name of the Member and the number or percentage of Membership Interests held by that Member. Each such certificate shall be signed by an officer of the Company, and such certificates may be signed in counterparts. The certificates representing the Membership Interests in the Company shall constitute a "security" within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Florida and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Each Member hereby agrees that its Membership Interest in the Company and in its Membership Interests for all purposes shall be personal property. The Members have no interest in specific Company property.

13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 608.426 of the Act or any other applicable law.

16. Exculpation and Indemnification.

( a ) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

( c ) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

17. Resignation. The Member has the right to resign from the Company at any time.

18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 608.4493 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 608.444 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

( e ) Upon the cancellation of the Articles of Organization by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

19. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

20. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

21. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Florida (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Second Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

OHI Asset CSE-U, LLC, a Delaware limited liability company

January 20, 2010

By: /s/ Daniel J. Booth  
Name: Daniel J. Booth  
Title: Chief Operating Officer

---

SCHEDULE A

Member

Name	Mailing Address	Membership Interest
OHI Asset CSE-U, LLC.	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

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SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

Michael Ritz

TITLE

President and Chief Executive  
Officer

Chief Operating Officer and  
Secretary

Chief Financial Officer and  
Treasurer

Vice President and Chief  
Accounting Officer



*This is to Certify that the annexed copy has been compared by me with the record on file in this Department and that the same is a true copy thereof.*

*This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.*

*In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 17th day of August, 2001*

*/s/ [ILLEGIBLE] , Director*

*Bureau of Commercial Services*

**GOLD SEAL APPEARS ONLY ON ORIGINAL**

**ARTICLES OF INCORPORATION**

**These Articles of Incorporation are signed by the incorporator to form a profit corporation pursuant to Act 284 of the Michigan Public Acts of 1972, as amended (the "Act"), as follows:**

**ARTICLE I**

**Name**

The name of the corporation is Long Term Care - Michigan, Inc.

**ARTICLE II**

**Purpose**

Subject to the following two sentences, the corporation may engage in any activity within the purposes for which corporations may be formed under the Act. Nonetheless, the corporation shall not, through any of its employees, provide, offer to provide or hold out the corporation as offering services requiring licensure as a member of the learned professions ("Professionals"). In furtherance of the foregoing, any contracts between the corporation and any Professional shall not be construed as relieving such Professional of his or her independent professional responsibility for the delivery of the professional services for which the licenses have been issued.

**ARTICLE III**

**Authorized Capital**

The total authorized capital is 60,000 shares of common stock.

**ARTICLE IV**

**Office and Agent**

The mailing address and street address of the initial registered office is 900 Victor's Way, Suite 350, Ann Arbor, Michigan 48108. The initial resident agent at such office is F. Scott Kellman.

**ARTICLE V**

**Director Liability**

No director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that this Article V shall not affect the liability of a director for (a) a breach of duty of loyalty to the corporation or shareholders, (b) acts or omissions that are not in good faith or that involve intentional misconduct or a knowing violation of law, (c) a violation of Section 551(1) of the Act, or (d) a transaction from which the director derived an improper personal benefit. If the Act is hereafter amended to authorize the further limitation of liability, then the liability of a director shall be limited to the full extent permitted by the Act as so amended. No amendment or repeal of this Article V shall affect the liability of any director with respect to any acts or omissions occurring prior to such amendment or repeal.

**GOLD SEAL APPEARS ONLY ON ORIGINAL [ILLEGIBLE]**

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**ARTICLE VI**  
**Certain Arrangements**

Whenever a compromise or arrangement or any plan of reorganization of the corporation is proposed between the corporation and its creditors or any class of them and/or between the corporation and its shareholders or any class of them, any court of equity jurisdiction within Michigan may, on the application of the corporation or of any creditor or shareholder thereof, or on the application of any receiver or receivers appointed for the corporation, order a meeting of the creditors or class of creditors, and/or of the shareholders or class of shareholders, as the case may be, to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as said court directs. If a majority in number, representing three-fourths in value of the creditors or class of creditors, and/or of the shareholders or class of shareholders, as the case may be, to be affected by the proposed compromise or arrangement or reorganization, agrees to any compromise or arrangement or to any reorganization of the corporation as a consequence of such compromise or arrangement, such compromise or arrangement and said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all creditors or class of creditors, and/or on all shareholders or class of shareholders, as the case may be, and also on the corporation.

**ARTICLE VII**  
**Incorporator**

The name and business address of the incorporator is Stuart D. Logan, 39577 Woodward Avenue, Suite 300, Bloomfield Hills, Michigan 48304.

I, THE INCORPORATOR, sign my name this 17<sup>th</sup> day of August 2001.

/s/ Stuart D Logan  
\_\_\_\_\_  
Stuart D Logan, Incorporator

**PLEASE RETURN DOCUMENT TO:** Stuart D. Logan, Dykema Gossett PLLC, 39577 Woodward Avenue, Suite 300, Bloomfield Hills, Michigan 48304  
**ORGANIZATION REMITTING FEES:** Dykema Gossett PLLC  
**PREPARER'S NAME AND BUSINESS TELEPHONE NUMBER:** Stuart D Logan (248/203-0850) BH\312021.1\SDL

**GOLD SEAL APPEARS ONLY ON ORIGINAL**

File # 61561293

**Form BCA-5.10  
NFP-105.10  
(Rev. Jan. 2003)**

Jesse White  
Secretary of State  
Department of Business Services  
Springfield, IL 62756  
Telephone (217) 782-3647  
www.cyberdriveillinois.com

SUBMIT IN DUPLICATE

**This space for use by  
Secretary of State**

Date 7-17-03

Filing Fee \$5

Approved: /s/ [ILLEGIBLE]

*Remit payment in check or money order,  
payable to "Secretary of State."*

**STATEMENT OF  
CHANGE  
OF REGISTERED AGENT  
AND/OR REGISTERED  
OFFICE**

**FILED**

JESSE WHITE  
SECRETARY OF STATE

Type or print in black ink only.  
See reverse side for signature(s).

1. CORPORATE NAME: [Company]

2. STATE OR COUNTRY OF INCORPORATION: Illinois

3. Name and address of the registered agent and registered office as they appear on the records of the office of the Secretary of State *(before change)*:

Registered Agent	Illinois Corporation Service Co.		
	<i>First Name</i>	<i>Middle Name</i>	<i>Last Name</i>
Registered Office	700 S. Second		
	<i>Number</i>	<i>Street</i>	<i>Suite No. (A P.O. Box alone is not acceptable)</i>
	Springfield	62704	Sangamon
	<i>City</i>	<i>ZIP Code</i>	<i>County</i>

4. Name and address of the registered agent and registered office shall be *(after all changes herein reported)*:

Registered Agent	C T Corporation System		
	<i>First Name</i>	<i>Middle Name</i>	<i>Last Name</i>
Registered Office	208 South LaSalle Street		
	<i>Number</i>	<i>Street</i>	<i>Suite No. (A P.O. Box alone is not acceptable)</i>
	Chicago	60604	Cook
	<i>City</i>	<i>ZIP Code</i>	<i>County</i>



File Number \_\_\_\_\_

State of Illinois  
Office of  
The Secretary of State

Whereas,

ARTICLES OF INCORPORATION OF  
[Company]  
INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN  
FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE  
BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, Jesse White, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this \_\_\_\_\_ day of \_\_\_\_\_ A.D. \_\_\_\_\_ and of the Independence of the United States the two hundred and \_\_\_\_\_ .

/s/ Jesse White  
Secretary of State

C-212.3

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(Rev. Jan. 1999)

This space for use by Secretary of State

**SUBMIT IN DUPLICATE!**

Jesse White  
 Secretary of State  
 Department of Business Services  
 Springfield, IL 62756  
 http://www.sos.state.il.us  
 Payment must be made by certified check,  
 cashier's check, Illinois attorney's check,  
 Illinois C.P.A.'s check or money order, payable  
 to "Secretary of State."

FILED  
 PAID  
 Expedited Services  
 JESSE WHITE  
 SECRETARY OF STATE

**This space for use by  
 Secretary of State**  
 Date 4-3-01  
 Franchise Tax \$ 25-  
 Filing Fee \$ 75-  
 Approved: 98 100-

1. CORPORATE NAME: [Company]

(The corporate name must contain the word "corporation", "company", "incorporated," "limited" or an abbreviation thereof.)

2. Initial Registered Agent: Illinois Corporation Service Company

	<i>First Name</i>	<i>Middle Initial</i>	<i>Last name</i>
Initial Registered Office:	700 South Second Street		
	<i>Number</i>	<i>Street</i>	<i>Suite #</i>
	Springfield, I IL	Sangamon	62704
	<i>City</i>	<i>County</i>	<i>Zip Code</i>

3. Purpose or purposes for which the corporation is organized: 44

(If not sufficient space to cover this point, add one or more sheets of this size.)  
 The purpose for which the corporation is organized is to transact any or all lawful business for which corporations may be incorporated under the IL BUSINESS CORP Act.

4. Paragraph 1: Authorized Shares, Issued Shares and Consideration Received:

Class	Par Value per Share	Number of Shares Authorized	Number of Shares Proposed to be Issued	Consideration to be Received Therefor
CM.	\$ 0	1,000	1,000	\$ 1000
<b>TOTAL = \$ 1,000</b>				

Paragraph 2: The preferences, qualifications, limitations, restrictions and special or relative rights in respect of the shares of each class are:  
 (If not sufficient space to cover this point, add one or more sheets of this size.)

(over)



5. **OPTIONAL:** (a) Number of directors constituting the initial board of directors of the corporation: \_\_\_\_\_ .  
 (b) Names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify:

Name	Residential Address	City, State, ZIP

6. **OPTIONAL:** (a) It is estimated that the value of all property to be owned by the corporation for the following year wherever located will be: \$ \_\_\_\_\_  
 (b) It is estimated that the value of the property to be located within the State of Illinois during the following year will be: \$ \_\_\_\_\_  
 (c) It is estimated that the gross amount of business that will be transacted by the corporation during the following year will be: \$ \_\_\_\_\_  
 (d) It is estimated that the gross amount of business that will be transacted from places of business in the State of Illinois during the following year will be: \$ \_\_\_\_\_

7. **OPTIONAL: OTHER PROVISIONS**  
 Attach a separate sheet of this size for any other provision to be included in the Articles of Incorporation, e.g., authorizing preemptive rights, denying cumulative voting, regulating internal affairs, voting majority requirements, fixing a duration other than perpetual, etc.

8. **NAME(S) & ADDRESS(ES) OF INCORPORATOR(S)**

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated \_\_\_\_\_, \_\_\_\_\_  
 (Month & Day) Year

**Signature and Name**

**Address**

1. \_\_\_\_\_  
 [ILLEGIBLE]  
 Signature  
 STUART D. LOGAN  
 (Type or Print Name)

2. \_\_\_\_\_  
 Signature  
 (Type or Print Name)

3. \_\_\_\_\_  
 Signature  
 (Type or Print Name)

1. 39577 WOODWARD AVENUE, SUITE 300  
 Street  
 BLOOMFIELD HILLS MICHIGAN 48304  
 City/Town State ZIP Code

2. \_\_\_\_\_  
 Street  
 City/Town State ZIP Code

3. \_\_\_\_\_  
 Street  
 City/Town State ZIP Code

(Signatures must be in **BLACK INK** on original document. Carbon copy, photocopy or rubber stamp signatures may only be used on conformed copies.)  
 NOTE: If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by its president or vice president and verified by him, and attested by its secretary or assistant secretary.

**FEE SCHEDULE**

- The initial franchise tax is assessed at the rate of 15/100 of 1 percent (\$1.50 per \$1,000) on the paid-in capital represented in this state, with a minimum of \$25.
- The filing fee is \$75.
- The minimum total due (franchise tax + filing fee) is \$100.  
 (Applies when the Consideration to be Received as set forth in Item 4 does not exceed \$16,667)
- The Department of Business Services in Springfield will provide assistance in calculating the total fees if necessary.

Illinois Secretary of State  
 Department of Business Services

Springfield, IL 62756  
 Telephone (217) 782-9522 or 782-9523



**NOTICE OF CHANGE OF REGISTERED OFFICE  
OR REGISTERED AGENT (ALL CORPORATIONS)**  
State Form 26278 (R5/[ILLEGIBLE])

**SUE ANNE GILROY**  
**SECRETARY OF STATE**  
**CORPORATION DIVISION**  
302 W. Washington St., Rm. [ILLEGIBLE]  
Indianapolis, IN 46204  
Telephone: (317)232-6576

**INSTRUCTIONS:** Use 8 1/2" x 11" white paper for Inserts.  
Present original and two (2) copies to address in upper right corner of this form.  
Please TYPE or PRINT.

Indiana Code 23-1-24-2 (for profit corporation)  
Indiana Code 23-17-6-2 (non-profit corporation)  
**NO FILING FEE**

Name of corporation [Company]	Date of Incorporation
----------------------------------	-----------------------

Current registered office address (number and street, city, state, ZIP code)  
251 E. Ohio Street Ste. 500 Indianapolis, IN 46204

New registered office address (number and street, city, state, ZIP code)  
36 S. Pennsylvania Street, Suite 700, Indianapolis, Indiana 46204

Current registered agent (type or print name)  
Corporation Service Company

New registered agent (type or print name)  
C T Corporation System

RECEIVED  
INDIANA SECRETARY  
[ILLEGIBLE]

**STATEMENTS BY REGISTERED AGENT OR CORPORATION**

This statement is a representation that the new registered agent has consented to the appointment as registered agent, or statement attached signed by registered agent giving consent to act as the new registered agent.

After the change or changes are made, the street address of this corporation's registered agent and the address of its registered office will be identical.

The registered agent filing this statement of change of the registered agent's business street address has notified the represented corporation in writing of the change, and the notification was manually signed or signed in facsimile.

IN WITNESS WHEREOF, the undersigned executes this notice and verifies, subject to the penalties of perjury, that the statements contained herein are true, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signature /s/ Michael E. Jones	Title Michael E. Jones, Vice President
-----------------------------------	---

**State of Indiana**  
**Office of the Secretary of State**

CERTIFICATE OF INCORPORATION

of

**[Company]**

I, SUE ANNE GILROY, Secretary of State of Indiana, hereby certify that Articles of Incorporation of the above For-Profit Domestic Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Business Corporation Law.

NOW, THEREFORE, with this document I certify that said transaction will become effective \_\_\_\_\_.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, \_\_\_\_\_.

/s/ Sue Anne Gilroy

\_\_\_\_\_  
SUE ANNE GILROY,  
SECRETARY OF STATE

---



**ARTICLES OF INCORPORATION**  
 State Form 415[ILLEGIBLE] (R10/[ILLEGIBLE])  
 Approved by State Board of Accounts 1996

APPROVED  
 AND  
 FILED  
 IND. SECRETARY OF STATE

**INSTRUCTIONS:** Use [ILLEGIBLE] white paper for inserts  
 Present original and two (2) copies to address in upper right corner of this form.  
 Please TYPE or PRINT.  
 Upon completion of filing, the Secretary of State will issue a receipt.

Indiana Code 23-1-21-2  
 FILING FEE \$90.00

**ARTICLES OF INCORPORATION**

The undersigned, [ILLEGIBLE] to form a corporation (*hereinafter referred to as "Corporation"*) pursuant to the provisions of:

- Indiana Business Corporation Law                       Indiana Professional Corporation Act 1983, Indiana Code 23-1, 6-1-1, et seq. (*Professional corporations must include Certificate of Registration.*)
- As amended, executes the following Articles of Incorporation;

**ARTICLE I - NAME AND PRINCIPAL OFFICE**

Name of Corporation (*the name must include the word "Corporation", "Incorporated", "Limited", "Company" or an abbreviation thereof.*)

[Company]

Principal officer: The address of the principal office of the corporation is: 900 Victors Way, Suite 350

Post office address	City	State	ZIP Code
900 Victors Way, Suite 350	Ann Arbor	MI	48108

**ARTICLE II - REGISTERED OFFICE AND AGENT**

Registered Agent: The name and street address of the Corporation's Registered Agent and Registered Office for service of process are:

Name of Registered Agent  
 Corporation Service Company

Address of Registered Office (street or building)	City	State	ZIP Code
251 East Ohio Street, Suite 500	Indianapolis	Indiana	46204

**ARTICLE III - AUTHORIZED SHARES**

Number of shares the Corporation is authorized to issue: 1,000

*If there is more than one class of shares, with rights and preferences, list such information as "Exhibit A."*

**ARTICLE IV INCORPORATORS**

[ILLEGIBLE]

NAME	NUMBER AND STREET OR BUILDING	CITY	STATE	ZIP CODE
Stuart D. Logan	39755 Woodward	Bloomfield Hills	MI	48304

In Witness Whereof, the undersigned being all the incorporators of said Corporation execute these Articles of Incorporation and verify, subject to penalties of perjury, that the statements contained herein are true,

this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signature /s/ Stuart D. Logan		Printed name Stuart D. Logan	[ILLEGIBLE] SUE ANNE GILROY
Signature		Printed name	
Signature		Printed name	

This instruments was prepared by: (*name*)

Stuart D. Logan, Esq.

Address ( <i>number, street, city and state</i> ) 39755 Woodward Avenue, Bloomfield Hills, Michigan	ZIP code 48304
--	-------------------

# 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 MERGER, WHICH MERGES:

"NRS VENTURES, L.L.C.", A KENTUCKY LIMITED LIABILITY COMPANY,

WITH AND INTO "NRS VENTURES, L.L.C." UNDER THE NAME OF "NRS VENTURES, L.L.C.", A LIMITED LIABILITY COMPANY ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE NINETEENTH DAY OF JUNE, A.D. 2006, AT 11:56 O'CLOCK A.M.

4173844 8100M

060586927



/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4838437

DATE: 06-19-06

CERTIFICATE OF MERGER  
of  
NRS VENTURES, L.L.C., a Kentucky limited liability company  
Into  
NRS VENTURES, L.L.C., a Delaware limited liability company

Pursuant to Sec. 18-209 of the Limited Liability Company Act of the State of Delaware, the undersigned surviving limited liability company submits the following Certificate of Merger for filing and certifies that:

1. The name and jurisdiction of formation or organization of each of the business entities which are to merge are:

<u>Name</u>	<u>Jurisdiction</u>
NRS Ventures, L.L.C.	A Kentucky limited liability company
NRS Ventures, L.L.C.	A Delaware limited liability company

2. NRS Ventures, L.L.C., a Delaware limited liability company, is the surviving company (the "Surviving Company") and its name shall remain the same.
3. A Plan and Agreement of Merger has been approved and executed by each of the Surviving Company and the other business entity which is to be merged into the Surviving Company.
4. The Certificate of Formation of the Surviving Company shall be its Certificate of Formation.
5. The merger shall become effective upon filing this Certificate of Merger.
6. The Plan and Agreement of Merger is on file at the offices of the Surviving Company located at 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.
7. A copy of the Plan and Agreement of Merger will be furnished by the Surviving Company on request and without cost to any member of the Surviving Company or any person holding an interest in the other business entity which is to be merged.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Merger as of June 19, 2006.

/s/ Mark E. Derwent  
Mark E. Derwent  
Authorized Person

---

## PLAN AND AGREEMENT OF MERGER

To Merge  
NRS VENTURES, L.L.C., a Kentucky limited liability company  
into  
NRS VENTURES, L.L.C., a Delaware limited liability company

This Plan and Agreement of Merger (the "Agreement") is made on June 15, 2006 between NRS VENTURES, L.L.C., a Delaware limited liability company (the "Survivor"), and NRS VENTURES, L.L.C., a Kentucky limited liability company (the "Kentucky LLC"). The Survivor and the Kentucky LLC are sometimes referred to as the "Constituent Companies."

### RECITALS

- A. The Survivor is organized and existing under the laws of the State of Delaware and the Kentucky LLC is organized and existing under the laws of the Commonwealth of Kentucky.
- B. The Survivor is a limited liability company whose sole member is Omega Healthcare Investors, Inc., a Maryland corporation (" Omega").
- C. Kentucky LLC is a limited liability company whose sole member is Omega.
- E. Omega has deemed it advisable for the mutual benefit of each Constituent Company and itself to merge the Kentucky LLC into the Survivor pursuant to the provisions the Delaware Limited Liability Company Act and the Kentucky Limited Liability Company Act (the "Merger").

NOW THEREFORE, in accordance with the laws of the State of Delaware and the Commonwealth of Kentucky, the Constituent Companies agree that, subject to the following terms and conditions, the Kentucky LLC shall be merged into the Survivor and the Merger's terms and the mode of carrying them into effect shall be as follows:

### ARTICLE I

- 1. Certificate of Formation of the Survivor. The Survivor's Certificate of Formation in effect immediately before the Merger's Effective Time (as defined in Article 6) shall constitute the Certificate of Formation of the Survivor.

### ARTICLE II

- 2.1 Limited Liability Company of the Survivor. The Survivor's Limited Liability Company Agreement in effect immediately before the Merger's Effective Time shall constitute the Limited Liability Company Agreement of the Survivor.
  - 2.2 The officers of Survivor in office at the Merger's Effective Time shall continue in office and shall constitute the officers of the Survivor for the term elected or appointed and qualified.
-

Should a vacancy exist at the Effective Time in any office of the Survivor by reason of the failure or inability of the director or any of the officers of the Survivor to accept a position as an officer of the Survivor, such vacancy may be filled in the manner provided by the Limited Liability Company Agreement of the Survivor.

### ARTICLE III

3.1 The Kentucky LLC's Membership Interest. At the Merger's Effective Time, the outstanding membership interests in Kentucky LLC shall be canceled and shall cease to exist without any action on the part of the holder.

3.2 The Survivor's Membership Interests. At the Merger's Effective Time, the outstanding membership interests in the Survivor held by Omega shall continue as an identical membership interest in the Survivor.

### ARTICLE IV

#### 4. Effect of the Merger.

##### 4.1 At the Merger's Effective Time:

(a) The Kentucky LLC's separate existence shall cease.

(b) The Survivor shall possess all the Constituent Companies' assets and property of every description and every interest, wherever located, including the rights, privileges, immunities, powers, franchises, and authority of a public as well as of a private nature.

(c) All obligations belonging to or due any of the Constituent Companies shall be vested in and become the obligations of the Survivor without further act or deed.

(d) Title to any real estate or any interest in real estate that is vested in either of the Constituent Companies shall be vested in the Survivor without further act or deed.

(e) Title to any real estate or any interest in real estate shall not revert or in any way be impaired by reason of the Merger.

(f) All creditors' rights and all liens on any property of the Constituent Companies shall be preserved unimpaired.

(g) The Survivor shall be liable for all of the Constituent Companies' obligations, and any existing claim or pending action or proceeding by or against either Constituent Company may be prosecuted to judgment with right of appeal, as if the Merger had not taken place.



(h) Limited liability shall be retained by the Survivor.

4.2 If, after the Merger's Effective Time, the Survivor shall determine that further conveyances, agreements, documents, instruments, assurances of law, or any other things are necessary or desirable to vest, perfect, confirm, or record in the Survivor the title to any property, rights, privileges, powers, and franchises of the Constituent Companies or to otherwise carry out the provisions of the Agreement, the appropriate directors and officers last in office in each Constituent Company shall (i) execute and deliver, on the Survivor's request, any and all proper conveyances, agreements, documents, instruments, and assurances of law, and (ii) do all things necessary or proper to vest, perfect, or confirm title to the Survivor's property, rights, privileges, powers, and franchises and otherwise to carry out the provisions of this Agreement.

**ARTICLE V**

5. Merger's Effective Time. As used in this Agreement, the "Merger's Effective Time" means the time at which duly executed Certificate of Merger has been accepted for filing.

**ARTICLE VI**

6. Termination. At any time before the Merger's Effective Time, the Constituent Companies may mutually consent to terminate this Agreement and abandon the Merger.

**ARTICLE VII**

7. No Third-Party Beneficiaries. Except as otherwise specifically provided in this Agreement, nothing expressed or implied in this Agreement is intended or shall be construed to confer on or give any person, firm, or corporation, other than the Constituent Companies and their shareholders, any rights or remedies under or by reason of this Agreement.

[SIGNATURE PAGE FOLLOWS.]



# 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 FORMATION OF "NRS VENTURES, L.L.C.", FILED IN THIS OFFICE ON THE THIRTEENTH DAY OF JUNE, A.D. 2006, AT 10:09 O'CLOCK A.M.

4173844 8100

060567661



/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4821012

DATE: 06-13-06

**State of Delaware**  
**Secretary of State**  
**Division of Corporations**  
**Delivered 10:09 AM 06/13/2006**  
**FILED 10:09 AM 06/13/2006**  
**SRV 060567661 - 4173844 FILE**

CERTIFICATE OF FORMATION  
OF  
NRS VENTURES, L.L.C.

This Certificate of Formation of NRS Ventures, L.L.C., dated as of June 13, 2006, is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act, (6 Del.C. §§ 18-101, et seq.)

FIRST. The name of the limited liability company formed hereby is NRS VENTURES, L.L.C.

SECOND. The address of its registered office in the State of Delaware is c/o The Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

/s/ Mark E. Derwent  
\_\_\_\_\_  
Mark E. Derwent  
Authorized Person

LIMITED LIABILITY COMPANY AGREEMENT  
OF  
NRS VENTURES, L.L.C.

This Limited Liability Company Agreement (the "Agreement") of NRS VENTURES, L.L.C. (the "Company"), is entered into by Omega Healthcare Investors, Inc., a Maryland corporation (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, there has heretofore been filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the Act;

WHEREAS, the Member desires to form a limited liability company pursuant to the provisions of the Act;

WHEREAS, the Member hereby constitutes the Company as a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is NRS VENTURES, L.L.C.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, Omega Healthcare Investors, Inc. is hereby admitted to the Company as the sole member of the Company.

Section 6. Certificates. Mark E. Derwent is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware (such filing being hereby approved and ratified in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, Mark E. Derwent's powers as an "authorized person" ceased, and the Member and each Officer thereupon became a designated "authorized

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person” and shall continue as a designated “authorized person” within the meaning of the Act. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an “Officer”). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority

granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Capital Contributions. The Member has contributed to the Company property of an agreed value as listed on Schedule A attached hereto.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule A of this Agreement. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

NRS VENTURES, L.L.C. - Limited Liability Company Agreement

Derwent - 6.13.06

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest



extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Effectiveness. Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State.

Section 20. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 22. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

NRS VENTURES, L.L.C. - Limited Liability Company Agreement  
Derwent - 6.13.06

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement.

MEMBER:

Omega Healthcare Investors, Inc., a Maryland corporation

June 10, 2006

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

NRS VENTURES, L.L.C. - Limited Liability Company Agreement  
Derwent - 6.13.06

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Agreed Value of Capital Contribution</u>	<u>Membership Interest</u>
Omega Healthcare Investors, Inc.	9690 Deereco Road Suite 100 Timonium, Maryland 21093	\$1.00	100%

SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

TITLE

President and Chief Executive Officer

Chief Operating Officer and Secretary

Chief Financial Officer and Treasurer

B-1

No. W00163594  
Date: 11/07/1997

**IOWA**  
**SECRETARY OF STATE**

490 DP-000210690  
OHI (IOWA), INC.

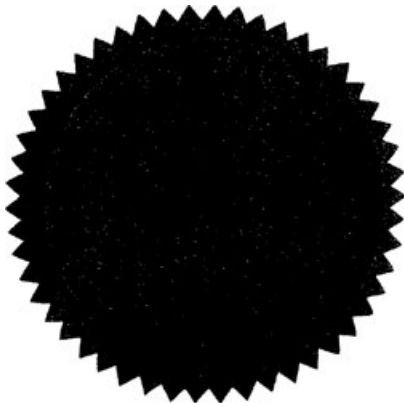
ACKNOWLEDGMENT OF DOCUMENT FILED

The Secretary of State acknowledges receipt of the following document:

Articles of Merger

The document was filed on November 7, 1997, at 03:02 PM, to be effective as of November 7, 1997, at 03:02 PM.

The amount of \$50.00 was received in full payment of the filing fee.



/s/ Paul D. Pate

\_\_\_\_\_  
SECRETARY OF STATE



21069 - S  
8390 - NS  
12011 - NS  
33397 - NS  
33412 - NS

RECEIVED

NOV 7 1997

SECRETARY OF STATE

**ARTICLES OF MERGER**

**OF**

**CLARION CARE CENTER INC., DOWS CARE CENTER INC., QUALITY CARE, INC.  
and URBANDALE HEALTH CARE CENTER, INC.**

**INTO**

**OHI (IOWA), INC.**

515053 MER610 \$50.000 [ILLEGIBLE]

Pursuant to Section 490.1105 of the Iowa Business Corporation Act, I, the undersigned, being the President of OHI (Iowa), Inc., an Iowa corporation (the "Surviving Corporation"), hereby certify as follows:

1. Clarion Care Center Inc., Dows Care Center Inc., Quality Care, Inc. and Urbandale Health Care Center, Inc., each an Iowa corporation (the "Merging Corporations") are hereby merged into the Surviving Corporation. A copy of the Agreement and Plan of Merger, which has been adopted by the board of directors of each of the Merging Corporations and the Surviving Corporation, is attached and incorporated herein by reference.

2. Shareholder approval by the shareholders of the Surviving Corporation is not required pursuant to Section 490.1103(7) of the Iowa Business Corporation Act.

3. The designation, number of outstanding shares, and number of votes entitled to be cast by each voting group entitled to vote separately on the plan as to each corporation is as follows:

A. Clarion Care Center Inc.

<u>Designation of Group</u>	<u>Shares Outstanding</u>	<u>Votes Entitled to be Cast on Amendment</u>
Common	100	100

The total number of undisputed votes cast for the plan by each voting group was:

<u>Voting Group</u>	<u>Votes For</u>
Common	100

The number of votes cast for the plan by each voting group was sufficient for approval by that voting group.

---

B. Dows Care Center Inc.

<u>Designation of Group</u>	<u>Shares Outstanding</u>	<u>Votes Entitled to be Cast on Amendment</u>
Common	2,000	2,000

The total number of undisputed votes cast for the plan by each voting group was:

<u>Voting Group</u>	<u>Votes For</u>
Common	2,000

The number of votes cast for the plan by each voting group was sufficient for approval by that voting group.

C. Quality Care, Inc.

<u>Designation of Group</u>	<u>Shares Outstanding</u>	<u>Votes Entitled to be Cast on Amendment</u>
Common	1,000	1,000

The total number of undisputed votes cast for the plan by each voting group was:

<u>Voting Group</u>	<u>Votes For</u>
Common	1,000

The number of votes cast for the plan by each voting group was sufficient for approval by that voting group.

D. Urbandale Health Care Center, Inc.

<u>Designation of Group</u>	<u>Shares Outstanding</u>	<u>Votes Entitled to be Cast on Amendment</u>
Common	1,000	1,000

The total number of undisputed votes cast for the plan by each voting group was:

<u>Voting Group</u>	<u>Votes For</u>
Common	1,000

The number of votes cast for the plan by each voting group was sufficient for approval by that voting group.

4. The effective date of the merger is the date on which these Articles of Merger are filed with the Iowa Secretary of State.

IN WITNESS WHEREOF, I have signed these Articles of Merger as of the 6th day of November, 1997.

OHI (IOWA), INC.

By: /s/ [ILLEGIBLE]

Its: EVP

**BLOOMFIELD 43233-12 225543**



## **AGREEMENT AND PLAN OF MERGER**

AGREEMENT AND PLAN OF MERGER, dated November 5, 1997, by and among OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation ("Omega"), CLARION CARE CENTER INC., DOWS CARE CENTER INC., QUALITY CARE, INC. and URBANDALE HEALTH CARE CENTER, INC., each an Iowa corporation (collectively, the "Five Star Affiliates") and OHI (Iowa), Inc., an Iowa corporation ("Omega Subsidiary").

### **BACKGROUND**

Omega Subsidiary is a wholly-owned subsidiary of Omega. The Five Star Affiliates, Omega and JoAnn P. Webb have entered into an Agreement and Plan of Reorganization, dated as of October 6, 1997, as amended by Amendment to Agreement and Plan of Reorganization, dated as of October 31, 1997 (the "Reorganization Agreement"), which contemplates the merger of the Five Star Affiliates with and into Omega Subsidiary (the "Merger") in accordance with the provisions of the Reorganization Agreement and the provisions of this Agreement and Plan of Merger (this "Plan").

NOW, THEREFORE, intending to be legally bound, and in consideration of the mutual agreements set forth below and subject to the satisfaction of the terms and conditions set forth in this Plan and in the Reorganization Agreement, the parties agree as follows:

1 . Merger. On the Effective Date (as defined below), the Five Star Affiliates shall be merged with and into Omega Subsidiary in accordance with this Plan and in compliance with the Iowa Business Corporation Act (the "Iowa Act"), and the Merger shall have the effect provided for in the Iowa Act. Omega Subsidiary (sometimes referred to below as the "Surviving Corporation") shall be the surviving corporation of the Merger and shall continue to exist and to be governed by the laws of the State of Iowa. The corporate existence and identity of Omega Subsidiary, with its purposes and powers, shall continue unaffected and unimpaired by the Merger, and Omega Subsidiary shall succeed to and be fully vested with the corporate existence and identity of the Five Star Affiliates. The separate corporate existence and identity of the Five Star Affiliates shall cease upon the Effective Date.

2 . Name and Registered Office of Surviving Corporation. The name of the Surviving Corporation shall be designated by Omega. The location of its registered office in the State of Iowa shall be 2222 Grand Avenue, Des Moines, Iowa 50312.

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3 . Articles of Incorporation. On the Effective Date, the Articles of Incorporation of the Surviving Corporation shall be that of Omega Subsidiary immediately before the Merger.

4. Bylaws. Immediately after the Merger, the bylaws of the Surviving Corporation shall be those of Omega Subsidiary immediately before the Merger.

5. Directors. Immediately after the Merger, the directors of the Surviving Corporation shall be the directors of Omega Subsidiary immediately before the Merger, who shall serve in accordance with the bylaws of the Surviving Corporation.

6 . Officers. Immediately after the Merger, the officers of the Surviving Corporation shall be the officers of Omega Subsidiary immediately before the Merger, who shall serve in accordance with the bylaws of the Surviving Corporation.

7 . Status of Omega Subsidiary Shares. On the Effective Date, all of the 1,000 shares of capital stock of Omega Subsidiary, no par value, issued and outstanding immediately before the Effective Date shall be unchanged by virtue of the Merger. It is the intention of the parties that, immediately after the Effective Date, Omega shall own all of the issued and outstanding capital stock of the Surviving Corporation.

8 . Conversion of Five Star Group's Common Stock. On the Effective Date, by virtue of the Merger and without any action on the part of the sole stockholder of each of the Five Star Affiliates, JoAnn P. Webb ("Webb"), each share of common stock of each of the Five Star Affiliates ("Five Star Group's Common Stock"), issued and outstanding immediately before the Effective Date shall be converted into the right to receive the Merger Consideration (as defined in Section 3.2 of the Reorganization Agreement). Upon the surrender on the Effective Date by Webb of her certificates representing shares of the Five Star Group's Common Stock, and upon the satisfaction of the terms and conditions set forth in the Reorganization Agreement, Omega shall pay to Webb the Merger Consideration in the manner prescribed in and in accordance with the Reorganization Agreement.

9 . Fractional Share Adjustment. No script or fractional share certificates for shares of the Five Star Group's Common Stock shall be issued as part of the Merger Consideration, but in lieu thereof Webb shall receive from Omega an amount of cash equal to \$36.09 multiplied by the fraction of a share of Omega's Common Stock to which Webb would be otherwise entitled. Webb shall not be entitled to dividends or other rights in respect of any such fractional interest in Omega's Common Stock. Payment for such fractional interest shall be made, without interest, upon surrender of Webb's certificates representing shares of the Five Star Group's Common Stock.

10 . Treasury Stock. Each share of the Five Star Group's Common Stock which is held as a treasury share, or which is held by any subsidiary of any Five Star Affiliate immediately before the Effective Date shall, on the Effective Date, by virtue of the Merger and without notice, be automatically canceled.

11. Post Merger Actions. After the Effective Date and until surrendered for the Merger Consideration, each outstanding certificate which, prior to the Effective Date, represented shares of the Five Star Group's Common Stock which at the Effective Date were converted into Omega's Common Stock, shall be deemed for all corporate purposes, subject to the further provisions of this Plan, to evidence the ownership of the number of whole shares of Omega's Common Stock, for and into which such shares have been converted. However, dividends and other distributions of any kind payable to holders of record of Omega's Common Stock, shall not be paid by Omega in respect of any unsurrendered certificates representing shares of the Five Star Group's Common Stock until such certificates shall have been surrendered. Upon the subsequent surrender and exchange of such certificates, Webb shall be paid, without interest, the amount of any dividend or other distribution which became payable on or after the Effective Date to holders of record on or after the Effective Date of shares of Omega's Common Stock, if the payment date was prior to or on the date of surrender and exchange. If the payment date is subsequent to such surrender and exchange, payment shall be made on such payment date. After the Effective Date, there shall be no transfers on the stock transfer books of the Five Star Affiliates of the shares of the Five Star Group's Common Stock which were outstanding immediately prior to the Effective Date. If, after the Effective Date, certificates representing such shares are presented to Omega or the Surviving Corporation, they shall be canceled and exchanged as provided in this Plan.

12. Waiver of Dissenters' Rights and Remedies. By execution of the Reorganization Agreement, Webb acknowledges that she has been informed that she has the right to dissent from the Merger and obtain payment for the fair value of her shares of stock in the Five Star Affiliates in accordance with the provisions of the Iowa Business Corporation Act (the "Iowa Act") and Webb hereby waives any such rights and remedies provided to her under the Iowa Act.

13. Effective Date. As used in this Plan, "Effective Date" shall mean the date upon which this Plan and the appropriate Articles of Merger for the Merger has been duly signed and filed with the Secretary of State of the State of Iowa.

14. Entire Understanding. This Plan, together with the Reorganization Agreement, states the entire understanding among the parties with respect to the subject matter hereof, and supersedes all prior oral and written communications and agreements, and all contemporaneous oral communications and agreements, with respect to the subject matter hereof. No amendment or modification of this Plan shall be effective unless in writing and signed by the parties. This Plan may not be terminated except in a written document signed by the parties.

15. Parties in Interest. This Plan shall bind, benefit, and be enforceable by and against each party hereto and its successors and assigns. No party shall in any manner assign any of its rights or obligations under this Plan without the express prior written consent of the other party.

16. Severability. If any provision of this Plan is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto.

17. Counterparts. This Plan may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original hereof, and it shall not be necessary in making proof of this Plan to produce or account for more than one original counterpart hereof.

18. Controlling Law. This Plan is made under, and shall be construed and enforced in accordance with, the laws of the State of Iowa applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts of law.

IN WITNESS WHEREOF, the parties have executed, or caused their duly authorized representatives to execute, this Plan on the date first written above.

OMEGA HEALTHCARE INVESTORS, INC.

By: /s/ F. Scott Kellman

Its: EVP

OHI (IOWA), INC.

By: /s/ F. Scott Kellman

Its: EVP

CLARION CARE CENTER INC.

By: /s/ JoAnn P. Webb  
JoAnn P. Webb  
Its: President

DOWS CARE CENTER INC.

By: /s/ JoAnn P. Webb  
JoAnn P. Webb  
Its: President

QUALITY CARE, INC.

By: /s/ JoAnn P. Webb  
JoAnn P. Webb  
Its: President

URBANDALE HEALTH CARE CENTER, INC.

By: /s/ JoAnn P. Webb  
JoAnn P. Webb  
Its: President

**BLOOMFIELD 43233-12 218528-3 (10/21/87)**

FILED  
IOWA  
SECRETARY OF STATE  
11-7-97  
3:02 PM  
W163594



# Delaware

*The First State*

PAGE 1

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 "OHI ASSET (CO), LLC", FILED IN THIS OFFICE ON THE SEVENTH DAY OF MARCH, A.D. 2006, AT 8:54 O'CLOCK A.M.



/s/ Harriet Smith Windsor  
Harriet Smith Windsor, Secretary of State

4120923 8100

AUTHENTICATION:

4571233

060220679

DATE: 03-07-06

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 08:54 AM 03/07/2006  
FILED 08:54 AM 03/07/2006  
SRV 060220679 - 4120923 FILE

CERTIFICATE OF FORMATION  
OF  
OHI ASSET (CO), LLC

This Certificate of Formation of OHI ASSET (CO), LLC, dated as of March 7, 2006, is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act, (6 Del.C. §§ 18-101, et seq.)

FIRST. The name of the limited liability company formed hereby is OHI ASSET (CO), LLC.

SECOND. The address of its registered office in the State of Delaware is c/o The Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

/s/ Mark E. Derwent

Mark E. Derwent

Authorized Person

LIMITED LIABILITY COMPANY AGREEMENT  
OF  
OHI ASSET (CO), LLC

This Limited Liability Company Agreement (the "Agreement") of OHI Asset (CO), LLC (the "Company"), is entered into by Omega Healthcare Investors, Inc., a Maryland corporation (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, there has heretofore been filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the Act;

WHEREAS, the Member desires to form a limited liability company pursuant to the provisions of the Act;

WHEREAS, the Member hereby constitutes the Company as a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is OHI Asset (CO), LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, Omega Healthcare Investors, Inc. is hereby admitted to the Company as the sole member of the Company.

Section 6. Certificates. Mark E. Derwent is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware (such filing being hereby approved and ratified in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, Mark E. Derwent's powers as an "authorized person" ceased, and the Member and each Officer thereupon became a designated "authorized person" and shall continue as a designated "authorized person" within the meaning of the Act. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

---



The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an “Officer”). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

OHI Asset (CO), LLC - Limited Liability Company Agreement  
Derwent - 3.07.06

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Capital Contributions. The Member has contributed to the Company property of an agreed value as listed on Schedule A attached hereto.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule A of this Agreement. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

OHI Asset (CO), LLC - Limited Liability Company Agreement  
Derwent - 3.07.06

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with, respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Effectiveness. Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State.

Section 20. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 22. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

OHI Asset (CO), LLC - Limited Liability Company Agreement  
Derwent - 3.07.06

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement.

MEMBER:

Omega Healthcare Investors, Inc., a Maryland corporation

March \_\_, 2006

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

OHI Asset (CO), LLC - Limited Liability Company Agreement

Derwent - 3.07.06

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Agreed Value of Capital Contribution</u>	<u>Membership Interest</u>
Omega Healthcare Investors, Inc.	9690 Deereco Road Suite 100 Timonium, Maryland 21093	\$1.00	100%

OHI Asset (CT), LLC - Limited Liability Company Agreement

SCHEDULE B

OFFICERS

TITLE

C. Taylor Pickett

President and Chief Executive  
Officer

Daniel J. Booth

Chief Operating Officer and  
Secretary

Robert O. Stephenson

Chief Financial Officer and  
Treasurer

OHI Asset (CT), LLC - Limited Liability Company Agreement

# 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 FORMATION OF "OHI ASSET (IL) , LLC", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF AUGUST, A.D. 2005, AT 4:48 O'CLOCK P.M.



4015668 8100

050673319

/s/ Harriet Smith Windsor  
Harriet Smith Windsor, Secretary  
of State

AUTHENTICATION: 4093736

DATE: 08-15-05



State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 04:49 PM 08/15/2005  
FILED 04:49 PM 08/15/2005  
SRV 050673319 - 4015668 FILE

CERTIFICATE OF FORMATION  
OF  
OHI ASSET (IL), LLC

This Certificate of Formation of OHI ASSET (IL), LLC, dated as of August 15, 2005, is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act, (6 Del.C. §§ 18-101, et seq.)

FIRST. The name of the limited liability company formed hereby is OHI ASSET (IL), LLC.

SECOND. The address of its registered office in the State of Delaware is c/o The Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

/s/ Mark E. Derwent

\_\_\_\_\_  
Mark E. Derwent  
Authorized Person

TOTAL P.03

LIMITED LIABILITY COMPANY AGREEMENT  
OF  
OHI ASSET (IL), LLC

This Limited Liability Company Agreement (the "Agreement") of OHI Asset (IL), LLC (the "Company"), is entered into by Omega Healthcare Investors, Inc., a Maryland corporation (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, there has heretofore been filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the Act;

WHEREAS, the Member desires to form a limited liability company pursuant to the provisions of the Act;

WHEREAS, the Member hereby constitutes the Company as a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is OHI Asset (IL), LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, Omega Healthcare Investors, Inc. is hereby admitted to the Company as the sole member of the Company.

Section 6. Certificates. Mark E. Derwent is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware (such filing being hereby approved and ratified in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, Mark E. Derwent's powers as an "authorized person" ceased, and the Member and each Officer thereupon became a designated "authorized person" and shall continue as a designated "authorized person" within the meaning of the Act. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

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The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an “Officer”). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

OHI Asset (IL), LLC – Limited Liability Company Agreement  
MNDS – 8.15.05

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Capital Contributions. The Member has contributed to the Company property of an agreed value as listed on Schedule A attached hereto.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule A of this Agreement. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

OHI Asset (IL), LLC – Limited Liability Company Agreement  
MNDS – 8.15.05

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Effectiveness. Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State.

Section 20. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 22. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

OHI Asset (IL), LLC – Limited Liability Company Agreement  
MNDS – 8.15.05

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement.

**MEMBER:**

Omega Healthcare Investors, Inc., a Maryland corporation

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

OHI Asset (IL), LLC – Limited Liability Company Agreement

MNDS – 8.15.05

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Agreed Value of Capital Contribution</u>	<u>Membership Interest</u>
Omega Healthcare Investors, Inc.	9690 Deereco Road Suite 100 Timonium, Maryland 21093	\$1.00	100%



SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

TITLE

President and Chief Executive Officer

Chief Operating Officer and Secretary

Chief Financial Officer and Treasurer

B-1

**STATE OF MARYLAND**

I hereby certify that this is a true and complete copy of the   2   page document on file in this office, DATED   11-3-04    
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION  
BY: /s/ [ILLEGIBLE] Custodian  
This stamp replaces our previous certification system. Effective 6/95

CERTIFICATE OF AMENDMENT to CERTIFICATE OF TRUST  
OF  
OHI ASSET (PA) TRUST

- FIRST:** The name of the business trust for which this Certificate of Amendment is filed is OHI Asset (PA) Trust (the "Trust").
- SECOND:** The Certificate of Trust is hereby amended to remove Omega Healthcare Investors, Inc. as a trustee.
- THIRD:** The Certificate of Trust is hereby amended to designate OHI Asset (PA), LLC, a Delaware limited liability company, as the trustee.
- FOURTH:** The street address of the principal office of the Trust in Maryland remains unchanged and is c/o Omega Healthcare Investors, Inc., 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.
- FIFTH:** The name of the resident agent of the Trust in Maryland remains unchanged and is Omega Healthcare Investors, Inc., 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.

IN WITNESS WHEREOF, I have signed this certificate and acknowledge the same to be my act.

**SIGNATURE OF TRUSTEE**

/s/ Daniel J. Booth  
OHI Asset (PA), LLC

**RETURN TO:**  
Caroline G. Root, Esq.  
Hunton & Williams LLP  
Riverfront Plaza, East  
Tower  
951 E. Byrd Street  
Richmond, VA 23219

[ILLEGIBLE]  
**CUST ID:0001509252**  
**WORK ORDER:0000967508**  
**DATE:11-03-2004 02:45 PM**  
**AMT. PAID:\$191.00**

STATE OF MARYLAND  
OUT OF ASSESSMENT AND TAXATION  
[ILLEGIBLE]  
WORK ORDER: 0000966041  
DATE: 10-29-2004 01:17 PM  
AMT. PAID: \$191.00

CERTIFICATE OF TRUST  
OF  
OHI ASSET (PA) TRUST

- FIRST:** The undersigned, Omega Healthcare Investors, Inc., whose post-office address is 9690 Deereco Road, Suite 100, Timonium, Maryland 21093, does hereby from a business trust under the general laws of the State of Maryland.
- SECOND:** The name of the business trust is OHI Asset (PA) Trust (the "Trust").
- THIRD:** The purpose for which the Trust is formed is as follows: To engage in any or all lawful business for which a business trust may be organized under the general laws of the State of Maryland.
- FOURTH:** The street address of the principal office of the Trust in Maryland is c/o Omega Healthcare Investors, Inc., 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.
- FIFTH:** The number of the resident agent of the Trust in Maryland is Omega Healthcare Investors, Inc., 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.
- SIXTH:** The number of trustees of the Trust shall be one (1), which number may be increased. The name of the initial trustee is:  
Omega Healthcare Investors, Inc.

IN WITNESS WHEREOF, I have signed this certificate and acknowledge the same to be my act.

I hereby consent to my designation in this document as resident agent for this business trust.

**SIGNATURE OF TRUSTEE:**

/s/ Daniel J. Booth  
Omega Healthcare Investors, Inc.  
Daniel J. Booth, Chief Operating Officer

**SIGNATURE OF RESIDENT AGENT LISTED IN FIFTH:**

/s/ Daniel J. Booth  
Omega Healthcare Investors, Inc.  
Daniel J. Booth, Chief Operating Officer

[ILLEGIBLE]

**RETURN TO:**

Carolyn G. Root, Esq.  
Hunion & Williams LLP  
Riverfront Plaza, East Tower  
951 E. Byrd Street  
Richmond, VA 23219

DECLARATION OF TRUST

OF

OHI Asset (PA) Trust

under the

Maryland Business Trust Act

---

DECLARATION OF TRUST  
OF  
OHI Asset (PA) Trust

ARTICLE I

Name

The name of the business trust is OHI Asset (PA) Trust (the "Trust").

ARTICLE II

Principal Office

The principal office of the Trust is c/o Omega Healthcare Investors, Inc., 9690 Deereco Road, Suite 100, Timonium, Maryland 21093, or such other location within the State of Maryland as the Trustee may determine from time to time.

ARTICLE III

Formation

The Trust is a business trust within the meaning the Maryland Business Trust Act, as amended (the "Act"), and was formed pursuant to a Certificate of Trust filed with the State Department of Assessments and Taxation on October 27, 2004, and amended by an Amendment to the Certificate of Trust filed on November 3, 2004. The purpose for which the Trust is formed is to transact any or all lawful business for which business trusts may be formed under the Act. The Trust, and the Trustee and the Officers (as defined below) on behalf of the Trustee, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in this Article and (b) shall have and exercise all of the powers and rights conferred upon business trusts formed pursuant to the Act.

ARTICLE IV

Shares of Beneficial Interest

The beneficial interest in the Trust shall be divided into shares of beneficial interest ("Shares"). The total number of Shares which the Trust has authority to issue is One Hundred (100), all of which are designated common shares of beneficial interest, no par value per share. The Trustee may classify or reclassify any unissued Shares from time to time by designating the number of Shares to be included in such class or series, and by setting or changing the preferences, conversion or other rights, designations, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of the Shares.

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The Trustee may authorize the issuance from time to time of Shares of any class or series, whether now or hereafter authorized, or securities or rights convertible into Shares of any class or series, whether now or hereafter authorized, for such consideration (whether in case, property, past or future services, obligation for future payment or otherwise) as the Trustee may deem advisable (or without consideration in the case of a Share split or Share dividend), subject to such restrictions or limitations, if any, as may be set forth in the Certificate of Trust or this Declaration of Trust. The Shares shall be uncertificated.

The Trustee may amend the Declaration of Trust to increase or decrease the aggregate number of Shares or the number of Shares of any class or series that the Trust has authority to issue without approval of the Shareholders.

All of the Shares shall initially be issued to Omega Healthcare Investors, Inc., a Maryland corporation.

#### ARTICLE V

##### Shareholders

Section 1. Annual Meeting. An annual meeting of the beneficial owners of the Trust (the "Shareholders") for the election of trustees of the Trust ("Trustees") and the transaction of any business within the powers of the Trust shall be held at a location, on a date and at the time set by the Trustees. Failure to hold an annual meeting does not invalidate the Trust's existence or affect any otherwise valid act of the Trust.

Section 2. Limitation Of Shareholder Liability. No Shareholder shall be liable for any debt, claim, demand, judgment or obligation of any kind of, against or with respect to the Trust by reason of his being a Shareholder, nor shall any Shareholder be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the property or affairs of the Trust.

Section 3. Binding Effect. The provisions of this Declaration of Trust shall be binding upon each person who becomes the owner of a beneficial interest in the Trust by any means, including, without limitation, acquisition of beneficial ownership of a Share.

#### ARTICLE VI

##### Trustees and Officers

Section 1. Number. The initial number of Trustees shall be one (1) which number may be increased or decreased by the Trustee from time to time. The name of the Trustee who shall act until the first meeting or until its successor is duly chosen and is qualified:

OHI Asset (PA), LLC, a Delaware limited liability company

Section 2. Term. The Trustees shall be elected at each annual meeting of the Shareholders and shall serve until the next annual meeting of the Shareholders and until their successors are duly elected and qualify.

Section 3. Officers.

(a) Officers. The Trustee may, from time to time, designate one or more persons to be officers of the Trust (each an "Officer"). Any Officer so designated shall have such title and authority and perform such duties as the Trustee may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Trustee, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Maryland. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Trustee at any time. Any Officer may resign at any time upon written notice to the Trustee. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Trustee receives such written resignation. The initial Officers of the Trust designated by the Trustee are listed on Schedule A attached hereto. The Trustee may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Trust and to execute and/or attest documents as an authorized representative of the Trust, subject to such specific authority and such specific limitations as the Trustee shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Trust, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Declaration of Trust or otherwise vested in them by the Trustee not inconsistent with this Declaration of Trust, are agents of the Trust for the purpose of the Trust's business and, the actions of the Officers taken in accordance with such powers shall bind the Trust.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Maryland.

Section 4. Limitation Of Trustee And Officer Liability. To the maximum extent that Maryland law, in effect from time to time, permits limitations of the liability of trustees and Officers of a business trust, no Trustee or Officer of the Trust shall be liable to the Trust or to any Shareholder for money damages. Neither the amendment nor repeal of this Section, nor the adoption or amendment of any other provision of this Declaration of Trust inconsistent with this Section, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

Section 5. Indemnification. The Trust shall indemnify and hold harmless each and every Officer and Trustee from and against any and all claims and demands whatsoever arising out of or related to such Officer's or Trustee's performance of his or her duties as an Officer or Trustee of the Trust to the fullest extent permitted by law.

Section 6. Actions on Behalf of Trust. Every note, bond, contract, instrument, certificate or undertaking and every other act or document whatsoever issued, executed or done by or on behalf of the Trust, the Officers or the Trustees or any of them in connection with the Trust shall be conclusively deemed to have been issued, executed or done only in such person's capacity as Trustee and/or as Officer, and such Trustee or Officer, as applicable, shall not be personally liable therefor.

Section 7. Insurance. To the fullest extent permitted by applicable law, the Officers and Trustees shall be entitled and have the authority to purchase with Trust property, insurance for liability and for all expenses reasonably incurred or paid or expected to be paid by a Trustee or Officer in connection with any claim, action, suit or proceeding in which such person becomes involved by virtue of such person's capacity or former capacity with the Trust, whether or not the Trust would have the power to indemnify such Person against such liability under the provisions of this Article.

## ARTICLE VII

### Amendment

Section 1. General. The Trust reserves the right from time to time to make any amendment to this Declaration of Trust, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in this Declaration of Trust, of any Shares. All rights and powers conferred by this Declaration of Trust on Shareholders, Trustees and Officers are granted subject to this reservation. All references to this Declaration of Trust shall include all amendments thereto. Otherwise, this Declaration of Trust may not be amended except as provided in this Article VII.

Section 2. By Shareholders. Except as otherwise set forth in this Article VII, these Articles of Trust may be amended only by the affirmative vote of the holders of not less than a majority of the Shares then outstanding and entitled to vote thereon.

## ARTICLE VIII

### Duration Of Trust

Unless dissolved as provided herein, the Trust shall have perpetual existence. The Trust may be dissolved at any time by vote of a majority of the Shares of the Trust outstanding and entitled to vote, by the Trustee upon written notice to the Shareholders and pursuant to any applicable provision of the Act.



ARTICLE IX

Miscellaneous

Section 1. Express Exculpatory Clauses In Instruments. Neither the Shareholders nor the Trustees, Officers, employees or agents of the Trust shall be liable under any written instrument creating an obligation of the Trust, and all persons shall look solely to the property of the Trust for the payment of any claim under or for the performance of that instrument. The omission of the foregoing exculpatory language from any instrument shall not affect the validity or enforceability of such instrument and shall not render any Shareholder, Trustee, Officer, employee or agent liable thereunder to any third party, nor shall the Trustee or any Officer, employee or agent of the Trust be liable to anyone for such omission.

Section 2. Transactions Between The Trust And Its Trustees, Officers, Employees And Agents. Subject to any express restrictions in this Declaration of Trust or adopted by the Trustees by resolution, the Trust may enter into any contract or transaction of any kind (including, without limitation, for the purchase or sale of property or for any type of services, including those in connection with underwriting or the offer or sale of securities of the Trust) with any person, including any Trustee, Officer, employee or agent of the Trust or any person affiliated with a Trustee, Officer, employee or agent of the Trust, whether or not any of them has a financial interest in such transaction.

Section 3. Applicable Law. This Declaration of Trust is executed by the Trustees and delivered in the State of Maryland with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Maryland without regard to conflicts of laws provisions thereof.

Section 4. Provisions in Conflict of Laws. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

Section 5. Statutory Trust Only. It is the intention of the Trustees to create a statutory business trust pursuant to the Act, and thereby to create the relationship of trustee and beneficial owners within the meaning of the Act between the Trustees and each Shareholder. It is not the intention of the Trustees to create a general or limited partnership, limited liability company, corporation, bailment, common law trust or any form of legal relationship other than a business trust pursuant to the Act.

*Signature on following page.*

IN WITNESS WHEREOF, this Declaration of Trust has been executed on this \_\_\_ day of November, 2004 by the undersigned Trustee.

OHI Asset (PA), LLC

By: Omega Healthcare Investors, Inc., its sole member

By: \_\_\_\_\_ /s/ Daniel J. Booth

Name: \_\_\_\_\_ Daniel J. Booth

Title: \_\_\_\_\_ Chief Operating Officer

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SCHEDULE A

TRUST  
OFFICERS

---

C. Taylor Pickett  
Daniel J. Booth  
Robert O. Stephenson

TITLE

---

President and Chief Executive Officer  
Chief Operating Officer and Secretary  
Chief Financial Officer and Treasurer

ARTICLES OF AMENDMENT  
of  
FLORIDA LESSOR – WEST PALM BEACH AND SOUTHPOINT, INC.

Pursuant to the Maryland Code, Corporations and Associations, Florida Lessor – West Pam Beach and Southpoint, Inc., a Maryland corporation (the "Corporation") submits the following Articles of Amendment for filing and certifies that:

1. The Second Article of the Corporation's Articles of Incorporation for a Stock Corporation is hereby amended and restated in its entirety as follows:

SECOND: The name of the corporation is OHI Asset (SMS) Lender, Inc.

2. This amendment of the charter of the corporation has been approved by the directors and shareholders of the Corporation.

We, the undersigned Treasurer and Chief Financial Officer and Secretary and Chief Operating Officer, swear under penalties of perjury that the foregoing is a corporate act.

By: /s/ Robert O. Stephenson  
Name: Robert O. Stephenson  
Its: Treasurer and Chief Financial Officer

By: /s/ Daniel J. Booth  
Name: Daniel J. Booth  
Its: Secretary and Chief Operating Officer

Return Address of Filing Party:

DORAN DERWENT, PLLC  
Attention: Mark H. Derwent, Esq.  
125 Ottawa Ave., N.W., Suite 420  
Grand Rapids, Michigan 49503  
Telephone: (616) 451-8690

CUST ID: 0001959812  
WORK ORDER: 0001402850  
DATE: 05-04-2007 03:56 PM  
AMT. PAID: \$191.00

This Form is Used by Entity. The Fee is \$10.00.

**RESOLUTION TO CHANGE PRINCIPAL OFFICE OR RESIDENT AGENT**

The directors/stockholders/general partner/authorized person of \_\_\_\_\_

Florida Lessor - West Palm Beach and South Point, Inc. \_\_\_\_\_  
(Name of Entity)

organized under the laws of Maryland, passes the following resolution:  
(State)

**[CHECK APPLICABLE BOX(ES)]**

**The principal office is changed from: (old address)**

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

**to: (new address)**

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

**The name and address of the resident agent is changed from:**

Corporation Service Company \_\_\_\_\_  
11 E. Chase Street Baltimore, MD 21207 \_\_\_\_\_

to: \_\_\_\_\_ [ILLEGIBLE]

THE CORPORATION TRUST INCORPORATED

300 East Lombard Street, Baltimore, Maryland 21202

I certify under penalties of perjury the foregoing is true.

/s/ Michael E. Jones  
Secretary or Assistant Secretary  
General Partner  
Authorized Person  
Michael E. Jones, Vice President

I hereby consent to my designation in this document as resident agent for this entity.

THE CORPORATION TRUST INCORPORATED

SIGNED /s/ Linda Tyndell  
Resident Agent  
Linda Tyndell, Asst. Sec.

Mail to: State Department of Assessments & Taxation, 301 W. Preston Street, Room 801, Baltimore, MD 21201

[ILLEGIBLE]

\_\_\_\_\_

ARTICLES OF INCORPORATION FOR A STOCK CORPORATION

FIRST: The undersigned  
whose address is

Grand Rapids, Michigan 49503

Jennifer J. Bakhuyzen

c/o Dykema Gossett, PLLC, 300 Ottawa Ave., N.W., Suite 700

form a corporation under the laws of the State of Maryland.

[ILLEGIBLE]

SECOND: The name of the corporation is

Florida Lessor - West Palm Beach and Southpoint, Inc.

[ILLEGIBLE]

THIRD: The purposes for which the corporation is formed are as follows:

To engage in any activity within the purposes for which corporations may be organized under the Business Corporation Act of Maryland.

FOURTH: The street address of the principal office of the corporation in Maryland is

9690 Deereco Road, Suite 100, Timonium Maryland 21093

FIFTH: The name of the resident agent of the corporation in Maryland is

CSC - Lawyers Incorporating Service Company

whose address is

11 East Chase Street, Baltimore, MD 21202

SIXTH: The corporation has authority to issue 1,000 shares at \$ 0.01 par value per share.

SEVENTH: The number of directors of the corporation shall be 3 which number may be increased or decreased pursuant to the bylaws of the corporation, and so long as there are less than three (3) stockholders, the number of directors may be less than three (3) but not less than the number of stockholders, and the name(s) of the director(s) who shall act until the first meeting or until their successors are duly chosen and qualified is/are \_\_\_\_\_

C. Taylor Pickett, Robert Stephenson, and Daniel J. Booth

IN WITNESS WHEREOF, I have signed these articles and acknowledge the same to be my act.

I hereby consent to my designation in this document as resident agent for this corporation.

SIGNATURE(S) OF INCORPORATOR(S):

SIGNATURE OF RESIDENT AGENT LISTED IN FIFTH:

/s/ [ILLEGIBLE]

/s/ [ILLEGIBLE]

Authorized Representative of  
CSC - Lawyers Incorporating  
Service Company

Filing party's return address:

Jennifer J. Bakhuyzen  
c/o Dykema Gossett, PLLC  
300 Ottawa Ave, N.W., Suite 700  
Grand Rapids, Michigan 49503

[ILLEGIBLE]

STATE OF MARYLAND  
DEPT OF ASSESSMENTS AND TAXATION  
CUST ID: 0001136617  
WORK ORDER: 0000746914  
DATE: 06-02-2003 01:21 PM  
AMT. PAID: \$105.00

This Form is Used by Entity. The Fee is \$10.00.

RESOLUTION TO CHANGE PRINCIPAL OFFICE OR RESIDENT AGENT

The directors/stockholders/general partner/authorized person of \_\_\_\_\_

Florida Lessor - West Palm Beach and South Point, Inc. \_\_\_\_\_

(Name of Entity)

organized under the laws of Maryland \_\_\_\_\_, passes the following resolution:  
(State)

2003 JUL 17 PM 3:32

[CHECK APPLICABLE BOX(ES)]

The principal office is changed from: (old address)

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

to: (new address)

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

The name and address of the resident agent is changed from:

Corporation Service Company \_\_\_\_\_

11 E. Chase Street Baltimore, MD 21207 \_\_\_\_\_

to:

THE CORPORATION TRUST INCORPORATED \_\_\_\_\_

300 East Lombard Street, Baltimore, Maryland 21202 \_\_\_\_\_

I certify under penalties of perjury the foregoing is true.

\_\_\_\_\_  
/s/ Michael E. Jones  
Secretary or Assistant Secretary  
General Partner  
Authorized Person  
Michael E. Jones, Vice President

I hereby consent to my designation in this document as resident agent for this entity.

THE CORPORATION TRUST INCORPORATED

SIGNED \_\_\_\_\_  
/s/ Linda Tyndell  
Resident Agent  
Linda Tyndell, Asst. Sec.

Mail to: State Department of Assessments & Taxation, 301 W. Preston Street, Room 801, Baltimore, MD 21201

[ILLEGIBLE]



**BYLAWS  
OF  
FLORIDA LESSOR – WEST PALM BEACH AND SOUTHPOINT, INC.**

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I. Offices

The principal office of Florida Lessor – West Palm Beach and Southpoint, Inc. (the “Company”) shall be at such place within Florida or Maryland as the Company’s Board of Directors (the “Board”) shall select from time to time. The Company may have offices at such other places as the Company’s business may require.

II. Capital

2.01 Issuance. The shares of capital stock of the Company (the “Shares”) shall be issued in such amounts, at such times, for such consideration and on such terms as the Board shall deem advisable, subject to the Company’s Articles of Incorporation (the “Articles”) and the laws of Maryland.

2.02 Certificates. The Shares shall be represented by certificates signed by the President. Each such certificate shall state upon its face that the Company is formed under the laws of Maryland, the person to whom it is issued, the number and class of Shares, and the series designation (if relevant), that the certificate represents, and such other provisions required by Maryland law.

2.03 Transfer. The Shares are transferable only on the books of the Company upon surrender of the certificate therefor, properly endorsed for transfer, and the presentation of such evidences of ownership and validity of the assignment as the Company may require.

2.04 Registration. The Company shall be entitled to treat the person in whose name any Share is registered as the owner thereof for purposes of dividends and other distributions in the course of business, or in the course of recapitalization, merger, plan of share exchange, reorganization, sale of assets, liquidation or otherwise and for the purpose of votes, approvals and consents by shareholders of the Company (“Shareholders”), and for the purpose of notices to Shareholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other person, whether or not the Company shall have notice thereof, save as expressly required by the laws of Maryland.

2.05 Replacement. Upon the presentation to the Company of a proper affidavit attesting the loss, destruction or mutilation of any certificate for Shares, the Board shall direct the issuance of a new certificate to replace the certificate so alleged to be lost, destroyed or mutilated. The Board may require as a condition precedent to the issuance of a new certificate a bond or agreement of indemnity, in such form and amount, and with such sureties as the Board may direct or approve.

### III. Shareholders

3.01 Meetings. Meetings of Shareholders shall be held at the principal office of the Company or at such other place as determined by the Board and stated in the notice of meeting. The annual meeting of Shareholders shall be held on the first Monday of March at 10:30 o'clock in the morning. Directors shall be elected at each annual meeting and such other business transacted as may come before the meeting. Special meetings of Shareholders may be called by the Board, the Chairman (if such office is filled), the President or any Director, and shall be called by the Secretary at the written request of Shareholders holding a majority of the outstanding Shares and entitled to vote. The request shall state the purpose or purposes for which the meeting is to be called.

3.02 Notice. Except as otherwise provided by statute or the Articles, written notice of the time, place and purposes of a meeting of Shareholders shall be given not fewer than ten nor more than 60 days before the date of the meeting to each Shareholder of record entitled to vote at the meeting, either personally or by mailing such notice to his last address as it appears on the books of the Company. No notice need be given of an adjourned meeting of the Shareholders provided the time and place to which such meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting a notice of the adjourned meeting shall be given to each Shareholder of record on the new record date entitled to notice as provided in this Bylaw.

3.03 Dates. The Board may fix in advance a date as the record date for the purpose of determining Shareholders entitled to notice of and to vote at a meeting of Shareholders or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purpose of determining Shareholders entitled to receive payment of a dividend or allotment of a right, or for the purpose of any other action. The date fixed shall not be more than 60 nor fewer than ten days before the date of the meeting, nor more than 60 days before any other action. In such case only such Shareholders as shall be Shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or adjournment thereof, or to express consent or to dissent from such proposal, or to receive payment of such dividend or to receive such allotment of rights, or to participate in any other action, as the case may be, notwithstanding any transfer of any stock on the books of the Company, or otherwise, after any such record date. Nothing in this Bylaw shall affect the rights of a Shareholder and his transferee or transferor as between themselves.

3.04 Lists. The Secretary of the Company or the agent of the Company having charge of the stock transfer records for Shares shall make and certify a complete list of the Shareholders entitled to vote at a Shareholders' meeting or any adjournment thereof. The list shall be arranged alphabetically within each class and series, with the address of, and the number of Shares held by, each Shareholder, be produced at the meeting, be subject to inspection by any Shareholder during the meeting, and be prima facie evidence of the Shareholders entitled to examine the list or vote.

3.05 Quorum. Unless a greater or lesser quorum is required in the Articles or by the laws of Maryland, the Shareholders present at a meeting in person or by proxy who, as of the record date for such meeting, were holders of a majority of the outstanding Shares entitled to vote at the meeting shall constitute a quorum. Whether or not a quorum is present, a meeting of Shareholders may be adjourned by a vote of the Shares present in person or by proxy. When the holders of a class or series of Shares are entitled to vote separately on an item of business, this Bylaw applies in determining the presence of a quorum of such class or series for transaction of such item of business.

3.06 Proxies. A Shareholder entitled to vote at a meeting of Shareholders or to express consent or dissent without a meeting may authorize other persons to act for the Shareholder by proxy. A proxy shall be signed by the Shareholder or the Shareholder's authorized agent or representative.

3.07 Voting. Each outstanding Share is entitled to one vote on each matter submitted to a vote. When an action, other than the election of directors, is to be taken by a vote of the Shareholders, it shall be authorized by a majority of the votes cast by the holders of Shares entitled to vote thereon, unless a greater vote is required by the Articles or by the laws of Maryland. Except as otherwise provided by the Articles, directors shall be elected by a plurality of the votes cast at any election.

#### IV. Directors

5.01 Number. The business and affairs of the Company shall be managed by a Board of one director. No director need be a resident of Maryland or a Shareholder.

5.02 Tenure. Directors shall be elected at each annual meeting of the Shareholders, each to hold office until the next annual meeting of Shareholders and until the director's successor is elected and qualified, or until the director's resignation or removal. A director may resign by written notice to the Company. The resignation is effective upon its receipt by the Company or any later date as set forth in the notice of resignation. A director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the Shares entitled to vote at an election of directors.

5.03 Vacancies. Vacancies in the Board occurring by reason of death, resignation, removal, increase in the number of directors or otherwise shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board, unless filled by proper action of the Shareholders. Each person so elected shall be a director for a term of office continuing only until the next election of directors by the Shareholders. A vacancy that will occur at a specific date, by reason of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the newly elected director may not take office until the vacancy occurs.

5.04 Meetings. The Board shall meet each year immediately after the annual meeting of the Shareholders, or within two days of such time if such later time is deemed advisable, at the place where such meeting of the Shareholders has been held or such other place as the Board may determine, to elect officers and consider such business that may properly be brought before the meeting. If, however, less than a majority of the directors appear for an annual meeting of the Board, the annual meeting need not be held and the matters that might have been addressed therein may be addressed at any later meeting, or by consent resolution. Regular meetings of the Board may be held at such times and places as the majority of the directors may from time to time determine at a prior meeting or as shall be directed or approved by the vote or written consent of all directors. Special meetings of the Board may be called by the Corporation's president or any director.

5.05 Notices. No notice shall be required for annual or regular meetings of the Board or for adjourned meetings, whether regular or special. Three days' written notice shall be given for special meetings of the Board, and such notice shall state the time, place and purposes of the meeting.

5.06 Quorum. A majority of the Board then in office, or of the members of a committee thereof, constitutes a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the acts of the Board or of the committee, except as a larger vote may be required by the laws of Maryland. A member of the Board or of a committee designated by the Board may participate in a meeting by means of conference telephone by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

5.07 Committees. The Board may, by resolution passed by a majority of the whole Board, appoint three or more members of the Board as an executive committee to exercise all powers and authorities of the Board in management of the business and affairs of the Company, except that the committee shall not have power or authority to (a) amend the Articles; (b) adopt an agreement of merger or consolidation; (c) recommend to Shareholders the sale, lease or exchange of all or substantially all of the Company's property and assets; (d) recommend to Shareholders a dissolution of the Company or revocation of a dissolution; (e) amend these Bylaws; (f) fill vacancies in the Board; or (g) unless expressly authorized by the Board, declare a dividend or authorize the issuance of stock. The Board from time to time may, by like resolution, appoint such other committees of one or more directors to have such authority as shall be specified by the Board in the resolution making such appointments. The Board may designate one or more directors as alternate members of any committee who may replace an absent or disqualified member at any meeting thereof.

5.08 Dissent. A director who is present at a meeting of the Board, or a committee thereof of which the director is a member, at which action on a corporate matter is taken is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company promptly after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a written dissent with the Secretary of the Company within a reasonable time after the director has knowledge of the action.

5.09 Compensation. The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the Company as directors or officers.

#### V. Procedures

5.01 Notice. All notices of meetings to be given to Shareholders, directors or any committee of directors may be given by mail, overnight courier, telefax or e-mail to any Shareholder, director or committee member at his last address as it appears on the books of the Company. Such notice shall be deemed to be given at the time when the same shall be mailed or otherwise dispatched.

5.02 Waiver. Notice of the time, place and purpose of any meeting of Shareholders, directors or committee of directors may be waived by mail, overnight courier, telefax or e-mail, either before or after the meeting, or in such other manner as permitted by the laws of Maryland. Attendance of a person at any meeting of Shareholders, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except as follows:

(a) In the case of a Shareholder, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, or unless with respect to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, the Shareholder objects to considering the matter when it is presented.

(b) In the case of a director, unless he or she at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

5.03 Consent. Any action permitted at any meeting of directors or committee thereof may be taken without a meeting, without prior notice and without a vote, if all directors or committee members entitled to vote thereon consent thereto in writing, before or after the action is taken. Any action permitted at a meeting of Shareholders may be taken without a meeting, without prior notice and without a vote, if all Shareholders entitled to vote thereon consent thereto in writing, before or after the action is taken or if such action otherwise satisfies the Articles and Maryland law.

#### VI Officers

6.01 Number. The Board shall elect a President, a Secretary and a Treasurer, and may elect a Chairman, a Chief Operating Officer, and/or one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. The Chairman (if appointed) shall be a member of the Board. Any two or more of the above offices, except those of President and Vice President, may be held by the same person. Any person appointed by the Board to the office of Treasurer shall hold the equivalent title of Chief Financial Officer, and any person appointed by the Board to the office of Vice President-Finance or the office of Chief Financial Officer shall serve as Treasurer and shall forthwith succeed any incumbent holder of any such title. No officer shall execute an instrument in multiple capacities if the instrument is required by law to be acknowledged or verified by two or more officers.

6.02 Term. An officer shall hold office for the term for which he is elected or appointed and until his successor is elected or appointed and qualified, or until his resignation or removal. An officer may resign by written notice to the Company. The resignation is effective upon its receipt by the Company or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his contract rights, if any. The appointment of an officer does not of itself create contract rights.

6.03 Vacancies. The Board may fill any vacancies in any office occurring for whatever reason.

6.04 Authority. All officers, employees and agents of the Company shall have such authority and perform such duties in the conduct and management of the business and affairs of the Company as may be designated by the Board and these Bylaws, and, in that regard,

(a) all checks, drafts, notes, bonds, bills of exchange and orders for payment by the Company may, subject to any contrary resolution adopted by the Board from time to time, be signed by the President, the Chief Operating Officer, the Chief Financial Officer or any Vice President, and

(b) the Board may in any instance designate the officer and/or agent who shall have authority to execute any contract, conveyance, mortgage or other instrument on behalf of the Company, or may ratify or confirm any execution (although when the execution of any instrument has been authorized without specification of the executing officers or agents, the President, Chief Executive Officer or any Vice President, may execute the same and on behalf of the Company).

#### VII Duties

7.01 Chairman. The Chairman, if any is appointed, shall preside at all meetings of the Shareholders and of the Board at which the Chairman is present. The Chairman shall hold only such further authority as is expressly ascribed to him by these Bylaws and the resolutions of the Board.

7.02 President. The President shall be the chief executive officer of the Company, shall see that all resolutions of the Board are carried into effect, shall have the general powers of supervision usually vested in the chief executive officer of a corporation, and, subject to any contrary directives by the Board, shall hold authority (a) to direct (and commit) the Company's resources toward the achievement of the Company's goals, (b) to vote all securities or other interests of other business organizations held by the Company, and (c) to take such further actions to the extent approved by the Board. The President shall also hold authority equivalent to that held by the Chief Operating Officer, although, in the absence of a specific contrary directive by the Board or the President, such authority shall be left to the Chief Operating Officer. In the absence of the Secretary and any Assistant Secretary, the President may exercise the authority otherwise reserved to the Secretary.

7.03 COO. The Chief Operating Officer shall assume managerial responsibility over the day-to-day operations of the Company, shall exercise authority subject only to the directives of the President and the Board, and, subject to any contrary directive by the President or Board, shall hold (a) authority to supervise Company personnel, and (b) any further authority granted by the Board.

7.04 Vice Presidents. The Vice Presidents, in order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. Subject to the third sentence of Bylaw 6.01, the Vice Presidents shall in any event hold operating responsibility for those aspects of the Company's business referenced in any specific title of the particular Vice President, and shall perform such other duties as may be delegated by the Board or President.

7.05 Secretary. The Secretary shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the Shareholders and of the Board, and shall keep in safe custody the seal of the Company and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by the signature of the Secretary, or by the signature of the Treasurer or an Assistant Secretary. The Secretary may delegate any of the duties, powers and authorities of the Secretary to one or more Assistant Secretaries, unless such delegation is disapproved by the Board.

7.06 Treasurer. Subject to the authority of any Vice President charged with the responsibility for the Company's finances, the Treasurer shall have the custody of corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books of the Company and shall deposit all moneys and other value in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall render to the President and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the Company. The Treasurer may delegate any of his or her duties, powers and authorities to one or more Assistant Treasurers unless such delegation is disapproved by the Board.

7.07 Assistants. The Assistant Secretaries, in order of their seniority, shall perform the duties and exercise the powers and authorities of the Secretary in case of the Secretary's absence or disability. The Assistant Treasurers, in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform such duties as may be delegated by the Secretary and Treasurer, respectively, and also such duties as the Board may prescribe.

## VIII. Records

8.01 Maintenance. The proper officers and agents of the Company shall keep and maintain such books, records and accounts of the Company's business and affairs, minutes of the proceedings of its Shareholders, Board and committees, if any, and such stock ledgers and lists of Shareholders, as the Board shall deem advisable, and as shall be required by the laws of Maryland and other states or jurisdictions empowered to impose such requirements. Books, records and minutes may be kept within or without Maryland in a place which the Board shall determine.

8.02 Reliance. In discharging his or her duties, a director or an officer of the Company, when acting in good faith, may rely upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (a) one or more directors, officers, or employees of the Company, or of a business organization under joint control or common control, whom the director or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence, or (c) a committee of the board of which he or she is not a member if the director or officer reasonably believes the committee merits confidence. A director or officer may not rely on any information if he or she has knowledge concerning the matter that makes reliance otherwise permitted unwarranted.

## IX Indemnification

9.01 Personal. Subject to all of the other provisions of this Article IX, the Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Company) by reason that the person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another entity or enterprise, against expenses (including reasonable attorneys' fees), judgments, penalties and amounts paid in settlement reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders, and, with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.



9.02 Derivative. Subject to all of the provisions of this Article IX, the Company shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees) and amounts paid in settlement reasonably incurred by the person in connection with such action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders. However, indemnification shall not be made for any claim, issue or matter in which such person has been found liable to the Company unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred.

9.03 Expenses. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.01 or 9.02 of these Bylaws, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against actual and reasonable expenses (including attorneys' fees) incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Section 11.03.

9.04 Definitions. For purposes of Sections 9.01 and 9.02, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company that imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Company or the Shareholders".

9.05 Parameters. The right to indemnification conferred in this Article IX shall be a contract right, and shall apply to services of a director or officer as an employee or agent of the Company as well as in such person's capacity as a director or officer. Except as provided in Section 9.03 of these Bylaws, the Company shall have no obligations under this Article IX to indemnify any person in connection with any proceeding, or part thereof, initiated by him or her without Board authorization.

9.06 Determination. Any indemnification under Section 9.01 or 9.02 of these Bylaws (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 9.01 or 9.02, whichever is applicable, and upon an evaluation of the reasonableness of expenses and amount paid in settlement. Such determination and evaluation shall be made in any of the following ways:

(a) By a majority vote of a quorum of the Board consisting of directors who are not parties or threatened to be made parties to such proceeding.

(b) If the quorum described in clause (a) above is not obtainable, then by a majority vote of a committee of directors duly designated by the Board and consisting solely of two or more directors who are not at the time parties or threatened to be made parties to the proceeding.

(c) By independent legal counsel in a written opinion, so long as such counsel is selected (i) by the Board or its committee in the manner prescribed in subparagraph (a) or (b), or (ii) if a quorum of the Board cannot be obtained under subparagraph (a) and a committee cannot be designated under subparagraph (b), by the Board.

(d) By the Shareholders, but Shares held by directors or officers who are parties or threatened to be made parties to the action, suit or proceeding may not be voted.

9.07 Proportionality. If a person is entitled to indemnification under Section 9.01 or 9.02 of these Bylaws for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Company shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

9.08 Advances. The Company may pay or reimburse the reasonable expenses incurred by a person referred to in Section 9.01 or 9.02 of these bylaws who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding if (a) the person furnishes the Company a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Section 9.01 or 9.02, (b) the person furnishes the Company a written undertaking executed to personally repay the advance if it is ultimately determined that he or she did not meet the standard of conduct, (c) the authorization of payment is made in the manner specified in Section 9.06, and (d) a determination is made that the facts then known to those making the determination would not preclude indemnification under Section 9.01 or 9.02. The undertaking shall be a general obligation of the person, but need not be secured.

9.09 Scope. The indemnification or advancement of expenses provided under this Article IX is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Company. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

9.10 Agents. The Company may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Company to the fullest extent of the provisions of this Article IX with respect to the indemnification and advancement of expenses of directors and officers of the Company.

9.11 Succession. The indemnification provided in this Article IX continues as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her successors.

9.12 Insurance. The Company may buy and maintain insurance on behalf of any person who is or was a director, officer, partner, trustee, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another entity or enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Company would have power to indemnify the person against such liability under these Bylaws or the laws of Maryland.

9.13 Legislation. Upon any change of the Maryland statutory provisions relating to the subject of this Article IX, the indemnification to which any person shall be entitled hereunder shall be determined by such changed provisions, but only to the extent that any such change permits the Company to provide broader indemnification rights than before any such change. Subject to Section 9.14, the Board may amend these Bylaws to conform to any such changed statutory provisions.

9.14 Amendment. No amendment or repeal of this Article IX shall apply to any director or officer of the Company for or with respect to any prior acts or omissions of such director or officer.

X Amendment

The Bylaws of the Company may be amended, altered or repealed, in whole or in part, by the Shareholders or by the Board at any meeting duly held in accordance with these Bylaws.

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, 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 "[Company]", FILED IN THIS OFFICE ON THE \_\_\_\_ DAY OF \_\_\_\_\_, A.D. \_\_\_\_, AT \_\_\_\_ O'CLOCK \_\_.



You may verify this certificate online at corp.  
[delaware.gov/authver.shtml](http://delaware.gov/authver.shtml)

/s/ Jeffrey W. Bullock  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION:

DATE:

*State of Delaware  
Secretary of State  
Division of Corporations  
Delivered  
FILED  
FILE*

CERTIFICATE OF FORMATION  
OF  
[Company]

This Certificate of Formation of [Company], dated as of [Date], is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act, (6 De1.C. §§ 18-101, et seq.)

FIRST. The name of the limited liability company formed hereby is [Company].

SECOND. The address of its registered office in the State of Delaware is c/o The Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

/s/ Mark E. Derwent

Mark E. Derwent  
Authorized Person

LIMITED LIABILITY COMPANY AGREEMENT  
OF  
[Company]

This Limited Liability Company Agreement (the "Agreement") of [Company] (the "Company"), is entered into by Omega Healthcare Investors, Inc., a Maryland corporation (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, there has heretofore been filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the Act;

WHEREAS, the Member desires to form a limited liability company pursuant to the provisions of the Act;

WHEREAS, the Member hereby constitutes the Company as a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is [Company].

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, Omega Healthcare Investors, Inc. is hereby admitted to the Company as the sole member of the Company.

Section 6. Certificates. Mark E. Derwent is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware (such filing being hereby approved and ratified in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, Mark E. Derwent's powers as an "authorized person" ceased, and the Member and each Officer thereupon became a designated "authorized person" and shall continue as a designated "authorized person" within the meaning of the Act. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

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The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an " Officer"). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

Limited Liability Company Agreement  
Derwent –

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Capital Contributions. The Member has contributed to the Company property of an agreed value as listed on Schedule A attached hereto.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule A of this Agreement. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

Limited Liability Company Agreement



(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

Limited Liability Company Agreement

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Effectiveness. Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State.

Section 20. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 22. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

Limited Liability Company Agreement

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement.

MEMBER:

Omega Healthcare Investors, Inc., a Maryland corporation

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

Limited Liability Company Agreement

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Agreed Value of Capital Contribution</u>	<u>Membership Interest</u>
Omega Healthcare Investors, Inc.	200 International Circle Suite 3500 Hunt Valley, MD 21030	\$1.00	100%

SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

TITLE

President and Chief Executive Officer

Chief Operating Officer and Secretary

Chief Financial Officer and Treasurer

B-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 AMENDMENT OF "OMEGA ACQUISITION FACILITY I, LLC", CHANGING ITS NAME FROM "OMEGA ACQUISITION FACILITY I, LLC" TO "OHI ASSET ESSEX (OH), LLC", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF MARCH, A.D. 2006, AT 3:37 O'CLOCK P.M.



/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4612955

DATE: 03-23-06

3739485 8100

060275143

**CERTIFICATE OF AMENDMENT  
OF CERTIFICATE OF FORMATION  
OF  
OMEGA ACQUISITION FACILITY I, LLC**

March 20, 2006

1. The name of the Limited Liability Company is **Omega Acquisition Facility I, LLC** (hereinafter the "Company").
2. The Company desires to change its name and hereby amends Article First of its Certificate of Formation by deleting Article First in its entirety and inserting in lieu thereof the following new Article First:

"FIRST. The name of the limited liability company formed hereby is OHI Asset Essex (OH), LLC."

3. All other provisions of the Certificate of Formation of the Company shall remain in full force and effect.
4. The foregoing amendment shall be effective as of the date filed with the Secretary of the State of Delaware.

**[Remainder of page intentionally left blank.]**

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**IN WITNESS WHEREOF**, the Company has caused this Amendment to be signed by its sole member as of the 21st day of March, 2006.

**OMEGA ACQUISITION FACILITY I, LLC**  
**By: Omega Healthcare Investors, Inc.**  
**Its Sole Member**

By: /s/ Robert O. Stephenson

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Robert O. Stephenson  
Chief Financial Officer and Treasurer

---



# 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 FORMATION OF "OMEGA ACQUISITION FACILITY I, LLC", FILED IN THIS OFFICE ON THE TWELFTH DAY OF DECEMBER, A.D. 2003, AT 8:46 O'CLOCK P.M.



/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

3739485 8100

AUTHENTICATION: 2813988

030809262

DATE: 12-15-03

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State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 08:54 PM 12/12/2003  
FILED 08:46 PM 12/12/2003  
SRV 030803262 - 3739485 FILE

**CERTIFICATE OF FORMATION  
OF  
OMEGA ACQUISITION FACILITY I, LLC**

This Certificate of Formation of **OMEGA ACQUISITION FACILITY I, LLC**, dated as of December 12, 2003, is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act, (6 Del.C. §§ 18-101, et seq.)

**FIRST.** The name of the limited liability company formed hereby is **OMEGA ACQUISITION FACILITY I, LLC.**

**SECOND.** The address of its registered office in the State of Delaware is c/o The Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation as of the date first above written.

/s/ Glenn B. Callison

Glenn B. Callison  
Authorized Person

**LIMITED LIABILITY COMPANY AGREEMENT  
OF  
OMEGA ACQUISITION FACILITY I, LLC**

This Limited Liability Company Agreement (the "Agreement") of Omega Acquisition Facility I, LLC (the "Company"), is entered into by Omega Healthcare Investors, Inc., a Maryland corporation (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, there has heretofore been filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the Act;

WHEREAS, the Member desires to form a limited liability company pursuant to the provisions of the Act;

WHEREAS, the Member hereby constitutes the Company as a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is Omega Acquisition Facility I, LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, Omega Healthcare Investors, Inc. is hereby admitted to the Company as the sole member of the Company.

Section 6. Certificates. Glenn B. Callison is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware (such filing being hereby approved and ratified in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, Glenn B. Callison's powers as an "authorized person" ceased, and the Member and each Officer thereupon became a designated "authorized person" and shall continue as a designated "authorized person" within the meaning of the Act. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

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The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized and formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an "Officer"). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until such Officer's qualified successor shall be duly designated or until such Officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Capital Contributions. The Member has contributed to the Company property of an agreed value as listed on Schedule A attached hereto.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule A of this Agreement. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the bankruptcy or insolvency of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Effectiveness. Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State.

Section 20. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 22. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

Section 24. Definitions. In addition to those terms introduced and defined elsewhere in this Agreement, the following terms have the respective meanings ascribed to such terms:

“Affiliate” shall mean, when used with reference to a specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the specified Person.

“Control”, “Controls” and “Controlled” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise.

“Person” means any individual, sole proprietorship, joint venture, corporation, business unit, partnership, governmental body, regulatory agency or other entity of any nature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the 12th day of December, 2003.

**MEMBER:**

Omega Healthcare Investors, Inc.,  
a Maryland corporation

By: /s/ Daniel J. Booth

\_\_\_\_\_  
Daniel J. Booth  
Chief Operating Officer



SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Agreed Value of Capital Contribution</u>	<u>Membership Interest</u>
Omega Healthcare Investors, Inc.	9690 Deereco Road Suite 100 Timonium, Maryland 21093	\$1.00	100%

SCHEDULE B

OFFICERS

TITLE

C. Taylor Pickett

President and Chief Executive Officer

Daniel J. Booth

Chief Operating Officer and Secretary

Robert O. Stephenson

Chief Financial Officer and Treasurer

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 03:21 PM 03/04/2004  
FILED 03:21 PM 03/04/2004  
SRV 040166529 - 3773117 FILE

**CERTIFICATE OF FORMATION  
OF  
OHI ASSET II (CA), LLC**

This Certificate of Formation of OHI ASSET II (CA), LLC, dated as of March 4, 2003, is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act, (6 Del.C. §§ 18-101, et seq.)

**FIRST.** The name of the limited liability company formed hereby is OHI ASSET II (CA), LLC.

**SECOND.** The address of its registered office in the State of Delaware is c/o The Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation as of the date first above written.

/s/ Mark E. Derwent

\_\_\_\_\_  
Mark E. Derwent  
Authorized Person

**LIMITED LIABILITY COMPANY AGREEMENT  
OF  
OHI ASSET II (CA), LLC**

This Limited Liability Company Agreement (the "Agreement") of OHI Asset II (CA), LLC (the "Company"), is entered into by Omega Healthcare Investors, Inc., a Maryland corporation (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, there has heretofore been filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the Act;

WHEREAS, the Member desires to form a limited liability company pursuant to the provisions of the Act;

WHEREAS, the Member hereby constitutes the Company as a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is OHI Asset II (CA), LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, Omega Healthcare Investors, Inc. is hereby admitted to the Company as the sole member of the Company.

Section 6. Certificates. Mark E. Derwent is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware (such filing being hereby approved and ratified in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, Mark E. Derwent's powers as an "authorized person" ceased, and the Member and each Officer thereupon became a designated "authorized person" and shall continue as a designated "authorized person" within the meaning of the Act. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an "Officer"). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer's death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Capital Contributions. The Member has contributed to the Company property of an agreed value as listed on Schedule A attached hereto.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule A of this Agreement. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

OHI Asset II (CA), LLC – Limited Liability Company Agreement  
MNDS – 3.03.04

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Effectiveness. Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State.

Section 20. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 22. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

OHI Asset II (CA), LLC – Limited Liability Company Agreement  
MNDS – 3.03.04



IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the \_\_\_ day of March, 2004.

**MEMBER:**

Omega Healthcare Investors, Inc., a Maryland corporation

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

OHI Asset II (CA), LLC – Limited Liability Company Agreement  
MNDS – 3.03.04

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Agreed Value of Capital Contribution</u>	<u>Membership Interest</u>
Omega Healthcare Investors, Inc.	9690 Deereco Road Suite 100 Timonium, Maryland 21093	\$1.00	100%

OHI Asset II (CA), LLC – Limited Liability Company Agreement  
MNDS – 3.03.04

SCHEDULE B

<u>OFFICERS</u>	<u>TITLE</u>
C. Taylor Pickett	President and Chief Executive Officer
Daniel J. Booth	Chief Operating Officer and Secretary
Robert O. Stephenson	Chief Financial Officer and Treasurer

OHI Asset II (CA), LLC – Limited Liability Company Agreement  
MNDS – 3.03.04

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, 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 "OHI ASSET II (FL), LLC", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF JANUARY, A.D. 2010, AT 10 O'CLOCK A.M.

4780486 8100

100066458



/s/ Jeffrey W. Bullock

Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 7775044

DATE: 01-25-10

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 10:00 AM 01/25/2010  
FILED 10:00 AM 01/25/2010  
SRV 100066458 - 4780486 FILE

CERTIFICATE OF FORMATION  
OF  
OHI ASSET II (FL), LLC

This Certificate of Formation of OHI Asset II (FL), LLC, dated as of January 25, 2010, is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act, (6 Del.C. §§ 18-101, ets eq.)

FIRST. The name of the limited liability company formed hereby is OHI Asset II (FL), LLC.

SECOND. The address of its registered office in the State of Delaware is c/o The Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

/s/ Mark E. Derwent

Mark E. Derwent  
Authorized Person

LIMITED LIABILITY COMPANY AGREEMENT  
OF  
OHI ASSET II (FL), LLC

This Limited Liability Company Agreement (the "Agreement") of OHI Asset II (FL), LLC (the "Company"), is entered into by Omega Healthcare Investors, Inc., a Maryland corporation (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, there has heretofore been filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the Act;

WHEREAS, the Member desires to form a limited liability company pursuant to the provisions of the Act;

WHEREAS, the Member hereby constitutes the Company as a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is OHI Asset II (FL), LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, Omega Healthcare Investors, Inc. is hereby admitted to the Company as the sole member of the Company.

Section 6. Certificates. Mark E. Derwent is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware (such filing being hereby approved and ratified in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, Mark E. Derwent's powers as an "authorized person" ceased, and the Member and each Officer thereupon became a designated "authorized person" and shall continue as a designated "authorized person" within the meaning of the Act. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

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The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an “ Officer”). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Capital Contributions. The Member has contributed to the Company property of an agreed value as listed on Schedule A attached hereto.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule A of this Agreement. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

(a) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

OHI Asset II (FL), LLC - Limited Liability Company Agreement  
Derwent - 1.25.10



(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(e) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Effectiveness. Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State.

Section 20. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 22. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

OHI Asset II (FL), LLC - Limited Liability Company Agreement  
Derwent - 1.25.10

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement.

MEMBER:

Omega Healthcare Investors, Inc., a Maryland corporation

January \_\_, 2010

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

OHI Asset II (FL), LLC - Limited Liability Company Agreement  
Derwent - 1.25.10

SCHEDULE A

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Agreed Value of Capital Contribution</u>	<u>Membership Interest</u>
Omega Healthcare Investors, Inc.	200 International Circle Suite 3500 Hunt Valley, MD 21030	\$1.00	100%

OHI Asset CSE-U, LLC - Limited Liability Company Agreement

SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

Michael Ritz

TITLE

President and Chief Executive Officer

Chief Operating Officer and Secretary

Chief Financial Officer and Treasurer

Chief Accounting Officer

OHI Asset II (FL), LLC - Limited Liability Company Agreement

CERTIFICATE OF TRUST  
OF  
[Company]

- FIRST: The undersigned, Omega Healthcare Investors, Inc., whose post-office address is 9690 Deereco Road, Suite 100, Timonium, Maryland 21093, does hereby form a business trust under the general laws of the State of Maryland.
- SECOND: The name of the Business trust is [Company] (the "Trust").
- THIRD: The purpose for which the Trust is formed is as follows: To engage in any or all lawful business for which a business trust may be organized under the general laws of the State of Maryland.
- FOURTH: The street address of the principal office of the Trust in Maryland is c/o Omega Healthcare Investors, inc., 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.
- FIFTH: The name of the resident agent of the Trust in Maryland is Omega Healthcare Investors, Inc., 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.
- SIXTH: The number of trustees of the Trust shall be on (1), which number may be increased. The name of the initial trustee is: OHI Asset (PA), LLC, a Delaware limited liability company.

IN WITNESS WHEREOF, I have signed this certificate and acknowledge the same to be my act.

I hereby consent to my designation in this document as resident agent for this business trust

SIGNATURE OF TRUSTEE:

/s/ Daniel J. Booth  
Omega Healthcare Investors, Inc.  
Daniel J. Booth, Chief Operating Officer

SIGNATURE OF RESIDENT AGENT LISTED IN FIFTH:

/s/ Daniel J. Booth  
Omega Healthcare Investors, Inc.  
Daniel J. Booth & Chief Operating Officer

**RETURN TO:**

Mark E. Derwent  
Myers Nelson Dillon & Shierk, PLLC  
125 Ottawa Ave., N.W., Suite 270  
Grand Rapids, Michigan 49503  
Telephone: (616) 233-9640  
Facsimile: (616) 233-9642

**CUST ID:** \_\_\_\_\_

**WORK ORDER :** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**AMT. PAID:\$191.00**

CERTIFICATE OF TRUST  
OF  
OHI ASSET IV (PA) SILVER LAKE TRUST

- FIRST:** The undersigned, OHI Asset (PA), LLC, whose post-office address is 200 International Circle, Suite 3500, Hunt Valley, MD 21030, does hereby form a business trust under the general laws of the State of Maryland.
- SECOND:** The name of the Business trust is OHI Asset IV (PA) Silver Lake Trust (the "Trust").
- THIRD:** The purpose for which the Trust is formed is as follows; To engage in any or all lawful business for which a business trust may be organized under the general laws of the State of Maryland.
- FOURTH:** The street address of the principal office of the Trust in Maryland is c/o Omega Healthcare Investors, Inc., 200 International Circle, Suite 3500, Hunt Valley, MD 21030.
- FIFTH:** The name of the resident agent of the Trust in Maryland is Omega Healthcare Investors, Inc., 200 International Circle, Suite 3500, Hunt Valley, MD 21030.
- SIXTH:** The number of trustees of the Trust shall be on (1), which number may be increased. The name of the initial trustee is: OHI Asset (PA), LLC, a Delaware limited liability company.

IN WITNESS WHEREOF, I have signed this certificate and acknowledge the same to be my act.

I hereby consent to my designation in this document as resident agent for this business trust.

**SIGNATURE OF TRUSTEE:**

/s/ Daniel J. Booth  
OHI ASSET (PA), LLC  
Daniel J. Booth, Chief Operating Officer

**SIGNATURE OF RESIDENT AGENT LISTED IN FIFTH:**

/s/ Daniel J. Booth  
Omega Healthcare Investors, Inc.  
Daniel J. Booth, Chief Operating Officer

**RETURN TO:**

Mark E. Derwent  
Doran Derwent, PLLC  
125 Ottawa Ave., N.W., Suite 420  
Grand Rapids, Michigan 49503  
Telephone: (616) 451-8690  
Facsimile: (616) 451-8697

**CUST ID: 0002365219**  
**WORK ORDER: 0001808257**  
**DATE: 12-17-2009 07:15 PM**  
**AMT. PAID: \$191.00**

DECLARATION OF TRUST  
OF  
OHI Asset IV (PA) Silver Lake Trust  
under the  
Maryland Business Trust Act

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DECLARATION OF TRUST  
OF  
OHI Asset IV (PA) Silver Lake Trust

ARTICLE I

Name

The name of the business trust is OHI Asset IV (PA) Silver Lake Trust (the "Trust").

ARTICLE II

Principal Office

The principal office of the Trust is c/o Omega Healthcare Investors, Inc., 200 International Circle, Suite 3500, Hunt Valley, MD 21030, or such other location within the State of Maryland as the Trustee may determine from time to time.

ARTICLE III

Formation

The Trust is a business trust within the meaning the Maryland Business Trust Act, as amended (the "Act"), and was formed pursuant to a Certificate of Trust filed with the State Department of Assessments and Taxation on or about December 9, 2009. The purpose for which the Trust is formed is to transact any or all lawful business for which business trusts may be formed under the Act. The Trust, and the Trustee and the Officers (as defined below) on behalf of the Trustee, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in this Article and (b) shall have and exercise all of the powers and rights conferred upon business trusts formed pursuant to the Act.

ARTICLE IV

Shares of Beneficial Interest

The beneficial interest in the Trust shall be divided into shares of beneficial interest ("Shares"). The total number of Shares which the Trust has authority to issue is One Hundred (100), all of which are designated common shares of beneficial interest, no par value per share. The Trustee may classify or reclassify any unissued Shares from time to time by designating the number of Shares to be included in such class or series, and by setting or changing the preferences, conversion or other rights, designations, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of the Shares.

The Trustee may authorize the issuance from time to time of Shares of any class or series, whether now or hereafter authorized, or securities or rights convertible into Shares of any class or series, whether now or hereafter authorized, for such consideration (whether in cash, property, past or future services, obligation for future payment or otherwise) as the Trustee may deem advisable (or without consideration in the case of a Share split or Share dividend), subject to such restrictions or limitations, if any, as may be set forth in the Certificate of Trust or this Declaration of Trust. The Shares shall be uncertificated.

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The Trustee may amend the Declaration of Trust to increase or decrease the aggregate number of Shares or the number of Shares of any class or series that the Trust has authority to issue without approval of the Shareholders.

All of the Shares shall initially be issued to OHI Asset CSE-U, LLC, a Delaware limited liability company.

#### ARTICLE V

##### Shareholders

Section 1. Annual Meeting. An annual meeting of the beneficial owners of the Trust (the "Shareholders") for the election of trustees of the Trust ("Trustees") and the transaction of any business within the powers of the Trust shall be held at a location, on a date and at the time set by the Trustees. Failure to hold an annual meeting does not invalidate the Trust's existence or affect any otherwise valid act of the Trust.

Section 2. Limitation Of Shareholder Liability. No Shareholder shall be liable for any debt, claim, demand, judgment or obligation of any kind of, against or with respect to the Trust by reason of his being a Shareholder, nor shall any Shareholder be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the property or affairs of the Trust.

Section 3. Binding Effect. The provisions of this Declaration of Trust shall be binding upon each person who becomes the owner of a beneficial interest in the Trust by any means, including, without limitation, acquisition of beneficial ownership of a Share.

#### ARTICLE VI

##### Trustees and Officers

Section 1. Number. The initial number of Trustees shall be one (1) which number may be increased or decreased by the Trustee from time to time. The name of the Trustee who shall act until the first meeting or until its successor is duly chosen and is qualified:

OHI Asset (PA), LLC, a Delaware limited liability company

Section 2. Term. The Trustees shall be elected at each annual meeting of the Shareholders and shall serve until the next annual meeting of the Shareholders and until their successors are duly elected and qualify.

Section 3. Officers.

(a) Officers. The Trustee may, from time to time, designate one or more persons to be officers of the Trust (each an “ Officer”). Any Officer so designated shall have such title and authority and perform such duties as the Trustee may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Trustee, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Maryland. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Trustee at any time. Any Officer may resign at any time upon written notice to the Trustee. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Trustee receives such written resignation. The initial Officers of the Trust designated by the Trustee are listed on Schedule A attached hereto. The Trustee may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Trust and to execute and/or attest documents as an authorized representative of the Trust, subject to such specific authority and such specific limitations as the Trustee shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Trust, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

( b ) Officers as Agents. The Officers, to the extent of their powers set forth in this Declaration of Trust or otherwise vested in them by the Trustee not inconsistent with this Declaration of Trust, are agents of the Trust for the purpose of the Trust’s business and, the actions of the Officers taken in accordance with such powers shall bind the Trust.

( c ) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Maryland.

Section 4. Limitation Of Trustee And Officer Liability. To the maximum extent that Maryland law, in effect from time to time, permits limitations of the liability of trustees and Officers of a business trust, no Trustee or Officer of the Trust shall be liable to the Trust or to any Shareholder for money damages. Neither the amendment nor repeal of this Section, nor the adoption or amendment of any other provision of this Declaration of Trust inconsistent with this Section, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

Section 5. Indemnification. The Trust shall indemnify and hold harmless each and every Officer and Trustee from and against any and all claims and demands whatsoever arising out of or related to such Officer's or Trustee's performance of his or her duties as an Officer or Trustee of the Trust to the fullest extent permitted by law.

Section 6. Actions on Behalf of Trust. Every note, bond, contract, instrument, certificate or undertaking and every other act or document whatsoever issued, executed or done by or on behalf of the Trust, the Officers or the Trustees or any of them in connection with the Trust shall be conclusively deemed to have been issued, executed or done only in such person's capacity as Trustee and/or as Officer, and such Trustee or Officer, as applicable, shall not be personally liable therefor.

Section 7. Insurance. To the fullest extent permitted by applicable law, the Officers and Trustees shall be entitled and have the authority to purchase with Trust property, insurance for liability and for all expenses reasonably incurred or paid or expected to be paid by a Trustee or Officer in connection with any claim, action, suit or proceeding in which such person becomes involved by virtue of such person's capacity or former capacity with the Trust, whether or not the Trust would have the power to indemnify such Person against such liability under the provisions of this Article.

#### ARTICLE VII

##### Amendment

Section 1. General. The Trust reserves the right from time to time to make any amendment to this Declaration of Trust, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in this Declaration of Trust, of any Shares. All rights and powers conferred by this Declaration of Trust on Shareholders, Trustees and Officers are granted subject to this reservation. All references to this Declaration of Trust shall include all amendments thereto. Otherwise, this Declaration of Trust may not be amended except as provided in this Article VII.

Section 2. By Shareholders. Except as otherwise set forth in this Article VII, these Articles of Trust may be amended only by the affirmative vote of the holders of not less than a majority of the Shares then outstanding and entitled to vote thereon.

#### ARTICLE VIII

##### Duration Of Trust

Unless dissolved as provided herein, the Trust shall have perpetual existence. The Trust may be dissolved at any time by vote of a majority of the Shares of the Trust outstanding and entitled to vote, by the Trustee upon written notice to the Shareholders and pursuant to any applicable provision of the Act.

ARTICLE IX

Miscellaneous

Section 1. Express Exculpatory Clauses In Instruments. Neither the Shareholders nor the Trustees, Officers, employees or agents of the Trust shall be liable under any written instrument creating an obligation of the Trust, and all persons shall look solely to the property of the Trust for the payment of any claim under or for the performance of that instrument. The omission of the foregoing exculpatory language from any instrument shall not affect the validity or enforceability of such instrument and shall not render any Shareholder, Trustee, Officer, employee or agent liable thereunder to any third party, nor shall the Trustee or any Officer, employee or agent of the Trust be liable to anyone for such omission.

Section 2. Transactions Between The Trust And Its Trustees, Officers, Employees And Agents. Subject to any express restrictions in this Declaration of Trust or adopted by the Trustees by resolution, the Trust may enter into any contract or transaction of any kind (including, without limitation, for the purchase or sale of property or for any type of services, including those in connection with underwriting or the offer or sale of securities of the Trust) with any person, including any Trustee, Officer, employee or agent of the Trust or any person affiliated with a Trustee, Officer, employee or agent of the Trust, whether or not any of them has a financial interest in such transaction.

Section 3. Applicable Law. This Declaration of Trust is executed by the Trustees and delivered in the State of Maryland with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Maryland without regard to conflicts of laws provisions thereof.

Section 4. Provisions in Conflict of Laws. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

Section 5. Statutory Trust Only. It is the intention of the Trustees to create a statutory business trust pursuant to the Act, and thereby to create the relationship of trustee and beneficial owners within the meaning of the Act between the Trustees and each Shareholder. It is not the intention of the Trustees to create a general or limited partnership, limited liability company, corporation, bailment, common law trust or any form of legal relationship other than a business trust pursuant to the Act.

*Signature on following page.*

IN WITNESS WHEREOF, this Declaration of Trust has been executed on this \_\_\_ day of December, 2009 by the undersigned Trustee.

OHI Asset (PA), LLC

Omega Healthcare Investors, Inc., its sole  
By: member

By: /s/ Daniel J. Booth

Name: Daniel J. Booth

Title: Chief Operating Officer

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SCHEDULE A

TRUST OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

TITLE

President and Chief Executive  
Officer

Chief Operating Officer and  
Secretary

Chief Financial Officer and  
Treasurer

ARTICLES OF INCORPORATION  
OF  
OHI OF TEXAS, INC.

THE UNDERSIGNED, being a natural person and acting as incorporator, does hereby adopt the following Articles of Incorporation for the purpose of forming a business corporation in the State of Maryland, pursuant to the provisions of the Maryland General Corporation Law.

FIRST: The name of the incorporator is Stuart D. Logan, his address is 1577 North Woodward Avenue, Suite 300, Bloomfield Hills, Oakland County, Michigan 48304-2820, he is at least eighteen years of age and he is forming the corporation named in these Articles of Incorporation under the general laws of the State of Maryland, to wit, the Maryland General Corporation Law.

SECOND: The name of the corporation is OHI of Texas, Inc.

THIRD: The corporation is formed to: (a) own, operate and eventually dispose of, facilities for the provision of nursing care, physical therapy, assisted living and related services, as well as to engage in all other lawful activities related to, and in furtherance of, this purpose, (b) purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of its property and assets, or any interest therein, wherever situated, (c) engage generally in the real estate business as principal, agent, broker, and in any lawful capacity, and generally to take, lease, purchase, or otherwise acquire, and to own, use, hold, sell, convey, exchange, lease, mortgage, work, clear, improve, develop, divide, and otherwise handle, manage, operate, deal in, and dispose of real estate, real property, lands, multiple-dwelling structures, houses, buildings, and other works and any interest or right therein; to take, lease, purchase, or otherwise acquire, and to own, use, hold, sell, convey, exchange, hire, lease, pledge, mortgage, and otherwise handle, and deal in and dispose of, as principal, agent, broker, and in any lawful capacity, such personal property, chattels, chattels real, rights, easements, privileges, choses in action, notes, bonds, mortgages, and securities as may lawfully be acquired, held, or disposed of; and to acquire, purchase, sell, assign, transfer, dispose of, and generally deal in and with, as principal, agent, broker, and in any lawful capacity, mortgages and other interests in real, personal, and mixed properties; to carry on a general construction, contracting, building, and realty management business as principal, agent, representative, contractor, subcontractor, and in any other lawful capacity, (d) carry on a general mercantile, industrial, investing, and trading business in all its branches, to devise, invent, manufacture, fabricate, assemble, install, service, maintain, alter, buy, sell, import, export, license as licensor or licensee, lease as lessor or lessee, distribute, job, enter into, negotiate, execute, acquire, and assign contracts in respect of, acquire, receive, grant, and assign licensing arrangements, options, franchises, and other rights in respect of, and generally deal in and with, at wholesale and retail, as principal, and as sales, business, special, or general agent, representative, broker, factor, merchant, distributor, jobber, advisor, and in any other lawful capacity, goods, wares, merchandise commodities, and unimproved, improved, finished, processed, and other real, personal, and mixed property of any and all kinds, together with the components, resultants, and by-products thereof, (e) apply for, register, obtain; purchase, lease, take licenses in respect of, or otherwise acquire, and to hold, own, use, operate, develop, enjoy, turn to account, grant licenses and immunities in respect of, manufacture under and to introduce, sell, assign, mortgage, pledge, or otherwise dispose of, and, in any manner deal with and contract with reference to (i) inventions, devices, formulae, processes, and any improvements and modifications thereof, (ii) letters patent, patent rights, patented processes, copyrights, designs, and similar rights, trade-marks, trade symbols and other indications of origin and ownership granted by or recognized under the laws of the United States of America or of any state or subdivision thereof, or of any foreign country or subdivision thereof, and all rights connected therewith or appertaining thereunto, (iii) franchises, licenses, grants, and concessions, and (f) have all of the powers conferred upon corporations organized under the provisions of the Maryland General Corporation Law.

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 5 page [ILLEGIBLE] in this office. DATED: 10-31-01

[ILLEGIBLE] DEPARTMENT OF ASSESSMENTS AND TAXATION  
BY: \_\_\_\_\_ /s/ [ILLEGIBLE], Custodian

This [ILLEGIBLE] previous certification system. Effective: 6/95



FOURTH: The address of the principal office of the corporation within the State of Maryland is c/o CSC-Lawyers Incorporating Service Company, 11 East Chase Street Baltimore City, Maryland 21202.

FIFTH: The name and the address of the resident agent of the corporation within the State of Maryland, are CSC-Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore City, Maryland 21202.

SIXTH: The total number of shares of stock which the corporation has authority to issue is Five Thousand, all of which are without par value and are designated as Common Stock. The Board of Directors of the corporation is authorized, from time to time, to issue any additional stock or convertible securities of the corporation without the approval of the holders of outstanding stock. Provisions, if any, governing the restriction on the transferability of any of the shares of stock of the corporation may be set forth in the bylaws of the corporation or in any agreement or agreements duly entered into. To the extent permitted by Section 2-104(b)(5) of the Maryland General Corporation Law, notwithstanding any provision of the Maryland General Corporation Law requiring a greater proportion than a majority of the votes entitled to be cast in order to take or authorize any action, any such action may be taken or authorized upon the concurrence of at least a majority of the aggregate number of votes entitled to be cast thereon.

SEVENTH: The number of directors of the corporation, until such number shall be changed by the bylaws of the corporation, is one. The name of the individual who will serve as director of the corporation until his successor(s) is (are) elected and qualify are is Essel W. Bailey. The initial bylaws of the corporation shall be adopted by the initial directors. Thereafter, the power to adopt, alter, and repeal the bylaws of the corporation shall be vested in the Board of Directors of the corporation. The liability of the directors of the corporation is limited to the fullest extent permitted by the provisions of Section 2-405.2 of the Maryland General Corporation Law, as the same may be amended and supplemented. The corporation shall, to the fullest extent permitted by the Maryland General Corporation Law, as the same may be amended and supplemented, and, without limiting the generality of the foregoing, in accordance with Section 2-418 of said Maryland General Corporation Law, indemnify any and all persons whom it shall have power to indemnify under said law from and against any and all of the expenses, liabilities or other matters referred to in or covered by said Corporation Law.

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EIGHTH: From time to time any of the provisions of these Articles of Incorporation may be amended, altered or repealed, and other provisions authorized by the Maryland General Corporation Law at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and any contract rights at any time conferred upon the stockholders of the corporation by these Articles of Incorporation are granted subject to the provisions of this Article.

IN WITNESS WHEREOF, I have adopted and signed these Articles of Incorporation and do hereby acknowledge that the adoption and signing are my act.

Dated: October 26, 1999

/s/ Stuart D. Logan

Stuart D. Logan, Incorporator

I hereby consent to my designation in this document as resident agent for this corporation.

CSC-Lawyers Incorporating Services Company

Signed by: \_\_\_\_\_

\_\_\_\_\_, Authorized Representative

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HA SLT

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[ILLEGIBLE]

I hereby consent to my designation in this document as resident agent for this corporation.

CSC-Lawyers Incorporating Service Company

Signed by: \_\_\_\_\_ /s/ [ILLEGIBLE]  
Resident Agent

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DOCUMENT CODE 02

BUSINESS CODE 03

# \_\_\_\_\_ P.A. \_\_\_\_\_ Religious \_\_\_\_\_ Close P Stock \_\_\_\_\_ Nonstock

Merging  
(Transferor) \_\_\_\_\_

Surviving  
(Transferee) \_\_\_\_\_

**FEES REMITTED**

Base Fee: 20  
 Org. & Cap. Fee: 20  
 Expedite Fee: 39  
 Penalty: \_\_\_\_\_  
 State Recordation Tax: \_\_\_\_\_  
 State Transfer Tax: \_\_\_\_\_  
 Certified Copies:  
 Copy Fee: \_\_\_\_\_  
2950 Certificates:  
 Certificate Fee: 12  
 Other: \_\_\_\_\_  
 TOTAL FEES: 91

(New Name) \_\_\_\_\_

\_\_\_\_\_ Change of Name  
 \_\_\_\_\_ Change of Principal Office  
 \_\_\_\_\_ Change of Resident Agent  
 \_\_\_\_\_ Change of Resident Agent Address  
 \_\_\_\_\_ Resignation of Resident Agent  
 \_\_\_\_\_ Designation of Resident Agent  
 and Resident Agent's Address  
 \_\_\_\_\_ Change of Business Code

\_\_\_\_\_ Adoption of Assumed Name

\_\_\_\_\_ Other Change(s) \_\_\_\_\_

\_\_\_\_\_ Credit Card

P Check

\_\_\_\_\_ Cash

\_\_\_\_\_ Documents on \_\_\_\_\_ checks

APPROVED BY: [ILLEGIBLE]

CODE 604

ATTENTION: \_\_\_\_\_

[ILLEGIBLE] ACK # 1000086028000000  
 [ILLEGIBLE]: 800083 POL TO: 0094 PAGES: 0005  
 OHI OF TEXAS, INC.

MAIL TO ADDRESS: \_\_\_\_\_

10/27/1999 AT 10:51 A WO # 0000236257

COMMENT: [ILLEGIBLE]

BYLAWS  
OF  
OHI OF TEXAS, INC.

1.01 Principal Office. The principal office of the corporation shall be at such place within Maryland, Michigan or Texas as the Board of Directors of the corporation (the "Board") shall determine from time to time.

1.02 Other Offices. The corporation also may have offices at such other places as the Board from time to time determines or the business of the corporation requires.

ARTICLE II  
Seal

The corporation may have a seal in such form as the Board may from time to time determine. The seal may be used by causing it or a facsimile to be impressed, affixed, reproduced or otherwise.

ARTICLE III  
Capital Stock

3.01 Issuance of Shares. The shares of capital stock of the corporation shall be issued in such amounts, at such times, for such consideration and on such terms and conditions as the Board shall deem advisable, subject to the corporation's Articles of Incorporation (the "Articles") and any requirements of the laws of Maryland.

3.02 Certificates for Shares. The shares of the corporation shall be represented by certificates signed by the Chairman, President or a Vice President. A certificate representing shares shall state upon its face that the corporation is formed under the laws of Maryland, the name of the person to whom it is issued, the number and class of shares, and the designation of the series, if any, which the certificate represents, and such other provisions as may be required by the laws of Maryland.

3.03 Transfer of Shares. The shares of the capital stock of the corporation are transferable only on the books of the corporation upon surrender of the certificate therefor, properly endorsed for transfer, and the presentation of such evidences of ownership and validity of the assignment as the corporation may require.

3.04 Registered Stockholders. The corporation shall be entitled to treat the person in whose name any share of stock is registered as the owner thereof for purposes of dividends and other distributions in the course of business, or in the course of recapitalization, merger, plan of share exchange, reorganization, sale of assets, liquidation or otherwise and for the purpose of votes, approvals and consents by stockholders of the corporation, and for the purpose of notices to stockholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not the corporation shall have notice thereof, save as expressly required by the laws of Maryland.

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3.05 Lost or Destroyed Certificates. Upon the presentation to the corporation of a proper affidavit attesting the loss, destruction or mutilation of any certificate or certificates for shares of stock of the corporation, the Board shall direct the issuance of a new certificate or certificates to replace the certificates so alleged to be lost, destroyed or mutilated. The Board may require as a condition precedent to the issuance of new certificates a bond or agreement of indemnity, in such form and amount and with such sureties, or without sureties, as the Board may direct or approve.

ARTICLE IV  
Stockholders

4.01 Place of Meetings. All meetings of stockholders shall be held at the principal office of the corporation or at such other place as shall be determined by the Board and stated in the notice of meeting.

4.02 Annual Meeting. The annual meeting of the stockholders of the corporation shall be held at such other time in the month of August as the Board shall direct. Directors shall be elected at each annual meeting and such other business transacted as may come before the meeting.

4.03 Special Meetings. Special meetings of stockholders may be called by the Board, the Chairman (if such office is filled), the President or any Director, and shall be called by the President or Secretary at the written request of stockholders holding a majority of the shares of stock of the corporation outstanding and entitled to vote. The request shall state the purpose or purposes for which the meeting is to be called.

4.04 Notice of Meetings. Except as otherwise provided by statute or the Articles, written notice of the time, place and purposes of a meeting of stockholders shall be given not fewer than 10 nor more than 90 days before the date of the meeting to each stockholder of record entitled to vote at the meeting, either personally or by mailing such notice (either physically or electronically) to his last address as it appears on the books of the corporation. No notice need be given of an adjourned meeting of the stockholders provided the time and place to which such meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting a notice of the adjourned meeting shall be given to each stockholder of record on the new record date entitled to notice as provided in this Bylaw.

4.05 Record Dates. The Board may fix in advance a date as the record date for the purpose of determining stockholders entitled to notice of and to vote at a meeting of stockholders or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purpose of determining stockholders entitled to receive payment of a dividend or allotment of a right, or for the purpose of any other action. The date fixed shall not be more than 90 nor less than 10 days before the date of the meeting, nor more than 90 days before any other action. In such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or adjournment thereof, or to express consent or to dissent from such proposal, or to receive payment of such dividend or to receive such allotment of rights, or to participate in any other action, as the case may be, notwithstanding any transfer of any stock on the books of the corporation, or otherwise, after any such record date. Nothing in this Bylaw shall affect the rights of a stockholder and his transferee or transferor as between themselves.

4.06 List of Stockholders. The Secretary of the corporation or the agent of the corporation having charge of the stock transfer records for shares of the corporation shall make and certify a complete list of the stockholders entitled to vote at a stockholders' meeting or any adjournment thereof. The list shall be arranged alphabetically within each class and series, with the address of, and the number of shares held by, each stockholder; be produced at the time and place of the meeting; be subject to inspection by any stockholder during the whole time of the meeting; and be prima facie evidence as to who are the stockholders entitled to examine the list or vote at the meeting.

4.07 Quorum. Unless a greater or lesser quorum is required in the Articles or by the laws of Maryland, the stockholders present at a meeting in person or by proxy who, as of the record date for such meeting, were holders of a majority of the outstanding shares of the corporation entitled to vote at the meeting shall constitute a quorum at the meeting. Whether or not a quorum is present, a meeting of stockholders may be adjourned by a vote of the shares present in person or by proxy. When the holders of a class or series of shares are entitled to vote separately on an item of business, this Bylaw applies in determining the presence of a quorum of such class or series for transaction of such item of business.

4.08 Proxies. A stockholder entitled to vote at a meeting of stockholders or to express consent or dissent without a meeting may authorize other persons to act for the stockholder by proxy. A proxy shall be signed by the stockholder or the stockholder's authorized agent or representative.

4.09 Voting. Each outstanding share is entitled to one vote on each matter submitted to a vote, unless otherwise provided in the Articles. Votes may be cast orally or in writing, but if more than 25 stockholders of record are entitled to vote, then votes shall be cast in writing signed by the stockholder or the stockholder's proxy. When an action, other than the election of directors, is to be taken by a vote of the stockholders, it shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon, unless a greater vote is required by the Articles or by the laws of Maryland. Except as otherwise provided by the Articles, directors shall be elected by a plurality of the votes cast at any election.

ARTICLE V  
Directors

5.01 Number. Unless and until this bylaw shall be amended, the business and affairs of the corporation shall be managed by a Board of one director. No director need be a resident of Maryland or a stockholder.

5.02 Tenure. Directors shall be elected at each annual meeting of the stockholders, each to hold office until the next annual meeting of stockholders and until the director's successor is elected and qualified, or until the director's resignation or removal. A director may resign by written notice to the corporation. The resignation is effective upon its receipt by the corporation or a subsequent time as set forth in the notice of resignation. A director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the shares entitled to vote at an election of directors.

5.03 Vacancies. Vacancies in the Board occurring by reason of death, resignation, removal, increase in the number of directors or otherwise shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board, unless filled by proper action of the stockholders. Each person so elected shall be a director for a term of office continuing only until the next election of directors by the stockholders. A vacancy that will occur at a specific date, by reason of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the newly elected director may not take office until the vacancy occurs.

5.04 Annual Meeting. The Board shall meet each year immediately after the annual meeting of the stockholders, or within three days of such time excluding Sundays and legal holidays if such later time is deemed advisable, at the place where such meeting of the stockholders has been held or such other place as the Board may determine, for the purpose of election of officers and consideration of such business that may properly be brought before the meeting; provided, that if less than a majority of the directors appear for an annual meeting of the Board the holding of such annual meeting shall not be required and the matters which might have been taken up therein may be taken up at any later special or annual meeting, or by consent resolution.

5.05 Meetings. Regular meetings of the Board may be held at such times and places as the majority of the directors may from time to time determine at a prior meeting or as shall be directed or approved by the vote or written consent of all directors. Special meetings of the Board may be called by the Chairman and shall be called by the President or Secretary upon the written request of any director.



5.06 Notices. No notice shall be required for annual or regular meetings of the Board or for adjourned meetings, whether regular or special. Two days' written notice shall be given for special meetings of the Board, and such notice shall state the time, place and purpose or purposes of the meeting.

5.07 Quorum. A majority of the Board then in office, or of the members of a committee thereof, constitutes a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the acts of the Board or of the committee, except as a larger vote may be required by the laws of Maryland. A member of the Board or of a committee designated by the Board may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

5.08 Committees. The Board may, by resolution unanimously passed by the whole Board, appoint three or more members of the Board as an executive committee to exercise all powers and authorities of the Board in management of the business and affairs of the corporation, except that the committee shall not have power or authority to (a) amend the Articles; (b) adopt an agreement of merger or consolidation; (c) recommend to stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets; (d) recommend to stockholders a dissolution of the corporation or revocation of a dissolution; (e) amend these Bylaws; (f) fill vacancies in the Board; or (g) unless expressly authorized by the Board, declare a dividend or authorize the issuance of stock. The Board from time to time may, by like resolution, appoint such other committees of one or more directors to have such authority as shall be specified by the Board in the resolution making such appointments. The Board may designate one or more directors as alternate members of any committee who may replace an absent or disqualified member at any meeting thereof.

5.09 Dissent. A director who is present at a meeting of the Board, or a committee thereof of which the director is a member, at which action on a corporate matter is taken is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation promptly after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a written dissent with the Secretary of the corporation within a reasonable time after the director has knowledge of the action.

5.10 Compensation. The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the corporation as directors or officers.

ARTICLE VI  
Manner Of Acting

6.01 Notice. All notices of meetings required to be given to stockholders, directors or any committee of directors may be given by mail, telecopy, facsimile transponder, telegram, radiogram, e-mail or cablegram to any stockholder, director or committee member at his last address as it appears on the books of the corporation. Such notice shall be deemed to be given at the time when the same shall be mailed or otherwise dispatched.

6.02 Waiver. Notice of the time, place and purpose of any meeting of stockholders, directors or committee of directors may be waived by telecopy, telefax, telegram, radiogram, cablegram, e-mail or other writing, either before or after the meeting, or in such other manner as may be permitted by the laws of Maryland. Attendance of a person at any meeting of stockholders, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except as follows:

(a) In the case of a stockholder, unless the stockholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, or unless with respect to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, the stockholder objects to considering the matter when it is presented.

(b) In the case of a director, unless he or she at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

6.03 Consent Action. Any action required or permitted at any meeting of directors or committee thereof may be taken without a meeting, without prior notice and without a vote, if all directors or committee members entitled to vote thereon consent thereto in writing, before or after the action is taken. Any action required or permitted at any meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if all stockholders entitled to vote thereon consent thereto in writing, before or after the action is taken or if such action otherwise satisfies the requirements of the Articles and of law.

ARTICLE VII  
Officers

7.01 Number. The Board shall elect or appoint a President, a Secretary and a Treasurer, and may elect a Chairman and one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. The Chairman shall be a member of the Board. Any two or more of the above offices, except those of President and Vice President, may be held by the same person. No officer shall execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law, the Articles or these Bylaws to be executed, acknowledged, or verified by one or more officers.

7.02 Term of Office. An officer shall hold office for the term for which he is elected or appointed and until his successor is elected or appointed and qualified, or until his resignation or removal. An officer may resign by written notice to the corporation. The resignation is effective upon its receipt by the corporation or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his contract rights, if any. The election or appointment of an officer does not of itself create contract rights.

7.03 Vacancies. The Board may fill any vacancies in any office occurring for whatever reason.

7.04 Authority. All officers, employees and agents of the corporation shall have such authority and perform such duties in the conduct and management of the business and affairs of the corporation as may be designated by the Board and these Bylaws.

ARTICLE VIII  
Duties Of Officers

8.01 Chairman. If a Chairman is appointed by the Board, the Chairman shall preside at all meetings of the stockholders and of the Board at which the Chairman is present. The Chairman shall also be the chief executive officer of the corporation, shall also hold the additional title of CEO, shall also see that all resolutions of the Board are carried into effect, and shall also have the general powers of supervision usually vested in the chief executive officer of a corporation (including without limitation the authority to vote all securities or other interests of other corporations and business organizations held by the corporation).

8.02 President. The President shall be the chief operating officer of the corporation. Furthermore, at any such time as no Chairman is incumbent, the President shall also hold and exercise all authority ascribed to the Chairman in the foregoing bylaw. The President shall abide by the resolutions of the Board and shall see that all directives of the Chairman are carried into effect. The President shall have the general powers of management usually vested in the chief operating officer of a corporation, and, subject to any contrary directives by the Board or Chairman, shall hold (a) authority to supervise corporation personnel and to direct (and commit) the corporation's resources toward the achievement of the corporation's goals, (b) authority to vote all securities or other interests of other corporations and business organizations held by the corporation, and (c) any further authority as may hereafter be vested in him by the Board or Chairman. Moreover, in the absence of the Secretary and any Assistant Secretary, the President may exercise the authority otherwise reserved to the Secretary.

8.03 Vice Presidents. The Vice Presidents, in order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, shall assume operating responsibility for those aspects of the corporation's business referenced in the specific title of the particular Vice President, and shall perform such other duties as the Board, the Chairman or the President may from time to time prescribe.

8.04 Secretary. The Secretary shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the stockholders and of the Board, and shall keep in safe custody the seal of the corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by the signature of the Secretary, or by the signature of the Treasurer or an Assistant Secretary. The Secretary may delegate any of the duties, powers and authorities of the Secretary to one or more Assistant Secretaries, unless such delegation is disapproved by the Board.

8.05 Treasurer. Subject to the authority of any Vice President expressly charged with the responsibility for the corporation's finances, the Treasurer shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books of the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board. The Treasurer shall render to the President and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the corporation. The Treasurer may delegate any of his or her duties, powers and authorities to one or more Assistant Treasurers unless such delegation is disapproved by the Board.

8.06 Assistants. The Assistant Secretaries, in order of their seniority, shall perform the duties and exercise the powers and authorities of the Secretary in case of the Secretary's absence or disability. The Assistant Treasurers, in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform such duties as may be delegated to them by the Secretary and Treasurer, respectively, and also such duties as the Board may prescribe.

ARTICLE IX  
Special Acts

9.01 Orders for Payment. All checks, drafts, notes, bonds, bills of exchange and orders for payment of money of the corporation may, subject to any contrary resolution adopted by the Board from time to time, be signed by the Chairman, the President and such other officers, if any, as shall be authorized by the Board.

9.02 Contracts and Conveyances. The Board of the corporation may in any instance designate the officer and/or agent who shall have authority to execute any contract, conveyance, mortgage or other instrument on behalf of the corporation, or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the Chairman, the President or any Vice President, and the Secretary or Assistant Secretary or Treasurer or Assistant Treasurer, may execute the same in the name and on behalf of this corporation and may affix the corporate seal thereto.

ARTICLE X  
Books and Records

10.01 Maintenance. The proper officers and agents of the corporation shall keep and maintain such books, records and accounts of the corporation's business and affairs, minutes of the proceedings of its stockholders, Board and committees, if any, and such stock ledgers and lists of stockholders, as the Board shall deem advisable, and as shall be required by the laws of Maryland and other states or jurisdictions empowered to impose such requirements. Books, records and minutes may be kept within or without Maryland in a place which the Board shall determine.

10.02 Reliance. In discharging his or her duties, a director or an officer of the corporation, when acting in good faith, may rely upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

- (a) One or more directors, officers, or employees of the corporation, or of a business organization under joint control or common control, whom the director or officer reasonably believes to be reliable and competent in the matters presented.
- (b) Legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence.
- (c) A committee of the board of which he or she is not a member if the director or officer reasonably believes the committee merits confidence.

A director or officer is not entitled to rely on the information set forth above if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted unwarranted.

ARTICLE XI  
Indemnification

11.01 Non-Derivative Actions. Subject to all of the other provisions of this Article XI and subject to the limitations contained in the Maryland Code - Corporations and Associations § 2-418 and any other applicable Maryland statute, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorneys' fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or the stockholders, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation or the stockholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

11.02 Derivative Actions. Subject to all of the provisions of this Article XI and subject to the limitations contained in the Maryland Code - Corporations and Associations § 2-418 and any other applicable Maryland statute, the corporation shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees) and amounts paid in settlement actually and reasonably incurred by the person in connection with such action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or the stockholders. However, indemnification shall not be made for any claim, issue or matter in which such person has been found liable to the corporation unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred.

11.03 Expenses. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 11.01 or 11.02 of these Bylaws, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against actual and reasonable expenses (including attorneys' fees) incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Section 11.03.

11.04 Definitions. For purposes of Sections 11.01 and 11.02, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the corporation" shall include any service as a director, officer, employee, or agent of the corporation which imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the corporation or the stockholders" as referred to in Sections 11.01 and 11.02.

11.05 Right and Limitation. The right to indemnification conferred in this Article XI shall be a contract right, and shall apply to services of a director or officer as an employee or agent of the corporation as well as in such person's capacity as a director or officer. Except as provided in Section 11.03 of these Bylaws, the corporation shall have no obligations under this Article XI to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board.

11.06 Determination. Any indemnification under Section 11.01 or 11.02 of these Bylaws (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 11.01 or 11.02, whichever is applicable, and upon an evaluation of the reasonableness of expenses and amount paid in settlement. Such determination and evaluation shall be made in any of the following ways:

(a) By a majority vote of a quorum of the Board consisting of directors who are not parties or threatened to be made parties to such action, suit or proceeding.

(b) If the quorum described in clause (a) above is not obtainable, then by a majority vote of a committee of directors duly designated by the Board and consisting solely of two or more directors who are not at the time parties or threatened to be made parties to the action, suit or proceeding.

(c) By independent legal counsel in a written opinion which counsel shall be selected in one of the following ways: (i) by the board or its committee in the manner prescribed in subparagraph (a) or (b); or (ii) if a quorum of the board cannot be obtained under subparagraph (a) and a committee cannot be designated under subparagraph (b), by the Board.

(d) By the stockholders, but shares held by directors or officers who are parties or threatened to be made parties to the action, suit or proceeding may not be voted.

11.07 Proportionality. If a person is entitled to indemnification under Section 11.01 or 11.02 of these Bylaws for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

11.08 Advances. The corporation may pay or reimburse the reasonable expenses incurred by a person referred to in Section 11.01 or 11.02 of these bylaws who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding if all of the following apply: (a) the person furnishes the corporation a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Section 11.01 or 11.02; (b) the person furnishes the corporation a written undertaking executed personally, or on his or her behalf, to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct; (c) the authorization of payment is made in the manner specified in Section 11.06; and (d) a determination is made that the facts then known to those making the determination would not preclude indemnification under Section 11.01 or 11.02. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured.

11.09 Non-Exclusivity. The indemnification or advancement of expenses provided under this Article XI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

11.10 Employees and Agents. The corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this Article XI with respect to the indemnification and advancement of expenses of directors and officers of the corporation.



11.11 Succession. The indemnification provided in this Article XI continues as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

11.12 Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, partner, trustee, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify the person against such liability under these Bylaws or the laws of Maryland.

11.13 Overriding Rules. In the event current or future provision of the Articles, or of Maryland statutory law applicable to the corporation, diverge from this Article XI, then the indemnification to which any person shall be entitled hereunder shall be determined by such provisions, but only to the extent that any such divergence permits the corporation to provide broader indemnification rights than otherwise permitted in this Article XI.

11.14 Amendment. No amendment or repeal of this Article XI shall apply to or have any effect on any director or officer of the corporation for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

ARTICLE XII  
Amendment

The Bylaws of the corporation may be amended, altered or repealed, in whole or in part, by the stockholders or by the Board at any meeting duly held in accordance with these Bylaws.



FLORIDA DEPARTMENT OF STATE  
Glenda E. Hood  
Secretary of State

July 17, 2003

OHI SUNSHINE, INC.  
9690 DEERECO BLVD., SUITE 100  
TIMONIUM, MD 21093-6991

Re: Document Number P01000053777

The Statement of Change of Registered Office and Registered Agent for OHI SUNSHINE, INC., a Florida corporation, was filed on July 17, 2003.

This document was electronically received and filed under FAX audit number [ILLEGIBLE] 3000235153.

Should you have any questions regarding this matter, please telephone (850) 245-6050, the Amendment Filing Section.

Teresa Brown  
Document Specialist  
Division of Corporations

Letter Number: 903A00041973

Amount charged: 35.00

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314





FLORIDA DEPARTMENT OF STATE

Katherine Harris  
Secretary of State

May 31, 2001

CSC NETWORKS  
1201 HAYS STREET  
TALLAHASSEE, FL 32301

The Articles of Incorporation for OHI SUNSHINE, INC. were filed on May 31, 2001 and assigned document number P01000053777. Please refer to this number whenever corresponding with this office regarding the above corporation.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT/UNIFORM BUSINESS REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT/UNIFORM BUSINESS REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO INSURE THAT YOU RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT. TO OBTAIN A FEI NUMBER, CONTACT THE IRS AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT/UNIFORM BUSINESS REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Claretha Golden, Document Specialist  
New Filings Section

Letter Number: 301A00033155

Account number: 072100000032

Amount charged: 70.00

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

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ARTICLES OF INCORPORATION

OF

SECRETARY OF STATE  
TALLAHASSEE FLORIDA

OHI SUNSHINE, INC.

\_\_\_\_\_

The undersigned does hereby act as incorporator in adopting the following Articles of Incorporation for the purpose of organizing a corporation for profit, pursuant to the provisions of the Florida Business Corporation Act.

FIRST: The corporate name for the corporation (hereinafter called the "corporation") is OHI Sunshine, Inc.

SECOND: The street address, wherever located, of the principal office of the corporation is 900 Victors Way, Suite 350, Ann Arbor, Michigan 48108.

The mailing address, wherever located, of the corporation is 900 Victors Way, Suite 350, Ann Arbor, Michigan 48108.

\* \* \* \* \*

THIRD: The street address of the initial registered office of the corporation in the State of Florida is c/o Corporation Service Company, 1201 Hays Street, Tallahassee, Florida 32301.

The name of the initial registered agent of the corporation at the said registered office is Corporation Service Company.

The written acceptance of the said initial registered agent, as required by the provisions of Section 607.0501(3) of the Florida Business Corporation Act, is set forth following the signature of the incorporator and is made a part of these Articles of Incorporation.

\* \* \* \* \*

FOURTH: The number of shares that the corporation is authorized to issue is 1,000, all of which are without par value and are of the same class and are Common shares.

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FIFTH: The name and the address of the incorporator are:

NAME

ADDRESS

Stuart D. Logan

39577 Woodward Avenue, Suite 300,  
Bloomfield Hills, Michigan 48416

\*\*\*\*\*

SIXTH: The purposes for which the corporation is organized are as follows: To engage in any lawful business for which corporations may be organized under the Florida Business Corporation Act.

To have all of the general powers granted to corporations organized under the Florida Business Corporation Act, whether granted by specific statutory authority or by construction of law.

SEVENTH: The duration of the corporation shall be perpetual.

EIGHTH: The corporation shall, to the fullest extent permitted by the provisions of the Florida Business Corporation Act, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said provisions from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said provisions, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

NINTH: The corporate existence of the corporation shall begin on May 31, 2001.

Signed on May 30, 2001

/s/ Stuart D. Logan

Stuart D. Logan, Incorporator

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Having been named as registered agent and to accept service of process for the above-named corporation at the place designated in these Articles of Incorporation, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

CORPORATION SERVICE COMPANY

By: /s/ Brian Courtney  
[Name], [Title] **BRIAN COURTNEY, ASST. V.P.**

Date: 5/31/01

FILED

2001 MAY 31 PM 2:41

SECRETARY OF STATE  
TALLAHASSEE FLORIDA

**ARTICLES OF AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
OHI OF KENTUCKY, INC.**

1. The name of the corporation is **OHI of Kentucky, Inc.** (hereinafter the "Corporation").
2. The Corporation hereby amends Article Second of its Articles of Incorporation by deleting said Article in its entirety and inserting in lieu thereof the following new Article Second:

**"SECOND:** The name of the Corporation is **OHI Tennessee, Inc.**"

3. All other provisions of the Articles of Incorporation of ,the corporation shall remain in full force and effect.

RECEIVED

2010 [ILLEGIBLE] 22 [ILLEGIBLE]

DEPARTMENT  
OF ASSESSMENTS  
& TAXATION

4. The foregoing amendment was adopted on March 22, 2010, by joint written consent of the sole director and sole shareholder of the Corporation.

We, the undersigned President and Secretary of the Corporation, swear under penalties of perjury that the foregoing is a corporate act.

/s/ Taylor Pickett

\_\_\_\_\_  
C. Taylor Pickett  
President

/s/ Daniel J. Booth

\_\_\_\_\_  
Daniel J. Booth  
Secretary

#6048919

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This Form is Used by Entity. The Fee is \$10.00.

RESOLUTION TO CHANGE PRINCIPAL OFFICE OR RESIDENT AGENT

The directors/stockholders/general partner/authorized person of \_\_\_\_\_

OHI of Kentucky, Inc. \_\_\_\_\_

(Name of Entity)

organized under the laws of Maryland \_\_\_\_\_, passes the following resolution:  
(State)

[CHECK APPLICABLE BOX(ES)]

The principal office is changed from: (old address)

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

to: (new address)

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

The name and address of the resident agent is changed from:  
[ILLEGIBLE]

Corporation Service Company \_\_\_\_\_

11 E. Chase Street Baltimore, MD 21207 \_\_\_\_\_

to: \_\_\_\_\_  
THE CORPORATION TRUST INCORPORATED

300 East Lombard street, Baltimore, Maryland 21202 \_\_\_\_\_

I certify under penalties of perjury the foregoing is true.

/s/ Michael E. Jones \_\_\_\_\_

Secretary of Assistant Secretary  
General Partner  
Authorized Person  
Michael E. Jones, Vice President

I hereby consent to my designation in this document as resident agent for this entity.

THE CORPORATION TRUST INCORPORATED

SIGNED \_\_\_\_\_ [ILLEGIBLE]

Resident Agent

Linda [ILLEGIBLE] Asst. Sec.

Mail to: State Department of Assessments & Taxation, 301 W. Preston Street, Room 801, [ILLEGIBLE], MD 21201

[ILLEGIBLE]

\_\_\_\_\_

ARTICLES OF INCORPORATION  
OF  
OHI OF KENTUCKY, INC.

THE UNDERSIGNED, being a natural person and acting as incorporator, does hereby adopt the following Articles of Incorporation for the purpose of forming a business corporation in the State of Maryland, pursuant to the provisions of the Maryland General Corporation Law.

FIRST: The name of the incorporator is Stuart D. Logan, his address is 1577 North Woodward Avenue, Suite 300, Bloomfield Hills, Oakland County, Michigan 48304-2820, he is at least eighteen years of age and he is forming the corporation named in those Articles of Incorporation under the general laws of the State of Maryland, to wit, the Maryland General Corporation Law.

SECOND: The name of the corporation is OHI of Kentucky, Inc.

THIRD: The corporation is formed to: (a) own, operate and eventually dispose of, facilities for the provision of nursing care, physical therapy, assisted living and related services, as well as [ILLEGIBLE] engage in all other lawful activities related to, and in furtherance of, this purpose, (b) purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of its property and assets, or any interest therein, wherever situated, (c) engage generally in the real estate business as principal, agent, broker, and in any lawful capacity, and generally to take, lease, purchase, or otherwise acquire, and to own, use, hold, sell, convey, exchange, lease, mortgage, work, clear, improve, develop, divide, and otherwise handle, manage, operate, deal in, and dispose of real estate, real property, lands, multiple-dwelling structures, houses, buildings, and other works and any interest or right therein; to take, lease, purchase, or otherwise acquire, and to own, use, hold, sell, convey, exchange, hire, lease, pledge, mortgage, and otherwise handle, and deal in and dispose of, as principal, agent, broker, and in any lawful capacity, such personal property, chattels, chattels real, rights, easements, privileges, choses in action, notes, bonds, mortgages, and securities as may lawfully be acquired, held, or disposed of; and to acquire, purchase, sell, assign, transfer, dispose of, and generally deal in and with, as principal, agent, broker, and in any lawful capacity, mortgages and other interests in real, personal, and mixed properties; to carry on a general construction, contracting, building, and realty management business as principal, agent, representative, contractor, subcontractor, and in any other lawful capacity, (d) carry on a general mercantile, industrial, investing, and trading business in all its branches; to devise, invent, manufacture, fabricate, assemble, install, service, maintain, alter, buy, sell, import, export, license as licensor or licensee, lease as lessor or lessee, distribute, job, enter into, negotiate, execute, acquire, and assign Contracts in respect of, acquire, receive, grant, and assign licensing arrangements, options, franchises, and other rights in respect of, and generally deal in and with, at wholesale and retail, as principal, and as sales, business, special, or general agent, representative, broker, factor, merchant, distributor, jobber, advisor, and in any other lawful capacity, goods, wares, merchandise,

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commodities, and unimproved, improved, finished, processed, and other real, personal, and mixed property of any and all kinds, together with the components, resultants, and by-products thereof, (e) apply for, register, obtain, purchase, lease, take licenses in respect of, or otherwise acquire, and to hold, own, use, operate, develop, enjoy, turn to account, grant licenses and immunities in respect of, manufacture under and to introduce, sell, assign, mortgage, pledge, or otherwise dispose of, and, in any manner deal with and contract with reference to (i) inventions, devices, formulae, processes, and any improvements and modifications thereof, (ii) letters patent, patent rights, patented processes, copyrights, designs, and similar rights, trade-marks, trade symbols and other indications of origin and ownership granted by or recognized under the laws of the United States of America or of any state or subdivision thereof, or of any foreign country or subdivision thereof, and all rights connected therewith or appertaining thereunto, (iii) franchises, licenses, grants, and concessions, and (f) have all of the powers conferred upon corporations organized under the provisions of the Maryland General Corporation Law.

FOURTH: The address of the principal office of the corporation with the State of Maryland is c/o CSC-Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore City, Maryland 21202.

FIFTH: The name and the address of the resident agent of the corporation within the State of Maryland, are CSC-Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore City, Maryland 21202.

SIXTH: The total number of shares of stock which the corporation has authority to issue is Five Thousand, all of which are without par value and are designated as Common Stock. The Board of Directors of the corporation is authorized, from time to time, to issue any additional stock or convertible securities of the corporation without the approval of the holders of outstanding stock. Provisions, if any, governing the restriction on the transferability of any of the shares of stock of the corporation may be set forth in the bylaws of the corporation or in any agreement or agreements duly entered into. To the extent permitted by Section 2-104(b)(5) of the Maryland General Corporation Law, notwithstanding any provision of the Maryland General Corporation Law requiring a greater proportion than a majority of the votes entitled to be cast in order to take or authorize any action, any such action may be taken or authorized upon the concurrence of at least a majority of the aggregate number of votes entitled to be cast thereon.

SEVENTH: The number of directors of the corporation, until such number shall be changed by the bylaws of the corporation, is one. The name of the individual who will serve as director of the corporation until his successor(s) is (are) elected and qualify are it Essel W. Bailey. The initial bylaws of the corporation shall be adopted by the initial directors. Thereafter, the power to adopt, alter, and repeal the bylaws of the corporation shall be vested in the Board of Directors of the corporation. The liability of the directors of the corporation is limited to the fullest extent permitted by the provisions of Section 2-405.2 of the Maryland General Corporation Law, as the same may be amended and supplemented. The corporation shall, to the fullest extent permitted by the

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Maryland General Corporation Law, as the same may be amended and supplemented, and, without limiting the generality of the foregoing, in accordance with Section 2-418 of said Maryland General Corporation Law, indemnify any and all persons whom it shall have power to indemnify under said law from and against any and all of the expenses, liabilities or other matters referred to in or covered by said Corporation Law.

EIGHTH: From time to time any of the provisions of these Articles of Incorporation may be amended, altered or repealed, and other provisions authorized by the Maryland General Corporation Law at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and any contract rights at any time conferred upon the stockholders of the corporation by these Articles of Incorporation are granted subject to the provisions of this Article.

IN WITNESS WHEREOF, I have adopted and signed these Articles of Incorporation and do hereby acknowledge that the adoption and signing are my act.

Dated: October 26 1999

/s/ Stuart D. Logan

Stuart D. Logan, Incorporator

I hereby consent to my designation in this document as resident agent for this corporation.

CSC Lawyers Incorporating Service Company

Signed by: \_\_\_\_\_

\_\_\_\_\_, Authorized Representative

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I hereby consent to my designation in this document as resident agent for this corporation.

CSC-Lawyers Incorporating Service Company

Signed by: /s/ [ILLEGIBLE]

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Resident Agent

## BYLAWS OF OHI OF KENTUCKY, INC.

I. Offices

The principal office of OHI of Kentucky, Inc. (the "Company") shall be at such place as the Board of Directors of the Company (the "Board") shall from time to time determine. The Company also may have additional offices at such other places as the business may require.

II. Capital

2.01 Issuance. The shares of capital stock of the Company (the "Shares") shall be issued in such amounts, at such times, for such consideration and on such terms as the Board shall deem advisable, subject to the Company's Articles of Incorporation (the "Articles") and the laws of Maryland.

2.02 Certificates. The Shares shall be represented by certificates signed by the President. Each such certificate shall state upon its face that the Company is formed under the laws of Maryland, the person to whom it is issued, the number and class of Shares, and the designation of the series, if any, that the certificate represents, and such other provisions as may be required by Maryland law.

2.03 Transfer. The Shares are transferable only on the books of the Company upon surrender of the certificate therefor, properly endorsed for transfer, and the presentation of such evidences of ownership and validity of the assignment as the Company may require.

2.04 Registration. The Company shall be entitled to treat the person in whose name any Share is registered as the owner thereof for purposes of dividends and other distributions in the course of business, or in the course of recapitalization, merger, plan of share exchange, reorganization, sale of assets, liquidation or otherwise and for the purpose of votes, approvals and consents by shareholders of the Company ("Shareholders"), and for the purpose of notices to Shareholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other person, whether or not the Company shall have notice thereof, save as expressly required by the laws of Maryland.

2.05 Replacement. Upon the presentation to the Company of a proper affidavit attesting the loss, destruction or mutilation of any certificate for Shares, the Board shall direct the issuance of a new certificate to replace the certificate so alleged to be lost, destroyed or mutilated. The Board may require as a condition precedent to the issuance of a new certificate a bond or agreement of indemnity, in such form and amount, and with such sureties as the Board may direct or approve.

III. Shareholders

3.01 Meetings. Meetings of Shareholders shall be held at the principal office of the Company or at such other place as determined by the Board and stated in the notice of meeting. The annual meeting of Shareholders shall be held on the first Monday of March at 10:30 o'clock in the morning. Directors shall be elected at each annual meeting and such other business transacted as may come before the meeting. Special meetings of Shareholders may be called by the Board, the CEO (if such office is filled), the President or any Director, and shall be called by the Secretary at the written request of Shareholders holding a majority of the outstanding Shares and entitled to vote. The request shall state the purpose or purposes for which the meeting is to be called.

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3.02 Notice. Except as otherwise provided by statute or the Articles, written notice of the time, place and purposes of a meeting of Shareholders shall be given not fewer than ten nor more than 60 days before the date of the meeting to each Shareholder of record entitled to vote at the meeting, either personally or by mailing such notice to his last address as it appears on the books of the Company. No notice need be given of an adjourned meeting of the Shareholders provided the time and place to which such meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting a notice of the adjourned meeting shall be given to each Shareholder of record on the new record date entitled to notice as provided in this Bylaw.

3.03 Dates. The Board may fix in advance a date as the record date for the purpose of determining Shareholders entitled to notice of and to vote at a meeting of Shareholders or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purpose of determining Shareholders entitled to receive payment of a dividend or allotment of a right, or for the purpose of any other action. The date fixed shall not be more than 60 nor less than ten days before the date of the meeting, nor more than 60 days before any other action. In such case only such Shareholders as shall be Shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or adjournment thereof, or to express consent or to dissent from such proposal, or to receive payment of such dividend or to receive such allotment of rights, or to participate in any other action, as the case may be, notwithstanding any transfer of any stock on the books of the Company, or otherwise, after any such record date. Nothing in this Bylaw shall affect the rights of a Shareholder and his transferee or transferor as between themselves.

3.04 Lists. The Secretary of the Company or the agent of the Company having charge of the stock transfer records for Shares shall make and certify a complete list of the Shareholders entitled to vote at a Shareholders' meeting or any adjournment thereof. The list shall be arranged alphabetically within each class and series, with the address of, and the number of Shares held by, each Shareholder, be produced at the meeting, be subject to inspection by any Shareholder during the meeting, and be prima facie evidence of the Shareholders entitled to examine the list or vote.

3.05 Quorum. Unless a greater or lesser quorum is required in the Articles or by the laws of Maryland, the Shareholders present at a meeting in person or by proxy who, as of the record date for such meeting, were holders of a majority of the outstanding Shares entitled to vote at the meeting shall constitute a quorum. Whether or not a quorum is present, a meeting of Shareholders may be adjourned by a vote of the Shares present in person or by proxy. When the holders of a class or series of Shares are entitled to vote separately on an item of business, this Bylaw applies in determining the presence of a quorum of such class or series for transaction of such item of business.

3.06 Proxies. A Shareholder entitled to vote at a meeting of Shareholders or to express consent or dissent without a meeting may authorize other persons to act for the Shareholder by proxy. A proxy shall be signed by the Shareholder or the Shareholder's authorized agent or representative.

3.09 Voting. Each outstanding Share is entitled to one vote on each matter submitted to a vote, unless otherwise provided in the Articles. When an action, other than the election of directors, is to be taken by a vote of the Shareholders, it shall be authorized by a majority of the votes cast by the holders of Shares entitled to vote thereon, unless a greater vote is required by the Articles or by the laws of Maryland. Except as otherwise provided by the Articles, directors shall be elected by a plurality of the votes cast at any election.

#### IV. Directors

4.01 Number. Until the amendment of this Section 4.01, the business of the Company shall be managed by a Board of one director. No director need be a resident of Maryland or a Shareholder.

4.02 Tenure. Directors shall be elected at each annual meeting of the Shareholders, each to hold office until the next annual meeting of Shareholders and until the director's successor is elected and qualified, or until the director's resignation or removal. A director may resign by written notice to the Company. The resignation is effective upon its receipt by the Company or a subsequent time as set forth in the notice of resignation. A director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the Shares entitled to vote at an election of directors.

4.03 Vacancies. Vacancies in the Board occurring by reason of death, resignation, removal, increase in the number of directors or otherwise shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board, unless filled by proper action of the Shareholders. Each person so elected shall be a director for a term of office continuing only until the next election of directors by the Shareholders. A vacancy that will occur at a specific date, by reason of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the newly elected director may not take office until the vacancy occurs.

4.04 Meetings. The Board shall meet each year immediately after the annual meeting of the Shareholders, or within three days of such time excluding Sundays and legal holidays if such later time is deemed advisable, at the place where such meeting of the Shareholders has been held or such other place as the Board may determine, for the purpose of election of officers and consideration of such business that may properly be brought before the meeting; provided, that if less than a majority of the directors appear for an annual meeting of the Board the holding of such annual meeting shall not be required and the matters which might have been taken up therein may be taken up at any later special or annual meeting, or by consent resolution. Regular meetings of the Board may be held at such times and places as the majority of the directors may from time to time determine at a prior meeting or as shall be directed or approved by the vote or written consent of all directors. Special meetings of the Board may be called by the President and shall be called by the Secretary upon the written request of any director.

4.05 Notices. No notice shall be required for annual or regular meetings of the Board or for adjourned meetings, whether regular or special. Three days' written notice shall be given for special meetings of the Board, and such notice shall state the time, place and purposes of the meeting.

4.06 Quorum. A majority of the Board then in office, or of the members of a committee thereof, constitutes a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the acts of the Board or of the committee, except as a larger vote may be required by the laws of Maryland. A member of the Board or of a committee designated by the Board may participate in a meeting by means of conference telephone by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.



4.07 Committees. The Board may, by resolution passed by a majority of the whole Board, appoint three or more members of the Board as an executive committee to exercise all powers and authorities of the Board in management of the business and affairs of the Company, except that the committee shall not have power or authority to (a) amend the Articles; (b) adopt an agreement of merger or consolidation; (c) recommend to Shareholders the sale, lease or exchange of all or substantially all of the Company's property and assets; (d) recommend to Shareholders a dissolution of the Company or revocation of a dissolution; (e) amend these Bylaws; (f) fill vacancies in the Board; or (g) unless expressly authorized by the Board, declare a dividend or authorize the issuance of stock. The Board from time to time may, by like resolution, appoint such other committees of one or more directors to have such authority as shall be specified by the Board in the resolution making such appointments. The Board may designate one or more directors as alternate members of any committee who may replace an absent or disqualified member at any meeting thereof.

4.08 Dissent. A director who is present at a meeting of the Board, or a committee thereof of which the director is a member, at which action on a corporate matter is taken is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company promptly after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a written dissent with the Secretary of the Company within a reasonable time after the director has knowledge of the action.

4.09 Compensation. The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the Company as directors or officers.

#### V. Procedures

5.01 Notice. All notices of meetings to be given to Shareholders, directors or any committee of directors may be given by mail, overnight courier, telefax or e-mail to any Shareholder, director or committee member at his last address as it appears on the books of the Company. Such notice shall be deemed to be given at the time when the same shall be mailed or otherwise dispatched.

5.02 Waiver. Notice of the time, place and purpose of any meeting of Shareholders, directors or committee of directors may be waived by mail, overnight courier, telefax or e-mail, either before or after the meeting, or in such other manner as may be permitted by the laws of Maryland. Attendance of a person at any meeting of Shareholders, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except as follows:

(a) In the case of a Shareholder, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, or unless with respect to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, the Shareholder objects to considering the matter when it is presented.

(b) In the case of a director, unless he or she at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

5.03 Consent. Any action required or permitted at any meeting of directors or committee thereof may be taken without a meeting, without prior notice and without a vote, if all directors or committee members entitled to vote thereon consent thereto in writing, before or after the action is taken. Any action required or permitted at any meeting of Shareholders may be taken without a meeting, without prior notice and without a vote, if all Shareholders entitled to vote thereon consent thereto in writing, before or after the action is taken or if such action otherwise satisfies the Articles and Maryland law.

#### VI Officers

6.01 Number. The Board shall elect or appoint a President, a Secretary and a Treasurer, and may elect a Chief Executive Officer (the "CEO"), a Chief Operating Officer (the "COO"), and/or one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. The CEO (if appointed) shall be a member of the Board. Any two or more of the above offices, except those of President and Vice President, may be held by the same person. No officer shall execute or verify an instrument in more than one capacity if the instrument is required by law, the Articles or these Bylaws to be executed, acknowledged, or verified by one or more officers.

6.02 Term. An officer shall hold office for the term for which he is elected or appointed and until his successor is elected or appointed and qualified, or until his resignation or removal. An officer may resign by written notice to the Company. The resignation is effective upon its receipt by the Company or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his contract rights, if any. The appointment of an officer does not of itself create contract rights.

6.03 Vacancies. The Board may fill any vacancies in any office occurring for whatever reason.

6.04 Authority. All officers, employees and agents of the Company shall have such authority and perform such duties in the conduct and management of the business and affairs of the Company as may be designated by the Board and these Bylaws.

#### VII. Duties

7.01 CEO. The CEO, if any is appointed, shall preside at all meetings of the Shareholders and of the Board at which the CEO is present. The CEO shall be the chief executive officer of the Company, shall see that all resolutions of the Board are carried into effect, and shall have the general powers of supervision usually vested in the chief executive officer of a corporation. Subject to any contrary directives by the Board, the CEO shall hold (a) authority to direct (and commit) the Company's resources toward the achievement of the Company's goals, (b) authority to vote all securities or other interests of other corporations and business organizations held by the Company, and (c) any further authority as may hereafter be vested in him by the Board.

7.02 President. In the absence of the CEO, the President shall hold and exercise all authority ascribed to the CEO. In addition, the President shall exercise any and all authority as may be granted to him by the Board, and, subject only to the directives of the CEO, shall ensure that all resolutions of the Board are carried into effect. In the absence of the COO, the President shall also shall hold and exercise all authority ascribed to the COO. In the absence of the Secretary and any Assistant Secretary, the President may exercise the authority otherwise reserved to the Secretary.

7.03 COO. The COO shall be the chief operating officer of the Company. The President shall have the general powers of management usually vested in the chief operating officer of a corporation, and, subject to any contrary directives by the Board, shall hold (a) authority to supervise corporation personnel and to implement the directives of the Board, the President and the CEO, and (b) any further authority as may hereafter be vested in him by the Board.

7.04 Vice Presidents. The Vice Presidents, in order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. The Vice Presidents shall in any event assume operating responsibility for those aspects of the Company's business referenced in any specific title of the particular Vice President, and shall perform such other duties as may be delegated by the Board, the CEO, the COO or the President. In any event, any Vice President whose title includes the phrase chief financial officer shall be deemed to have been charged with the responsibility for the Company's finances, shall have been granted custody of corporate funds and securities, shall be obligated to keep full and accurate accounts of receipts and disbursements in books of the Company, and shall deposit all moneys and other value in the name and to the credit of the Company in such depositories as may be designated by the Board. Moreover, any Vice President whose title includes the phrase general counsel shall be deemed to have been charged with the responsibility for the Company's legal affairs and shall be deemed the Company's principal liaison with the Company's outside counsel and regulatory authorities.

7.05 Secretary. The Secretary shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the Shareholders and of the Board, and shall keep in safe custody the seal of the Company and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by the signature of the Secretary, or by the signature of the Treasurer or an Assistant Secretary. The Secretary may delegate any of the duties, powers and authorities of the Secretary to one or more Assistant Secretaries, unless such delegation is disapproved by the Board.

7.06 Treasurer. Subject to the authority of any Vice President charged with the responsibility for the Company's finances, the Treasurer shall have the custody of corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books of the Company and shall deposit all moneys and other value in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall render to the President and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the Company. The Treasurer may delegate any of his or her duties, powers and authorities to one or more Assistant Treasurers unless such delegation is disapproved by the Board.

7.07 Assistants. The Assistant Secretaries, in order of their seniority, shall perform the duties and exercise the powers and authorities of the Secretary in case of the Secretary's absence or disability. The Assistant Treasurers, in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform such duties as may be delegated by the Secretary and Treasurer, respectively, and also such duties as the Board may prescribe.

#### VIII. Actions

8.01 Payment. All checks, drafts, notes, bonds, bills of exchange and orders for payment of money of the Company may, subject to any contrary resolution adopted by the Board from time to time, be signed by the CEO, the President or any other officer as may be authorized by the Board.

8.02 Contracts. The Board may in any instance designate the officer and/or agent who shall have authority to execute any contract, conveyance, mortgage or other instrument on behalf of the Company, or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the CEO or President may execute the same in the name and on behalf of the Company and may affix the corporate seal thereto.

#### IX. Records

9.01 Maintenance. The proper officers and agents of the Company shall keep and maintain such books, records and accounts of the Company's business and affairs, minutes of the proceedings of its Shareholders, Board and committees, if any, and such stock ledgers and lists of Shareholders, as the Board shall deem advisable, and as shall be required by the laws of Maryland and other states or jurisdictions empowered to impose such requirements. Books, records and minutes may be kept within or without Maryland in a place which the Board shall determine.

9.02 Reliance. In discharging his or her duties, a director or an officer of the Company, when acting in good faith, may rely upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (a) one or more directors, officers, or employees of the Company, or of a business organization under joint control or common control, whom the director or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence, or (c) a committee of the board of which he or she is not a member if the director or officer reasonably believes the committee merits confidence. A director or officer may not rely on any information if he or she has knowledge concerning the matter that makes reliance otherwise permitted unwarranted.

#### X Indemnification

10.01 Personal. Subject to all of the other provisions of this Article X, the Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Company) by reason that the person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another entity or enterprise, against expenses (including reasonable attorneys' fees), judgments, penalties and amounts paid in settlement reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders, and, with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

10.02 Derivative. Subject to all of the provisions of this Article X, the Company shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees) and amounts paid in settlement reasonably incurred by the person in connection with such action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company or the Shareholders. However, indemnification shall not be made for any claim, issue or matter in which such person has been found liable to the Company unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred.

10.03 Expenses. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.01 or 10.02 of these Bylaws, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against actual and reasonable expenses (including attorneys' fees) incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Section 11.03.

10.04 Definitions. For purposes of Sections 10.01 and 10.02, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company that imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Company or the Shareholders".

10.05 Parameters. The right to indemnification conferred in this Article X shall be a contract right, and shall apply to services of a director or officer as an employee or agent of the Company as well as in such person's capacity as a director or officer. Except as provided in Section 10.03 of these Bylaws, the Company shall have no obligations under this Article X to indemnify any person in connection with any proceeding, or part thereof, initiated by him or her without Board authorization.

10.06 Determination. Any indemnification under Section 10.01 or 10.02 of these Bylaws (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 10.01 or 10.02, whichever is applicable, and upon an evaluation of the reasonableness of expenses and amount paid in settlement. Such determination and evaluation shall be made in any of the following ways:

(a) By a majority vote of a quorum of the Board consisting of directors who are not parties or threatened to be made parties to such proceeding.

(b) If the quorum described in clause (a) above is not obtainable, then by a majority vote of a committee of directors duly designated by the Board and consisting solely of two or more directors who are not at the time parties or threatened to be made parties to the proceeding.

(c) By independent legal counsel in a written opinion, so long as such counsel is selected (i) by the Board or its committee in the manner prescribed in subparagraph (a) or (b), or (ii) if a quorum of the Board cannot be obtained under subparagraph (a) and a committee cannot be designated under subparagraph (b), by the Board.

(d) By the Shareholders, but Shares held by directors or officers who are parties or threatened to be made parties to the action, suit or proceeding may not be voted.

10.07 Proportionality. If a person is entitled to indemnification under Section 10.01 or 10.02 of these Bylaws for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Company shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

10.08 Advances. The Company may pay or reimburse the reasonable expenses incurred by a person referred to in Section 10.01 or 10.02 of these bylaws who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding if (a) the person furnishes the Company a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Section 10.01 or 10.02, (b) the person furnishes the Company a written undertaking executed to personally repay the advance if it is ultimately determined that he or she did not meet the standard of conduct, (c) the authorization of payment is made in the manner specified in Section 10.06, and (d) a determination is made that the facts then known to those making the determination would not preclude indemnification under Section 10.01 or 10.02. The undertaking shall be a general obligation of the person, but need not be secured.

10.09 Scope. The indemnification or advancement of expenses provided under this Article X is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Company. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

10.10 Agents. The Company may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Company to the fullest extent of the provisions of this Article X with respect to the indemnification and advancement of expenses of directors and officers of the Company.

10.11 Succession. The indemnification provided in this Article X continues as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her successors.

10.12 Insurance. The Company may buy and maintain insurance on behalf of any person who is or was a director, officer, partner, trustee, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another entity or enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Company would have power to indemnify the person against such liability under these Bylaws or the laws of Maryland.

10.13 Legislation. Upon any change of the Maryland statutory provisions relating to the subject matter of this Article X, the indemnification to which any person shall be entitled hereunder shall be determined by such changed provisions, but only to the extent that any such change permits the Company to provide broader indemnification rights than before any such change. Subject to Section 10.14, the Board may amend these Bylaws to conform to any such changed statutory provisions.

10.14 Amendment. No amendment or repeal of this Article X shall apply to any director or officer of the Company for or with respect to any prior acts or omissions of such director or officer.

#### XI Amendment

The Bylaws of the Company may be amended, altered or repealed, in whole or in part, by the Shareholders or by the Board at any meeting duly held in accordance with these Bylaws.



**William Francis Galvin**  
**Secretary of the**  
**Commonwealth**

*The Commonwealth of Massachusetts*  
*Secretary of the Commonwealth*  
*State House, Boston, Massachusetts 02133*

**June 3, 2003**

TO WHOM IT MAY CONCERN:

I hereby certify that according to the records of this office,

**OHIMA, INC.**

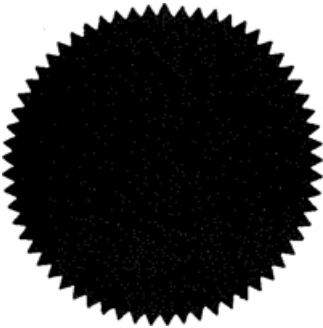
is a domestic corporation organized on **July 14, 1999**, under the General Laws of the Commonwealth of Massachusetts.

I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156B section 101 for said corporations dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.

**In testimony of which,  
I have hereunto affixed the  
Great Seal of the Commonwealth  
on the date first above written.**

/s/ William Francis Galvin

**Secretary of the Commonwealth**



\*MGL Chapter 156B Section 83A provides that certain consolidations and mergers may be filed with the division within thirty days after the effective date of the merger or consolidation.





The Commonwealth of Massachusetts  
William Francis Galvin  
Secretary of the Commonwealth  
One Ashburton Place, Boston, Massachusetts 02108-1512

**CERTIFICATE OF CHANGE OF PRINCIPAL OFFICE**  
**(General Laws, Chapter 156B, Section 14)**

I, Daniel J. Booth, \*Clerk / \*Assistant Clerk

of OHIMA, INC.,  
*(Exact name of corporation)*

having a principal office at 2 Oliver Street, Boston, MA 02109,  
*(Street address of corporation in Massachusetts)*

certify that pursuant to General Laws, Chapter 156B, Section 14, the directors of said corporation have changed the location of the principal office of the corporation to:

101 Federal Street, Suite 300, Boston, MA 02110  
*(New street address of corporation in Massachusetts including number, street, city or town and zip code.)*

[ILLEGIBLE]  
COMMONWEALTH

02 SEP PM 2:38

CORPORATION DIVISION

SIGNED UNDER THE PENALTIES OF PERJURY, this 29 day of August, 2002.

/s/ Daniel J. Booth  
Daniel J. Booth

, \*Clerk / \*Assistant Clerk.

*\*Delete the inapplicable words.*

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The Commonwealth of Massachusetts  
William Francis Galvin  
Secretary of the Commonwealth  
One Ashburton place, Boston, Massachusetts 02108-1512

ARTICLES OF ORGANIZATION  
(General Laws, Chapter 156B)

ARTICLE I

The exact name of the incorporation is:

OHIMA INC.

ARTICLE II

The purpose of the corporation is to engage in the following business activities:

To engage in the business associated with the operation of healthcare facilities.

To carry on business or other activity which may lawfully be carried on by a corporation organized under the Business Corporation Law of the Commonwealth of Massachusetts, whether or not related to those referenced in the preceding paragraph.

- C
- P
- M
- R.A.

99195004

[ILLEGIBLE]

---

**ARTICLE III**

[ILLEGIBLE] and per value, if any, of each class of stock which the corporation is authorized to issue.

Without Par Value		WITH PAR VALUE		
TYPE	NUMBER OF SHARES	TYPE	NUMBER OF SHARES	PAR VALUE
Common:	-	Common:	200,000	\$.01
Preferred:	-	Preferred:	-	-

**ARTICLE IV**

[ILLEGIBLE] one class of stock is authorised, state a distinguishing designation for each class. Prior to the issuance of any [ILLEGIBLE] shares of another [ILLEGIBLE] are outstanding, the corporation must provide a description of the preferences, [ILLEGIBLE], and special or relative rights or privileges of that class and of each other class of which shares [ILLEGIBLE] and of each series then established within any class.

N/A

**ARTICLE V**

The restrictions, if any, imposed by the Article of Organization upon the transfer of shares of stock of any Class are:

None.

**ARTICLE VI**

\*\*Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or stockholders, or of any class of stockholders:

None.

[ILLEGIBLE]

\*\* if there are no provisions state "None"

Note: The preceding six (6) articles are considered to be [ILLEGIBLE] and may ONLY be changed by filing appropriate Articles of Amendment.

---

**ARTICLE VII**

The effective date of organization of the corporation shall be the date approved and filed by the Secretary of the Commonwealth [ILLEGIBLE] effective date is desired, specify such date which shall not be more than thirty days after the date of filing.

N/A

**ARTICLE VIII**

The information contained in Article VIII is not a permanent part of the Article of Organization.

a. The [ILLEGIBLE] address (post office boxes are not acceptable ) of the principal office of the corporation *in massachusetts* is:

[ILLEGIBLE] c/o C/T Corporation System 2 Oliver Street, Boston, MA 02109

b. The name, residential address and post office address of each director and officer of the corporation is as follows:

	<b>NAME</b>	<b>RESIDENTIAL ADDRESS</b>	<b>POST OFFICE ADDRESS</b>
President:	Essel W. Bailey, Jr.	One Hillside Court Ann Arbor, MI 48104	Same
Treasurer:	David A. Stover	240 Stonebridge North Ann Arbor, MI 48108	Same
Clerk:	Susan Kovach	180 Lake Village Drive Ann Arbor, MI 48103	Same
Directors:	Essel W. Bailey, Jr.	One Hillside Court Ann Arbor, MI 48104	Same

c. The fiscal year (i.e., tax year) of the corporation shall end on the last day of the month of:

December 31

d. The name and business address of the resident agent, if any, of the corporation is:

c/o C/T Corporation System, 2 Oliver Street, Boston, MA 02109

**ARTICLE IX**

By laws of the corporation have been duly adopted and the president, treasurer, clerk and directors whose name are set forth above, have been duly elected.

IN WITNESS WHEREOF AND UNDER THE PAINS AND PENALTIES OF PERJURY, I/we, whose signature(s) appear below as incorporator(s) and whose name(s) and business or residential address(es) *are clearly typed or printed* beneath each signature do hereby associate with the intention of forming this corporation under the provisions of General Laws, Chapter 1568 and do hereby sign these Articles of Organization as incorporator(s) this 13<sup>th</sup> day of July, 1999.

\_\_\_\_\_  
/s/ Susan Kovach

\_\_\_\_\_  
Susan Kovach  
900 Victors Way, Suite 350  
\_\_\_\_\_  
Ann Arbor, MI 48108

\_\_\_\_\_  
[ILLEGIBLE]

# 73998

THE COMMONWEALTH OF MASSACHUSETTS

[ILLEGIBLE]

**ARTICLES OF ORGANIZATION**  
**(General Laws, Chapter 156B)**

---

---

I hereby certify that, upon examination of these Article, of Organization, duly submitted to me, it appears that the provisions of the General Laws relative to the organization of corporations have been complied with and I hereby approve said articles; and the filing fee in the amount of [ILLEGIBLE] having been paid, said article are deemed to have been filed with [ILLEGIBLE] this 14<sup>th</sup> day of JULY 1999.

**Effective date:** \_\_\_\_\_

/s/ William Frances Galvin

**WILLIAM FRANCES GALVIN**  
**Secretary of the Commonwealth**

**FILING FEE:** One tenth of one percent of the total authorized capital stock, but not less than \$200.00. For the purpose of filing, shares of stock with a par value less than \$1.00, or no par stock, shall be deemed to have a par value of \$1.00 per share.

**TO BE FILLED IN BY CORPORATION**  
**Photocopy of document to be sent to:**

Jon Olinto  
Baje And Dorr LLP  
60 State Street  
Boston, MA 02109

Telephone: (617) 526-5061

09 JUN 8 AM 11 28

FILED  
SECRETARY OF STATE  
KANSAS

**ARTICLES OF INCORPORATION**  
**OF**  
**OMEGA (KANSAS), INC.**

The undersigned, being a natural person of the age of 18 years or more, for the purpose of forming a corporation under the Kansas General Corporation Code, does hereby adopt the following Articles of Incorporation.

**ARTICLE I**  
**CORPORATE NAME**

The name of the corporation is Omega (Kansas), Inc. (the "Corporation").

**ARTICLE II**  
**REGISTERED OFFICE AND REGISTERED AGENT**

The Registered Office of the Corporation in the State of Kansas is located at 515 South Kansas, City of Topeka, County of Shawnee, Kansas 66603. The name of its Registered Agent at such address is The Corporation Company, Inc.

**ARTICLE III**  
**PURPOSE OF ORGANIZATION**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Kansas General Corporation Code as presently in effect or as it may hereafter be amended.

**ARTICLE IV**  
**CAPITALIZATION**

The total number of shares of all classes of stock which the Corporation shall have authority to issue is 1,000 shares of common stock, par value of \$.001 per share.

---

**ARTICLE V**  
**INCORPORATOR**

The name and mailing address of the incorporator are Sandra T. Hawley, c/o Shook, Hardy & Bacon L.L.P., 1010 Grand Boulevard, 5th Floor, Post Office Box 15607, Kansas City, Missouri 64106-0607. The powers of said Incorporator shall not terminate upon the filing of the Articles of Incorporation.

**ARTICLE VI**  
**DIRECTORS**

The number of Directors to constitute the initial Board of Directors is one. After the first meeting of the Board of Directors, the number of Directors shall be fixed in the manner provided in the Bylaws of the Corporation. Voting for directors shall not be by written ballot, unless requested by any stockholder.

**ARTICLE VII**  
**BYLAWS**

In furtherance of and not in limitation of the powers conferred by the laws of the State of Kansas, the Board of Directors of the Corporation is authorized and empowered to make, alter, amend and repeal the bylaws of the Corporation in any manner not inconsistent with the laws of the State of Kansas.

**ARTICLE VIII**  
**PREEMPTIVE RIGHTS**

The stockholders shall have preemptive rights to purchase any shares of the Corporation hereafter issued or any securities exchangeable for or convertible into such shares or any warrants or other instruments evidencing rights or options to subscribe for, purchase or otherwise acquire such shares; provided, however, no preemptive rights shall exist to acquire shares issued to employees pursuant to any equity-based incentive plan adopted by the Corporation.

**ARTICLE IX**  
**CUMULATIVE VOTING**

At all elections of directors of the Corporation and for the purposes of all other matters upon which stockholders are entitled to vote, each stockholder shall be entitled to as many votes as shall equal the number of shares of stock held by that stockholder. No cumulative voting shall be permitted.

**ARTICLE X**  
**DIRECTOR LIABILITY**

To the fullest extent permitted by the Kansas General Corporation Code as presently in effect or as it may hereafter be amended, no director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director.

**ARTICLE XI**  
**INDEMNIFICATION**

The Corporation shall, to the fullest extent permitted by the Kansas General Corporation Code as presently in effect or as it may hereafter be amended, indemnify all persons whom it may indemnify pursuant thereto and advance expenses of litigation to directors and officers in accordance with the procedures and limitations set forth in the bylaws of the Corporation.

**ARTICLE XII**  
**STOCKHOLDER WRITTEN CONSENTS**

Any action which may be taken at a meeting of the stockholders may be taken without a meeting if consents in writing, setting for the action so taken, shall be signed by all the stockholders entitled to vote with respect to the subject matter thereof.

**ARTICLE XIII**  
**COMPROMISES OR ARRANGEMENTS WITH CREDITORS OR STOCKHOLDERS**

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them or between this Corporation and its stockholders or any class of them, any court of competent jurisdiction within the state of Kansas, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of K.S.A. 17-6901 and amendments thereto, or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of K.S.A. 17-6808 and amendments thereto, may order a meeting of the creditors or class of creditors, or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.



IN WITNESS WHEREOF, these Articles of Incorporation have been signed this 8th day of June, 1999.

/s/ Sandra T. Hawley

Sandra T. Hawley  
Sole Incorporator

STATE OF MISSOURI            )  
  ) ss.  
COUNTY OF JACKSON        )

I, L. Diane Brown, a Notary Public, do hereby certify that on the 8th day of June, 1999, personally appeared before me Sandra T. Hawley, who being first duly sworn, acknowledged and declared that he is the person who signed the foregoing document as Incorporator and that the statements therein contained are true.

/s/ L. Diane Brown

Notary Public

My commission  
expires:

09/24/2001

**L. DIANE BROWN**  
**Notary Public-State of Missouri**  
**Commissioned in Jackson County**  
**My Commission Exp. September 24, 2001**



CERTIFICATE OF THE KANSAS SECRETARY OF STATE

Registration No. 274-512-3

I hereby certify the above and foregoing to be true and correct copy of the original filed with the Kansas Secretary of State. Certified on this date: June 8, 99

RON THORNBURGH, Secretary of State

**ARTICLES OF INCORPORATION OF OMEGA TRS I, INC.**

THE UNDERSIGNED, being a natural person and acting as sole incorporator, hereby adopts the following articles of incorporation (these "Articles") for the purpose of forming a business corporation in the State of Maryland pursuant to the Maryland General Corporation Law (the "MGCL").

**FIRST**

1. The name of the incorporator is Stuart D. Logan, the age of the incorporator is 44 years, the county of residence of the incorporator is Oakland County, Michigan, and the address of the incorporator in such county is 39577 Woodward Avenue, Suite 300, Bloomfield Hills, Michigan 48304.
2. The incorporator shall have formed the corporation named in these Articles (the "Corporation") under the general laws of the State of Maryland, and, in particular, the MGCL.

**SECOND**

The name of the Corporation is Omega TRS I, Inc.

**THIRD**

1. The Corporation is formed to engage in any lawful activity, to conduct any lawful business and to make any lawful investment for which corporations may be organized under the MGCL.
2. The period of the existence of the Corporation shall be perpetual.

**FOURTH**

1. The address of the principal office of the Corporation within the State of Maryland is 32 South Street, Baltimore City, Maryland 21202, care of CT Corporation System.
2. The name and the address of the resident agent of the Corporation within the State of Maryland are (a) CT Corporation System, and (b) 32 South Street, Baltimore City, Maryland 21202.

**FIFTH**

1. The Corporation shall be authorized to issue up to 10,000 shares of capital stock ("Shares"), each of which shall be (a) ascribed a par value of one dollar, and (b) designated as common stock.
  2. The aggregate par value of all the authorized Shares is \$10,000.
  3. The board of directors of the Corporation (the "Board") may hereafter cause the Corporation to issue Shares or convertible securities without the approval of the holders of outstanding Shares.
  4. Any restriction on the transferability of any Shares may be set forth in the bylaws of the Corporation (the "Bylaws") or in any restrictive contract signed by the holder of the affected Shares.
-

5. To the extent permitted by Section 2-104(b)(5) of the MGCL, and notwithstanding any provision of the MGCL requiring a greater proportion than a majority of the votes entitled to be cast in order to take or authorize any action, any such action may be taken or authorized upon the concurrence of at least a majority of the aggregate number of votes entitled to be cast thereon.

**SIXTH**

1. Until changed by the Bylaws, or until any such time (if ever) as the Corporation shall have more than one Shareholder, only one director shall serve on the Board.
2. Susan A. Kovach shall serve as the sole member of the Board, until (a) the first annual meeting of stockholders and (b) her successor shall have been elected and qualified.
3. The initial Bylaws shall be adopted by the initial member of the Board, and, thereafter, the power to adopt, alter, and repeal the Bylaws shall be vested in the Board.

**SEVENTH**

1. To the fullest extent that limitations on the liability of directors and officers are permitted by the MGCL, no director or officer of the Corporation shall have any liability to the Corporation or any holder of Shares for monetary redress or other damages. This limitation on liability applies to events occurring at the time a person serves as a director or officer of the Corporation whether or not such person is a director or officer at the time of any proceeding in which liability is asserted.
2. The Corporation shall indemnify and advance expenses to its directors to the fullest extent that the indemnification of, and the advancement of expenses to, directors is permitted by the MGCL. The Corporation shall indemnify and advance expenses to its officers to the same extent as its directors and to such further extent as is consistent with law. To any greater extent permitted by the MGCL, the Board may (by bylaw, resolution or agreement) make further provision for indemnification of the Corporation's directors, officers, employees and agents.
3. References to the MGCL in this Article Seventh are to that law as from time to time amended, and no future amendment to these Articles shall affect any right of any person under this Article Seventh based on any event, omission or proceeding arising prior to such amendment.

\*\*\*\*\*

IN WITNESS WHEREOF, the undersigned incorporator hereby affirms that he has adopted and executed these Articles and hereby acknowledges that such adoption and execution are his free act.

Dated: March 7, 2001

/s/ Stuart D. Logan  
Stuart D. Logan

300 East Lombard Street  
Baltimore, MD 21202  
Tel. 410 539 2837  
Fax 410 332 1178

**I hereby consent to act as resident agent in Maryland for the entity named in the attached instrument.**

The Corporation Trust Incorporated

/s/ Billie J. Swoboda

Billie J. Swoboda, V.P.

**BOOK PAGE**

**ARTICLES OF INCORPORATION**

[ILLEGIBLE]

**OF**

50.00

**[Company]**

[ILLEGIBLE]

I, the undersigned, acting as incorporator of a corporation under the Kentucky Business Corporation Act of 1988, adopt the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is [Company].

SECOND: The number of shares the corporation is authorized to issue is One Thousand (1,000) shares of Common Stock, par value \$.01 per share.

THIRD: The street address of the corporation's initial registered office is c/o CT CORPORATION SYSTEM, Kentucky Home Life Building, Louisville, Kentucky 40202, and the name of its registered agent at that office is CT CORPORATION SYSTEM.

FOURTH: The mailing address of the corporation's principal office is 905 West Eisenhower Circle, Suite 110, Ann Arbor, Michigan 48103.

FIFTH: The name and mailing address of each incorporator is:

**NAME**

**ADDRESS**

Alice A. Deck

Four Penn Center Plaza  
Philadelphia, PA 19103

Dated: \_\_\_\_\_.

/s/ Alice A. Deck

Alice A. Deck, Incorporator

STATE OF Pennsylvania )  
 ) SS  
COUNTS OF Philadelphia)

BOOK PAGE

I, [ILLEGIBLE], a notary public, do hereby certify that on this \_\_\_<sup>th</sup> day of [ILLEGIBLE], [ILLEGIBLE], personally appeared before me, Alice A. Deck, who being by me first duly sworn, severally declared that she is the person who signed the foregoing document as incorporator, and that the statements therein contained are true.

/s/ [ILLEGIBLE]

Notary Public

NOTARIAL SEAL

[ILLEGIBLE]

[ILLEGIBLE]

[ILLEGIBLE]

Document No:

Lodged By: mail

Recorded On:

Total Fees: \$9.00

County Clerk: Rebecca Jackson

Deputy Clerk: KENDRA

END OF DOCUMENT

2002025- 143

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Entity Number  
682514

Statement of Registration  
Domestic Registered Limited Liability Partnership  
(15 Pa.C.S. § 8201A)

Name	Buckingham, Doolittle & Burroughs, LLP		
James D. Kraus, Esq./			
Address	50 S. Main St., P. O. Box 1500		
City	State	Zip Code	
Akron	Ohio	44309-1500	

Document will be returned to the name and address you enter to the left.



Fee:  
\$100

Filed in the Department of State on MAR 04 2002

**ACTING** /s/ [ILLEGIBLE]  
Secretary of the Commonwealth

In compliance with the requirements of 15 Pa.C.S. § 8201 (relating to statement of registration), the undersigned desiring to register a domestic registered limited liability partnership, hereby certifies that:

1. The name of the domestic registered limited liability partnership (*designator is required, i.e., "company", "limited" or "limited liability partnership" or abbreviation*):  
Pavillion North, LLP

2. Complete one of the following:

The partnership is a general partnership and the address, including number and street, if any, of its principal place of business:

Number and street	City	State	Zip	County
-------------------	------	-------	-----	--------

The partnership is a limited partnership and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and Street	City	State	Zip	County
9800 Old Perry Highway	Wexford	PA	15090	Allegheny

(b) Name of Commercial Registered Office Provider County

c/o:

[ILLEGIBLE]

3. The limited (*strike out inapplicable term*) partnership registers under 15 Pa.C.S. Subchapter 82A.

4. The registration has been authorized by at least a majority in interest of the partners.

IN TESTIMONY WHEREOF, the undersigned general partner of the domestic registered limited liability partnership has executed this Statement of Registration this

20<sup>th</sup> day of December, 2001.

/s/ [ILLEGIBLE]

Signature



PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Entity Number  
682514

Certificate of Amendment-Domestic  
(15 Pa.C.S.)

- Limited Partnership (§ 8512)
- Limited Liability Company (§ 8951)

Name Buckingham, Doolittle & Burroughs, LLP

Address 50 S. Main Street, P. O. Box 1500

City	State	Zip Code
Akron	Ohio	44309-1500

Document will be returned to the name and address you enter to the left.



Fee: \$52

Filed in the Department of State on

MAR 04 2002

ACTING

/s/ [ILLEGIBLE]

Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions (relating to certificate of amendment), the undersigned, desiring to amend its Certificate of Limited Partnership/Organization, hereby certifies that:

1. The name of the limited partnership/limited liability company is:  
Pavillion North, a Limited Partnership

2. The date of filing of the original Certificate of Limited Partnership/Organization:

February 9, 1972

3. Check, and if appropriate complete, one of the following:

The amendment adopted by the limited partnership/limited liability company, set forth in full, is as follows:

The amendment adopted by the limited partnership/limited liability company is set forth in full in Exhibit A attached hereto and made a part hereof.

4. Check, and if appropriate complete, one of the following:

The amendment shall be effective upon filing this Certificate of Amendment in the Department of State.

The amendment shall be effective on: \_\_\_\_\_ at \_\_\_\_\_.  
Date Hour

5. Check if the amendment restates the Certificate of Limited Partnership/Organization:

- The restated Certificate of Limited Partnership/Organization supersedes the original Certificate of Limited Partnership/Organization and all previous amendments thereto.

IN TESTIMONY WHEREOF, the undersigned limited partnership/limited liability company has caused this Certificate of Amendment to be executed this 20<sup>th</sup> day of December, 2001.

Pavillion North, a Limited Partnership  
Name of Limited Partnership/Limited Liability Company

/s/ [ILLEGIBLE]

Signature

Vice President

Title

Pavillion Nursing Center North, Inc.  
General Partner

2002021-1098

“EXHIBIT A”

The name and business address of the General Partner of the Partnership are as follows:

Pavillion Nursing Center North, Inc., a Pennsylvania corporation, with its principal place of business at 9800 Old Perry Highway, Wexford, Allegheny County, Pennsylvania 15090.

---

**FIRST  
AMENDED AND RESTATED  
CERTIFICATE OF LIMITED PARTNERSHIP  
OF  
PAVILLION NORTH, A LIMITED PARTNERSHIP**

We, the undersigned, desiring to continue a limited partnership pursuant to the Pennsylvania Revised Uniform Limited Partnership Act ("Act"), state as follows:

WHEREAS, the General and Limited Partners of Pavillion North, a Limited Partnership (the "Partnership") organized pursuant to the Pennsylvania Limited Partnership Act of April 12, 1917, P.L. 55, as amended ("Prior Act") having executed an original Certificate of Limited Partnership on January 27, 1972 and having caused same to be filed with the Recorder of Deeds of Allegheny County, Pennsylvania on February 9, 1972, recorded in Limited Partnership Volume 15, Page 423; and

WHEREAS, on August 22, 1978, a First Amendment to Certificate of Limited Partnership was executed by the then current Partners of the Partnership and duly recorded; and

WHEREAS, on July 20, 1979, a Second Amendment to Certificate of Limited Partnership was executed by the then current Partners of the Partnership and duly recorded; and

WHEREAS, on November 3, 1980, a Third Amendment to Certificate of Limited Partnership was executed by the then current Partners of the Partnership and duly recorded; and

WHEREAS, on March 30, 1984, a Fourth Amendment to Certificate of Limited Partnership was executed by the then current Partners of the Partnership and duly recorded; and

WHEREAS, the Partners now desire to file a First Amended and Restated Certificate of Limited Partnership to reflect the terms and provisions of the First Amended and Restated Agreement of Limited Partnership dated as of December 13, 1993;

NOW, THEREFORE, the undersigned hereby certify as follows:

1. The name of the Partnership shall remain as Pavillion North, a Limited Partnership.
2. The registered office of the Partnership shall be 9800 Old Perry Highway, Wexford, Pennsylvania 15090.
3. The names and business addresses of each General Partner of the Partnership are as follows:

---

General Partners:

Pavillion Nursing Center North, Inc.  
c/o Emery Medical Management Co.  
26055-A Emery Road  
Cleveland, OH 44128-5780

and

Hollis J. Garfield  
c/o Wiggins/Garfield Associates  
One Bigelow Square, Suite 2000  
Pittsburgh, PA 15219-3030

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the dates set opposite their signatures below.

PAVILLION NURSING CENTER NORTH, INC.

Dated: 3/1/94

By: /s/ [ILLEGIBLE]  
Vice President Title

Dated: 3/1/94

/s/ Hollis J. Garfield  
Hollis J. Garfield

"GENERAL PARTNERS"

AMENDED AND RESTATED  
 AGREEMENT OF LIMITED PARTNERSHIP  
 OF  
 PAVILLION NORTH,  
 A LIMITED PARTNERSHIP

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FIRST  
AMENDED AND RESTATED  
AGREEMENT OF LIMITED PARTNERSHIP  
OF  
PAVILLION NORTH,  
A LIMITED PARTNERSHIP

This Agreement is entered into and shall be effective as of the 13th day of December, 1993, by and among PAVILLION NURSING CENTER NORTH, INC. and HOLLIS J. GARFIELD as the General Partners, and the Persons whose names are set forth on EXHIBIT A attached hereto, as the Limited Partners.

R E C I T A L S:

WHEREAS, PAVILLION NORTH, a Limited Partnership was originally organized pursuant to the Original Partnership Agreement which was subsequently amended; and

WHEREAS, an original Certificate of Limited Partnership for the Partnership was filed in Allegheny County on February 9, 1972, which Certificate was subsequently amended by a First Amendment to Certificate of Limited Partnership executed by the Partners on August 22, 1978, by a Second Amendment to Certificate of Limited Partnership executed by the Partners on July 20, 1979, by a Third Amendment to Certificate of Limited Partnership executed by the Partners on November 3, 1980 and by a Fourth Amendment to Certificate of Limited Partnership executed by the Partners on March 30, 1984; and

WHEREAS, SIDNEY GARFIELD died on January 2, 1991, and the Partners have agreed that the General Partner Interest of SIDNEY GARFIELD be converted into a Limited Partner Interest and the Limited Partner Interest of HOLLIS J. GARFIELD be converted into a General Partner Interest; and

WHEREAS, EVELYN R. GARFIELD as the Executrix of the estate of SIDNEY GARFIELD has pursuant to the terms of his will assigned on December 13, 1993 the estate's General and Limited Partner Interests in the Partnership 24% to EVELYN R. GARFIELD as the trustee of the SIDNEY GARFIELD TRUST A REVERSE QTIP TRUST and 21.6% to EVELYN R. GARFIELD as the trustee of the SIDNEY R. GARFIELD TRUST A EVELYN TRUST; and

WHEREAS, as a result of the foregoing, the capital contributions and shares of profits and losses of the Partners in the Partnership are as set forth on EXHIBIT A attached; and

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NOW, THEREFORE, the Partners hereby amend and restate the Original Partnership Agreement as amended upon the following terms and conditions:

SECTION 1

THE PARTNERSHIP

1.1 Organization. The Partnership was originally organized as a limited partnership under the Pennsylvania Limited Partnership Act of April 12, 1917, P.L. 55, as amended ("Prior Act"), and the Partners will now organize the Partnership as a limited partnership pursuant to the provisions of the Act.

1.2 Partnership Name. The name of the Partnership shall continue to be PAVILLION NORTH, a Limited Partnership and all business of the Partnership shall be conducted in such name, dba Wexford House Nursing Center.

1.3 Purpose. The purpose of the Partnership is to acquire, improve, lease, operate, and hold the nursing center located at the principal place of business of the Partnership and to engage in any and all activities related or incidental thereto. The Partnership shall engage in no other business.

1.4 Principal Place of Business. The principal place of business of the Partnership is 9800 Old Perry Highway, Wexford, Allegheny County, Pennsylvania 15090. The General Partners may change the principal place of business of the Partnership to any other place within the Commonwealth of Pennsylvania upon at least 10 days notice to the Limited Partners.

1.5 Term. The term of the Partnership shall continue perpetually unless the Partnership is earlier dissolved, wound-up, and liquidated as provided in Section 11 hereof.

1.6 Filings; Agent for Service of Process.

(a) The General Partners shall cause a First Amended and Restated Certificate of Limited Partnership and a Certificate of Summary of Record to be filed in the office of the Department of State in accordance with the provisions of the Act.

(b) The registered office of the Partnership shall be 9800 Old Perry Highway, Wexford, Pennsylvania 15090, or any successor as appointed by the General Partners. The General Partners may change the office of the Partnership to another location within the Commonwealth of Pennsylvania upon at least 10 days notice to the Limited Partners.

(c) Upon the dissolution of the Partnership, the General Partners (or, in the event there is no remaining General Partner, any Person elected pursuant to Section 11.2 hereof) shall promptly execute and cause to be filed a Certificate of Cancellation in accordance with the Act and the laws of any other states or jurisdictions in which the Partnership has filed certificates.

1.7 Independent Activities. Each General Partner and each Limited Partner may, notwithstanding this Agreement, engage in whatever activities they choose, whether the same are competitive with the Partnership or otherwise, without having or incurring any obligation to offer any interest in such activities to the Partnership or any Partner. Neither this Agreement nor any activity undertaken pursuant hereto shall prevent any Partner from engaging in such activities, or require any Partner to permit the Partnership or any Partner to participate in any such activities, and as a material part of the consideration for the execution of this Agreement by each Partner, each Partner hereby waives, relinquishes, and renounces any such right or claim of participation.

1.8 Definitions. Capitalized words and phrases used in this Agreement have the meanings set forth therefor in the Appendix hereto.

## SECTION 2

### PARTNERS' CAPITAL ACCOUNTS

2.1 Contributions. The names, addresses, Capital Contributions, and Percentage Interests of the Partners are set forth on EXHIBIT A attached hereto.

2.2 Capital Accounts. The General Partners shall maintain Capital Accounts for each of the Partners and Interest Holders in accordance with the provisions of the Appendix with respect thereto.

2.3 Other Matters.

(a) Except as otherwise provided in this Agreement, no Partner shall demand or receive a return of her Capital Contributions or withdraw from the Partnership without the consent of all Partners. Under circumstances requiring a return of any Capital Contributions, no Partner shall have the right to receive property other than cash except as may be specifically provided herein.

(b) No Partner shall receive any interest with respect to her Capital Contributions or her Capital Account except as otherwise provided in this Agreement.

(c) No Limited Partner shall be liable for the debts, liabilities, contracts or any other obligations of the Partnership.

### SECTION 3

#### ALLOCATIONS

3.1 Profits. After giving effect to the special allocations set forth in Sections 3.3 and 3.4 hereof, Profits for any fiscal year shall be allocated among the General Partners and other Interest Holders in proportion to their Percentage Interests.

3.2 Losses. After giving effect to the special allocations set forth in Sections 3.3 and 3.4 hereof, Losses for any fiscal year shall be allocated among the General Partners and Interest Holders in proportion to their Percentage Interests; provided, however, the Losses so allocated cannot cause any Interest Holder to have an Adjusted Capital Account Deficit at the end of any fiscal year. All Losses in excess of such limitation shall be allocated to the General Partners in proportion to their Percentage Interests in the Partnership.

3.3 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Section 3, if there is a net decrease in Partnership Minimum Gain during any Partnership fiscal year, each General Partner and Interest Holder shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Person's share of the net decrease in Partnership Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each General Partner and Interest Holder pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f) (6) and 1.704-2 (j) (2) of the Regulations. This Section 3.3 (a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Partner Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2 (i) (4) of the Regulations, notwithstanding any other provision of this Section 3, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership fiscal year, each Person who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Person's share of the net decrease in Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each General Partner and Interest Holder pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 3.3(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Partnership income and gain shall be specially allocated to each such Interest Holder in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Interest Holder as quickly as possible, provided that an allocation pursuant to this Section 3.3(c) shall be made only if and to the extent that such Interest Holder would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if this Section 3.3(c) were not in the Agreement.

(d) Gross Income Allocation. In the event any Interest Holder has a deficit Capital Account at the end of any Partnership fiscal year which is in excess of the sum of (i) the amount such Interest Holder is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Interest Holder is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Interest Holder shall be specifically allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 3.3(d) shall be made only if and to the extent that such Interest Holder would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 3 have been made as if Section 3.3(c) hereof and this Section 3.3(d) were not in the Agreement.

(e) Partner Nonrecourse Deductions. Any Partner Nonrecourse Deductions for any fiscal year or other period shall be specially allocated to the Partner or Interest Holder who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(f) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734 (b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1 (b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution to a General Partner or Interest Holder in complete liquidation of her interest in the Partnership, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the General Partners and Interest Holders in accordance with their interests in the Partnership in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the General Partner or Interest Holder to whom such distribution was made in the event that Regulations Section 1.704-1(b)(iv)(m)(4) applies. Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

3.4 Curative Allocations. The allocations set forth in Sections 3.2, 3.3 (a), 3.3(b), 3.3(c), 3.3(d), 3.3(e) and 3.3(f) hereof (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 3.4. Therefore, notwithstanding any other provision of this Section 3 (other than the Regulatory Allocations), the General Partners shall make such offsetting special allocations of Partnership income, gain, loss, or deduction in whatever manner they determine appropriate so that, after such offsetting allocations are made, each General Partner's and Interest Holder's Capital Account balance is, to the extent possible, equal to the Capital Account balance such General Partner or Interest Holder would have had if the Regulatory Allocations were not part of the Agreement and all Partnership items were allocated pursuant to Sections 3.1 and 3.2. In exercising their discretion under this Section 3.4, the General Partners shall take into account future Regulatory Allocations under Sections 3.3(a) and 3.3(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 3.3 (f).

### 3.5 Other Allocation Rules.

(a) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the General Partners using any permissible method under Code Section 706 and the Regulations thereunder.

(b) All allocations to the Interest Holders and General Partners pursuant to this Section 3 shall, except as otherwise provided, be divided among them in proportion to their Percentage Interests.

(c) Except as otherwise provided in this Agreement, all items of Partnership income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the General Partners and Interest Holders in the same proportions as they share Profits or Losses, as the case may be, for the year. Credits shall be allocated in the same manner as Profits.

(d) The Partners are aware of the income tax consequences of the allocations made by this Section 3 and hereby agree to be bound by the provisions of this Section 3 in reporting their shares of Partnership income and loss for income tax purposes.

(e) To the extent permitted by Section 1.704-2 (h) (3) of the Regulations, the General Partners shall endeavor to treat distributions as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Interest Holder.

3.6 Tax Allocations: Code Section 704 (c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the General Partners and Interest Holders so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Gross Asset Value. In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to l(ii) of the Appendix hereto, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

#### SECTION 4

#### DISTRIBUTIONS

Except as otherwise provided in Section 11 hereof, the Partnership shall distribute cash or Property at such times, if any, as the General Partners may determine, among the General Partners and Interest Holders in proportion to their Percentage Interests.

SECTION 5

MANAGEMENT

5.1 Authority of the General Partners. Except to the extent otherwise provided herein, the General Partners shall have the sole and exclusive right to manage the business of the Partnership and shall have all of the rights and powers which may be possessed by general partners under the Act including, without limitation, the right and power to:

- (a) acquire by purchase, lease, or otherwise any real or personal property which may be necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership;
- (b) operate, maintain, finance, improve, construct, own, grant options with respect to, sell, convey, assign, mortgage, and lease any real estate and any personal property necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership;
- (c) execute any and all agreements, contracts, documents, certifications, and instruments necessary or convenient in connection with the management, maintenance, and operation of Property, or in connection with managing the affairs of the Partnership, including executing amendments to the Agreement and the Certificate in accordance with the terms of the Agreement, pursuant to any power of attorney granted by the Limited Partners to the General Partners;
- (d) borrow money and issue evidences of indebtedness necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership, and secure the same by mortgage, pledge, or other lien on any Property;
- (e) execute, in furtherance of any or all of the purposes of the Partnership, any deed, lease, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, or other instrument purporting to convey or encumber any or all of the Property;
- (f) prepay in whole or in part, refinance, recast, increase, modify, or extend any liabilities affecting the Property and in connection therewith execute any extensions or renewals of encumbrances on any or all of the Property;
- (g) care for and distribute funds to the General Partners and Interest Holders by way of cash, income, return of capital, or otherwise, all in accordance with the provisions of this Agreement, and perform all matters in furtherance of the objectives of the Partnership or this Agreement;



(h) contract on behalf of the Partnership for the employment and services of employees and/or independent contractors, such as lawyers and accountants, and delegate to such Persons the duty to manage or supervise any of the assets or operations of the Partnership;

(i) engage in any kind of activity and perform and carry out contracts of any kind (including contracts of insurance covering risks to Property and General Partner liability) necessary or incidental to, or in connection with, the accomplishment of the purposes of the Partnership, as may be lawfully carried on or performed by a partnership under the laws of each state in which the Partnership is then formed or qualified;

(j) make any and all elections for federal, state, and local tax purposes including, without limitation, any election, if permitted by applicable law: (i) to adjust the basis of Property pursuant to Code Sections 754, 734(b) and 743(b), or comparable provisions of state or local law, in connection with transfers of Partnership interests and Partnership distributions; (ii) to extend the statute of limitations for assessment of tax deficiencies against General Partners and Interest Holders with respect to adjustments to the Partnership's federal, state, or local tax returns; and (iii) to represent the Partnership, the General Partners, and the Interest Holders before taxing authorities or courts of competent jurisdiction in tax matters affecting the Partnership, the General Partners, and the Interest Holders in their capacities as General Partners or Interest Holders, and to execute any agreements or other documents relating to or affecting such tax matters, including agreements or other documents that bind the General Partners and Interest Holders with respect to such tax matters or otherwise affect the rights of the Partnership, General Partners, and Interest Holders. HOLLIS JAN GARFIELD WIGGINS is specifically authorized to act as the "Tax Matters Partner" under the Code and in any similar capacity under state or local law;

(k) take, or refrain from taking, all actions, not expressly proscribed or limited by this Agreement, as may be necessary or appropriate to accomplish the purposes of the Partnership; and

(l) institute, prosecute, defend, settle, compromise, and dismiss lawsuits or other judicial or administrative proceedings brought on or in behalf of, or against, the Partnership or the Partners in connection with activities arising out of, connected with, or incidental to this Agreement, and to engage counsel or others in connection therewith.

5.2 Right to Rely on General Partners. Any Person dealing with the Partnership may rely (without duty of further inquiry) upon a certificate signed by any General Partner as to:

(a) the identity of any General Partner or Limited Partner;

(b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by a General Partner or which are in any other manner germane to the affairs of the Partnership;

(c) the Persons who are authorized to execute and deliver any instrument or document of the Partnership; or

(d) any act or failure to act by the Partnership or any other matter whatsoever involving the Partnership or any Partner.

5.3 Limitations on Authority of General Partners. The authority granted to the General Partners is subject to limitations so that the General Partners may not:

(a) do any act which is not for the purpose of carrying on the Partnership's usual business;

(b) assign Partnership property in trust for creditors or on the assignee's promise to pay the debts of the Partnership;

(c) dispose of the goodwill of the Partnership;

(d) do any act which would make it impossible to carry on the ordinary business of the Partnership;

(e) confess a judgment against the Partnership;

(f) submit a Partnership claim or liability to arbitration or reference; or

(g) do any act in contravention of the Act or the terms and conditions of this Agreement.

5.4 Duties and Obligations of General Partners.

(a) The General Partners shall take all actions which may be necessary or appropriate (i) for the continuation of the Partnership's valid existence as a limited partnership under the laws of the Commonwealth of Pennsylvania (and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Limited Partners or to enable the Partnership to conduct the business in which it is engaged) and (ii) for the accomplishment of the Partnership's purposes, including the acquisition, development, maintenance, preservation, and operation of Property in accordance with the provisions of this Agreement and applicable laws and regulations.

(b) The General Partners shall devote to the Partnership such time as may be necessary for the proper performance of all duties hereunder, but the General Partners shall not be required to devote full time to the performance of such duties.

(c) The General Partners shall be under a fiduciary duty to conduct the affairs of the Partnership in the best interests of the Partnership and of the Limited Partners, including the safekeeping and use of all of the Property and the use thereof for the exclusive benefit of the Partnership.

5.5 Indemnification of General Partners.

(a) The Partnership, its receiver, or its trustee shall indemnify, save harmless, and pay all judgments and claims against any General Partner relating to any liability or damage incurred by reason of any act performed or omitted to be performed by such General Partner in connection with the business of the Partnership, including attorneys' fees incurred by such General Partner in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred.

(b) The Partnership shall indemnify, save harmless, and pay all expenses, costs, or liabilities of any General Partner who for the benefit of the Partnership makes any deposit, acquires any option, or makes any other similar payment or assumes any obligation in connection with any property proposed to be acquired by the Partnership and who suffers any financial loss as the result of such action.

(c) Notwithstanding the provisions of Subsections 5.5(a) and 5.5(b) above, no General Partner shall be indemnified from any liability for fraud, bad faith, willful misconduct, or gross negligence.

5.6 Compensation and Loans.

(a) Compensation and Reimbursement. Except as otherwise provided in this Section 5.6, no Partner shall receive any salary, fee, or draw for services rendered to or on behalf of the Partnership, nor shall any Partner be reimbursed for any expenses incurred by such Partner on behalf of the Partnership.

(b) Expenses. The General Partners may charge the Partnership for any direct expenses reasonably incurred in connection with the Partnership's business.

(c) Compensation. In consideration of their performance of services on behalf of the Partnership, the General Partners shall receive no compensation in addition to the distributions of cash and other Property and allocations of Profits, Losses, and other items provided for herein, unless the Partners approve such additional compensation by majority vote.

(d) Loans. Any Person may, with the consent of the General Partners, lend or advance money to the Partnership. If any Partner shall make any loan or loans to the Partnership or advance money on its behalf, the amount of any such loan or advance shall not be treated as a Capital Contribution but shall be a debt due from the Partnership. The amount of any such loan or advance by a lending Partner shall be repayable out of the Partnership's cash and shall bear interest at such rate as the General Partners and the lending Partner shall agree. None of the Partners shall be obligated to make any loan or advance to the Partnership.

#### 5.7 Operating Restrictions.

(a) All Property in the form of cash not otherwise invested shall be deposited in one or more accounts maintained in such financial institutions as the General Partners shall determine or shall be invested in short-term liquid securities or shall be left in escrow and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partners may determine from time to time.

(b) The signature of any General Partner shall be necessary and sufficient to convey title to any real property owned by the Partnership or to execute any promissory notes, trust deeds, mortgages, or other instruments of hypothecation, and all of the Partners agree that a copy of this Agreement may be shown to the appropriate parties in order to confirm the same, and further agree that the signature of any General Partner shall be sufficient to execute any "statement of partnership" or other documents necessary to effectuate this or any other provision of this Agreement. All of the Partners do hereby appoint each General Partner as their attorney-in-fact for the execution of any or all of the documents described herein.

### SECTION 6

#### ROLE OF LIMITED PARTNERS

6.1 Limitation on Rights or Powers. Except as otherwise set forth in Sections 6.2 and 6.3 hereof, no Limited Partner shall have any right or power to take part in the management or control of the Partnership or its business and affairs or to act for or bind the Partnership in any way.

6.2 Voting Rights. The Limited Partners shall have the right to vote on the matters explicitly set forth in this Agreement, including the following:

(a) The dissolution and winding up of the Partnership;

(b) The sale, exchange, lease, mortgage, pledge, or other transfer of all or substantially all of the Property other than in the ordinary course of the Partnership's business;

- (c) The incurrence of indebtedness by the Partnership other than in the ordinary course of its business; and
- (d) A change in the nature of the business of the Partnership.

6.3 Other Rights. The Limited Partners shall have the rights to each of the following:

- (a) To inspect and copy any of the Partnership's records required to be maintained pursuant to the Act;
- (b) To obtain from the General Partners, from time to time and upon reasonable demand, all of the following:
  - (1) True and full information regarding the state of the business and the financial condition of the Partnership;
  - (2) Promptly after becoming available, a copy of the Partnership's federal, state, and local income tax returns and reports for each year;
  - (3) Other information regarding the affairs of the Partnership as is just and reasonable.

## SECTION 7

### BOOKS AND RECORDS

7.1 Books and Records. The Partnership shall keep adequate books and records at its principal place of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Partnership. Any Partner or her designated representative shall have the right, at any reasonable time, to have access to and inspect and copy the contents of such books or records.

7.2 Annual Reports. Within a reasonable period after the end of each Partnership fiscal year, each Partner shall be furnished with pertinent information regarding the Partnership and its activities during such period.

7.3 Tax Information. Necessary tax information shall be delivered to each Partner after the end of each fiscal year of the Partnership. Every effort shall be made to furnish such information within 90 days after the end of each fiscal year.

## SECTION 8

### AMENDMENTS: MEETINGS

8.1 Amendments. Amendments to this Agreement may be adopted only in a writing signed by all of the Partners.

8.2 Meetings of the Partners.

(a) Meetings of the Partners may be called by any General Partner and shall be called upon the written request of Limited Partners holding a 10% or greater Percentage Interest in the Partnership. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners not less than 7 days nor more than 30 days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Whenever the vote or consent of Partners is permitted or required under the Agreement, such vote or consent may be given at a meeting of Partners or may be given in a writing signed by all of the Partners. Meetings of the Partners may be held through any communications equipment if all persons participating can hear each other. Except as otherwise expressly provided in this Agreement, all matters to be subject to a vote of the Partners shall be determined by majority vote. Each Partner shall have that number of votes as is equal to her Percentage Interest in the Partnership.

(b) Each Limited Partner may authorize any Person or Persons to act for her by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or her attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Limited Partner executing it.

## SECTION 9

### TRANSFERS OF INTERESTS

9.1 Restriction on Transfers. Except as otherwise permitted by this Agreement, no Interest Holder may Transfer all or any portion of her Interest.

9.2 Permitted Transfers. Subject to the conditions and restrictions set forth in Section 9.3 hereof, an Interest Holder may at any time Transfer all or any portion of her Interest to (a) any other Interest Holder, (b) any member of the transferor's Family, (c) any Affiliate of the transferor, (d) the transferor's executor, administrator, trustee, or personal representative to whom such Interests are transferred at death or involuntarily by operation of law, (e) any Purchaser in accordance with Section 9.4 hereof, or (f) in the case of a Partner who is a trustee, to the beneficiary of such trust (any such Transfer being referred to in this Agreement as a "Permitted Transfer"). For purposes hereof, an Interest Holder's Family shall include only such Interest Holder's spouse, natural or adoptive lineal ancestors or descendants, and trusts for her or their exclusive benefit.

9.3 Conditions to Permitted Transfers. A Transfer shall not be treated as a Permitted Transfer under Section 9.2 hereof unless and until the following conditions are satisfied:

(a) Except in the case of a Transfer of an Interest at death or involuntarily by operation of law, the transferor and transferee shall execute and deliver to the Partnership such documents and instruments of conveyance as may be necessary or appropriate in the opinion of counsel to the Partnership to effect such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Section 9. In any case not described in the preceding sentence, the Transfer shall be confirmed by presentation to the Partnership of legal evidence of such Transfer, in form and substance satisfactory to counsel to the Partnership. In all cases, the Partnership shall be reimbursed by the transferor and/or transferee for all costs and expenses that it reasonably incurs in connection with such Transfer.

(b) Except in the case of a Transfer at death or involuntarily by operation of law, the Partnership shall have obtained an opinion of counsel that the Transfer would not cause the Partnership to terminate for federal income tax purposes and that such Transfer would not cause the application of the rules of Code Sections 168 (g) (1) (B) and 168 (h) (generally referred to as the "tax exempt entity leasing rules") or similar rules to apply to the Partnership, Partnership Property, or the Interest Holders.

(c) The transferor and transferee shall furnish the Partnership with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Interest transferred, and any other information reasonably necessary to permit the Partnership to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Partnership shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Interest until it has received such information.

9.4 Right of First Refusal. In addition to the other limitations and restrictions set forth in this Section 9, except as permitted by Section 9.2 hereof, no Interest Holder shall Transfer all or any portion of her Interest (the "Offered Interest") unless such Interest Holder (the "Seller") first offers to sell the Offered Interest pursuant to the terms of this Section 9.4.

(a) Limitation on Transfers. No Transfer may be made under this Section 9.4 unless the Seller has received a bona fide written offer (the "Purchase Offer") from a Person (the "Purchaser") to purchase the Offered Interest for a purchase price (the "Offer Price") denominated and payable in United States dollars at closing or according to specified terms, with or without interest, which offer shall be in writing signed by the Purchaser and shall be irrevocable for a period ending no sooner than the day following the end of the Offer Period, as hereinafter defined.

(b) Offer Notice. Prior to making any Transfer that is subject to the terms of this Section 9.4, the Seller shall give the Partnership and each other Interest Holder written notice (the "Offer Notice") which shall include a copy of the Purchase Offer and an offer (the "First Offer") to sell the Offered Interest to the other Interest Holders and the General Partners (the "Offerees") for the Offer Price, payable according to the same terms as (or more favorable terms than) those contained in the Purchase Offer, provided that the First Offer shall be made without regard to the requirement of any earnest money or similar deposit required of the Purchaser prior to closing, and without regard to any security (other than the Offered Interest) to be provided by the Purchaser for any deferred portion of the Offer Price.

(c) Offer Period. The First Offer shall be irrevocable for a period (the "Offer Period") ending at 11:59 P.M., local time at the Partnership's principal office, on the 90th day following the day of the Offer Notice.

(d) Acceptance of First Offer. At any time during the first 60 days of the Offer Period, any Offeree who is an Interest Holder may accept the First Offer as to that portion of the Offered Interest that corresponds to the ratio of her Percentage Interest to the total Percentage Interests held by all Offerees who are Interest Holders, by giving written notice of such acceptance to the Seller and the General Partners. At any time after the 60th day of the Offer Period, the General Partners may accept the First Offer as to any portion of the Offered Interest that has not been previously accepted by given written notice of such acceptance to the Seller. In the event that Offerees ("Accepting Offerees"), in the aggregate, accept the First Offer with respect to all of the Offered Interest, the First Offer shall be deemed to be accepted. If Offerees do not accept the First Offer as to all of the Offered Interest during the Offer Period, the First Offer shall be deemed to be rejected in its entirety.

(e) Closing of Purchase Pursuant to First Offer. In the event that the First Offer is accepted, the closing of the sale of the Offered Interest shall take place within 30 days after the First Offer is accepted or, if later, the date of closing set forth in the Purchase Offer. The Seller and all Accepting Offerees shall execute such documents and instruments as may be necessary or appropriate to effect the sale of the Offered Interest pursuant to the terms of the First Offer and this Section 9.



(f) Sale Pursuant to Purchase Offer if First Offer Rejected. If the First Offer is not accepted in the manner hereinabove provided, the Seller may sell the Offered Interest to the Purchaser at any time within 60 days after the last day of the Offer Period, provided that such sale shall be made on terms no more favorable to the Purchaser than the terms contained in the Purchase Offer and provided further that such sale complies with the other terms, conditions, and restrictions of this Agreement that are applicable to sales of Interests and are not expressly made inapplicable to sales occurring under this Section 9.4. In the event that the Offered Interest is not sold in accordance with the terms of the preceding sentence, the Offered Interest shall again become subject to all of the conditions and restrictions of this Section 9.4.

9.5 Prohibited Transfers. Any purported Transfer of Interests that is not a Permitted Transfer shall be null and void and of no effect whatever.

9.6 Rights of Unadmitted Assignees. A Person who acquires one or more Interests but who is not admitted as a Substituted Limited Partner pursuant to Section 9.7 hereof shall be entitled only to allocations and distributions with respect to such Interests in accordance with this Agreement, but shall have no right to any information or accounting of the affairs of the Partnership, shall not be entitled to inspect the books or records of the Partnership, and shall not have any of the rights of a Limited Partner under the Act or this Agreement.

9.7 Admission of Interest Holders as Partners. Subject to the other provisions of this Section 9, a transferee of Interests may be admitted to the Partnership as a Substituted Limited Partner only upon satisfaction of the conditions set forth below in this Section 9.7:

(a) The General Partners consent to such admission;

(b) The Interests with respect to which the transferee is being admitted were acquired by means of a Permitted Transfer;

(c) The transferee becomes a party to this Agreement as a Limited Partner and executes such documents and instruments as the General Partners may reasonably request (including, without limitation, amendments to the Certificate) as may be necessary or appropriate to confirm such transferee as a Limited Partner in the Partnership and such transferee's agreement to be bound by the terms and conditions hereof;

(d) The transferee pays or reimburses the Partnership for all reasonable legal, filing, and publication costs that the Partnership incurs in connection with the admission of the transferee as a Limited Partner with respect to the Transferred Interests; and

(e) If the transferee is not an individual of legal majority, the transferee provides the Partnership with evidence satisfactory to counsel for the Partnership of the authority of the transferee to become a Partner and to be bound by the terms and conditions of this Agreement.

9.8 Distributions and Allocations in Respect to Transferred Interests. If any Interest is sold, assigned, or transferred during any accounting period in compliance with the provisions of this Section 9, Profits, Losses, each item thereof, and all other items attributable to the Transferred Interest for such period shall be divided and allocated between the transferor and the transferee by taking into account their varying Interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the General Partners. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee.

9.9 Withdrawal. No Interest Holder shall have the right to withdraw from the Partnership or require the liquidation of her Interest.

## SECTION 10

### GENERAL PARTNERS

10.1 Additional General Partners. Except as provided in this Section 10 and Section 11.1 hereof, no Person shall be admitted to the Partnership as a General Partner without the unanimous consent of the Partners.

10.2 Covenant Not to Withdraw, Transfer, or Dissolve. Except as otherwise permitted by this Agreement, the General Partners hereby covenant and agree not to (a) withdraw or attempt to withdraw from the Partnership, (b) exercise any power under the Act to dissolve the Partnership, or (c) Transfer all or any portion of their interests in the Partnership as a General Partner. Further, the General Partners hereby covenant and agree to continue to carry out the duties of a General Partner hereunder until the Partnership is dissolved and liquidated pursuant to Section 11 hereof.

10.3 Permitted Transfers.

(a) No General Partner may transfer all or any portion of her interest in the Partnership to any Person unless such General Partner first offers to sell her interest in the Partnership to the other Partners in accordance with the provisions of Section 9.4 hereof as if the interest being Transferred was a Limited Partner Interest.

(b) A transferee of a Partnership interest from a General Partner hereunder shall be admitted as a General Partner with respect to such interest if, but only if, (1) at the time of such Transfer, such transferee is otherwise a General Partner, (2) the admission of such transferee as a General Partner is approved by a majority vote of the Limited Partners, provided that no such Transfer shall be permitted unless and until all of the conditions set forth in Section 9.3 hereof are satisfied as if the Partnership interest being Transferred was a Limited Partner Interest.

(c) A transferee who acquires a Partnership interest from a General Partner hereunder by means of a Transfer that is permitted under this Section 10.3, but who is not admitted as a General Partner, shall have no authority to act for or bind the Partnership, to inspect the Partnership's books, or otherwise to be treated as a Partner. The interest transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the transferred interest.

10.4 Prohibited Transfers. Any purported Transfer of any Partnership interest held by a General Partner that is not permitted by Section 10.3 above shall be null and void and of no effect whatever.

10.5 Termination of Status as General Partner. A General Partner shall cease to be a General Partner upon the first to occur of:

- (a) the withdrawal by a General Partner from the Partnership;
- (b) the majority vote of the Partners to remove such General Partner;
- (c) the making of an assignment for the benefit of creditors by a General Partner;
- (d) the filing of a voluntary petition in bankruptcy by a General Partner;
- (e) an adjudication that a General Partner is bankrupt or insolvent;
- (f) the commencement of any proceeding for the relief of debtors by or against a General Partner;
- (g) the involuntary Transfer by operation of law of such General Partner's interest in the Partnership;

(h) the death or adjudication of incompetency of a General Partner; or

(i) the permanent disability of a General Partner due to illness, age, or other cause so that she cannot, in the opinion of her personal physician, continue to perform her duties hereunder.

In the event a Person ceases to be a General Partner without having Transferred her entire interest as a General Partner, such Person shall be treated as an unadmitted transferee of a Partnership interest.

## SECTION 11

### DISSOLUTION AND WINDING UP

11.1 Liquidating Events. The Partnership shall dissolve and commence winding up and liquidating upon the first to occur of any of the following ("Liquidating Events"):

(a) The sale of all or substantially all of the Property;

(b) A majority vote of the Partners to dissolve, wind up, and liquidate the Partnership;

(c) The happening of any other event that makes it unlawful, impossible, or impractical to carry on the business of the Partnership; or

(d) Any event which causes there to be no General Partner unless, within 90 days of the date such event occurs, the Limited Partners agree in writing to elect a successor General Partner and continue the Partnership business.

The Partners hereby agree that the Partnership shall not dissolve prior to the occurrence of a Liquidating Event.

11.2 Winding Up. Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partners (or, in the event there is no remaining General Partner, any Person elected by a majority in interest of the Limited Partners) shall be responsible for overseeing the winding up of the Partnership. The Property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order:

(a) First, to the payment and discharge of all of the Partnership's debts and liabilities to creditors other than the General Partners;

(b) Second, to the payment and discharge of all of the Partnership's debts and liabilities to the General Partners;

(c) Third, to the General Partners and Interest Holders in proportion to their Percentage Interests, provided, however, that no distribution shall be made pursuant to this Section 11.2(c) that creates or increases a Capital Account deficit for any Interest Holder which exceeds such Interest Holder's obligation to restore such deficit, determined as follows: Distributions shall first be determined tentatively pursuant to this Section 11.2(c) without regard to the Interest Holders' Capital Account, and then the allocation provisions of Section 3 shall be applied tentatively as if such tentative distributions had been made. If any Interest Holder shall thereby have a deficit Capital Account which exceeds her obligation to restore such deficit, the actual distribution to such Interest Holder pursuant to this Section 11.2(c) shall be equal to the tentative distribution to such Interest Holder less the amount of the excess to such Interest Holder; and

(d) The balance, if any, to the General Partners and Interest Holders in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

The General Partners shall receive no additional compensation for any services performed pursuant to this Section 11.

11.3 Compliance With Certain Requirements of Regulations: Deficit Capital Accounts. In the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), (a) distributions shall be made pursuant to this Section 11 to the General Partners and Interest Holders who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2), and (b) if any General Partner's Capital Account has a deficit balance (after giving effect to all contributions, distributions, and allocations for all taxable years, including the year during which such liquidation occurs), such General Partner shall contribute to the capital of the Partnership the amount necessary to restore such deficit balance to zero in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(3). If any Interest Holder has a deficit balance in her Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Interest Holder shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever.

11.4 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Section 11, in the event the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Liquidating Event has occurred, the Property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed the Property in kind to the General Partners and Interest Holders, who shall be deemed to have assumed and taken subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the General Partners and Interest Holders shall be deemed to have recontributed the Property in kind to the Partnership, which shall be deemed to have assumed and taken subject to all such liabilities.

11.5 Notice of Dissolution. In the event a Liquidating Event occurs, the General Partners shall, within thirty (30) days thereafter, provide written notice thereof to each of the other Partners. If the Partnership is dissolved, the General Partners shall provide written notice thereof to all other parties with whom the Partnership regularly conducts business and shall publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business.

## SECTION 12

### POWER OF ATTORNEY

12.1 General Partners as Attorneys-In-Fact. Each Limited Partner hereby makes, constitutes, and appoints the General Partners, with full power of substitution and resubstitution, her true and lawful attorneys-in-fact for her and in her name, place, and stead and for her use and benefit, to sign, execute, certify, acknowledge, swear to, file, and record (a) all documents which reflect (i) any amendments adopted by the Partners in accordance with the terms of this Agreement; (ii) the admission of any substituted Partner; or (iii) the disposition by any Partner of her interest in the Partnership; and (b) any certificates, instruments, and documents as may be required by, or may be appropriate under, the laws of the Commonwealth of Pennsylvania or any other state or jurisdiction in which the Partnership is doing or intends to do business.

12.2 Nature as Special Power. The power of attorney granted pursuant to this Section 12:

(a) is a special power of attorney coupled with an interest and is irrevocable;

(b) may be exercised by any such attorney-in-fact by listing the Limited Partners executing any agreement, certificate, instrument, or other document with the single signature of any such attorney-in-fact acting as attorney-in-fact for such Limited Partners; and

(c) shall survive the death, disability, legal incapacity, bankruptcy, insolvency, dissolution, or cessation of existence of a Limited Partner and shall survive the delivery of an assignment by a Limited Partner of the whole or a portion of her interest in the Partnership, except that where the assignment is of such Limited Partner's entire interest in the Partnership and the assignee, with the consent of the General Partners, is admitted as a substituted Limited Partner, the power of attorney shall survive the delivery of such assignment for the sole purpose of enabling any such attorney-in-fact to effect such substitution.

### SECTION 13

#### MISCELLANEOUS

13.1 Waiver. The Partners accept the provisions hereunder as their sole entitlement with respect to the termination of the Partnership or a sale or liquidation of their Partnership interests. Each party hereby waives and renounces (i) the right of a deceased Partner to have her Partnership interest appraised and sold as provided in Chapter 1779 of the Act and (ii) any right she may have to maintain an action to partition the Property.

13.2 Notices. Except as otherwise specifically provided in this Agreement, any notice required or permitted hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the parties at their respective addresses set forth on EXHIBIT A or at such other addresses as may have been heretofore specified by written notice delivered in accordance herewith.

13.3 Applicable Law. This Agreement shall be construed under and in accordance with the laws of the Commonwealth of Pennsylvania.

13.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original and all of which shall constitute but one Agreement, and the signatures of any counterpart shall be deemed to be signatures of any other counterpart.

13.5 Entire Agreement. This Agreement contains the entire Agreement among the parties and supersedes any prior understandings and agreements among them with respect to the subject matter hereof. There are no representations, agreements, arrangements, understandings, oral or written, among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

13.6 Parties Bound. This Agreement shall be binding on and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.

13.7 Further Action. Each Partner, upon the request of the General Partners, agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

13.8 Variation of Pronouns. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person or Persons may require.

IN WITNESS WHEREOF, the undersigned executed this Agreement on the dates set opposite their signatures below.

Dated: 12/15/93

/s/ HOLLIS J. GARFIELD  
HOLLIS J. GARFIELD

PAVILLION NURSING CENTER NORTH, INC.

Dated: 12/15/93

By: /s/ [ILLEGIBLE]  
Vice President Title

“GENERAL PARTNERS”

SIDNEY GARFIELD TRUST A EVELYN TRUST

Dated: 12/15/93

By: /s/ EVELYN R. GARFIELD  
EVELYN R. GARFIELD, TRUSTEE

SIDNEY GARFIELD TRUST A  
REVERSE QTIP TRUST

Dated: 12/15/93

By: /s/ EVELYN R. GARFIELD  
EVELYN R. GARFIELD, TRUSTEE

“LIMITED PARTNERS”



EXHIBIT A

GENERAL PARTNERS

<u>Name and Address</u>	<u>Capital Contribution</u>	<u>Percentage Interests</u>
Pavillion Nursing Center North, Inc. c/o Emery Medical Management Co. 26055-A Emery Road Cleveland, OH 44128-5780	\$ 800,000	40.0%
Hollis J. Garfield c/o Wiggins/Garfield Associates One Bigelow Square, Suite 2000 Pittsburgh, PA 15219-3030	-0-	14.4%

LIMITED PARTNERS

Sidney Garfield Trust A Reverse QTIP Trust Evelyn R. Garfield, Trustee c/o Emery Medical Management Co. 26055-A Emery Road Cleveland, OH 44128-5780	-0-	24.0%
Sidney Garfield Trust A Evelyn Trust Evelyn R. Garfield, Trustee c/o Emery Medical Management Co. 26055-A Emery Road Cleveland, OH 44128-5780	-0-	21.6%
Totals	<u>\$ 800,000</u>	<u>100%</u>

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APPENDIX

(a) "Act" means the Pennsylvania Revised Uniform Limited Partnership Act, as set forth in Title 15, Pennsylvania Consolidated Statutes Annotated (Pa. C.S.A.) Section 8501 et. seq., as amended from time to time (or any corresponding provisions of succeeding law).

(b) "Adjusted Capital Account Deficit" means, with respect to any Interest Holder, the deficit balance, if any, in such Interest Holder's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Interest Holder is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(c) "Adjusted Capital Contributions" means, as of any day, an Interest Holder's Capital Contributions adjusted as follows:

(i) Increased by the amount of any Partnership liabilities which, in connection with distributions pursuant to Sections 4 and 11.2 hereof, are assumed by such Interest Holder or are secured by any Partnership Property distributed to such Interest Holder;

(ii) Reduced by the amount of cash and the Gross Asset Value of any Property distributed to such Interest Holder pursuant to Sections 4 and 11.2 hereof and the amount of any liabilities of such Interest Holder assumed by the Partnership or which are secured by any property contributed by such Interest Holder to the Partnership.

In the event any Interest Holder transfers all or any portion of her Interest in accordance with the terms of this Agreement, her transferee shall succeed to the Adjusted Capital Contribution of the transferor to the extent it relates to the transferred Interest.

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(d) "Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any Person owning or controlling 10% or more of the outstanding voting interests of such Person, (iii) any officer, director, or general partner of such Person, or (iv) any Person who is an officer, director, general partner, trustee, or holder of 10% or more of the voting interests of any Person described in clauses (i) through (iii) of this sentence.

(e) "Agreement" means this First Amended and Restated Agreement of Limited Partnership, as amended from time to time.

(f) "Capital Account" means, with respect to any General Partner or Interest Holder, the Capital Account maintained for such Person in accordance with the following provisions:

(i) To each Person's Capital Account there shall be credited such Person's Capital Contributions, such Person's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 3.3 or Section 3.4 hereof, and the amount of any Partnership liabilities assumed by such Person or which are secured by any Property distributed to such Person.

(ii) To each Person's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Property distributed to such Person pursuant to any provision of this Agreement, such Person's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 3.3 or Section 3.4 hereof, and the amount of any liabilities of such Person assumed by the Partnership or which are secured by any property contributed by such Person to the Partnership.

(iii) In the event all or a portion of an interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(iv) In determining the amount of any liability for purposes of Subparagraphs (c)(i), (c)(ii), (f)(i), and (f)(ii) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partners shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership, General Partners, or Interest Holders), are computed in order to comply with such Regulations, the General Partners may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Person pursuant to Section 11 hereof upon the dissolution of the Partnership. The General Partners also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and Interest Holders and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events (for example, the acquisition by the Partnership of oil or gas properties) might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

(g) "Capital Contributions" means, with respect to any General Partner or Interest Holder, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Partnership with respect to the interest in the Partnership held by such Person.

(h) "Certificate" means the First Amended and Restated Certificate of Limited Partnership filed for the Partnership pursuant to the Act.

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

(j) "Depreciation" means, for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable under the Code with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partners.

(k) "General Partner" means any Person who (i) is referred to as such in the first paragraph of this Agreement or has become a General Partner pursuant to the terms of this Agreement, and (ii) has not ceased to be a General Partner pursuant to the terms of this Agreement. "General Partners" means all of such Persons.

(1) "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the Partnership;

(ii) The Gross Asset Value of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by the General Partners, as of the following times: (a) The acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis amount of Property as consideration for an interest in the Partnership; (b) the distribution by the Partnership to a General Partner or Interest Holder of more than a de minimis amount of Property as consideration for an interest in the Partnership; and (c) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the General Partners reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the General Partners and Interest Holders in the Partnership;

(iii) The Gross Asset Value of any Property distributed to any General Partner or Interest Holder shall be the gross fair market value of such Property on the date of distribution; and

(iv) The Gross Asset Values of Property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Section 3.3(e) hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Subparagraph (1)(iv) to the extent the General Partners determine that an adjustment pursuant to Subparagraph (1)(ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Subparagraph (1)(iv).

If the Gross Asset Value of an item of Property has been determined or adjusted pursuant to Subparagraphs (1)(i), (1)(ii), or (1)(iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such Property for purposes of computing Profits and Losses.

(m) "Interest" means an interest in the Partnership owned by a Limited Partner, including any and all benefits to which the holder of such an Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement.

(n) "Interest Holder" means any Person who holds an Interest, including a transferee from a Limited Partner, regardless of whether such Person has been admitted to the Partnership as a Limited Partner. "Interest Holders" means all such Persons.

(o) "Limited Partner" means any Person (i) who is identified as a Limited Partner on EXHIBIT A attached hereto or who has become a Limited Partner pursuant to the terms of this Agreement, and (ii) who holds an Interest. "Limited Partners" means all such Persons.

(p) "Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

(q) "Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

(r) "Original Partnership Agreement" means the Partnership Agreement entered into on or about January 27, 1972 by and among PAVILLION NORTH, INC. as General Partner and SIDNEY GARFIELD, MARTIN KATOVSKY and LINDY M. ADELSTEIN as Limited Partners, for purposes of organizing the Partnership.

(s) "Partner Nonrecourse Debt Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

(t) "Partner Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Regulations.

(u) "Partner Nonrecourse Deductions" has the meaning set forth in Sections 1.704-2 (i) (1) and 1.704-2 (i) (2) of the Regulations.

(v) "Partners" means all General Partners and all Limited Partners, where no distinction is required by the context in which the term is used herein. "Partner" means any one of the Partners.

(w) "Partnership" means the partnership formed pursuant to the Original Partnership Agreement and now governed by this Agreement and the partnership continuing the business of this Partnership in the event of dissolution as herein provided.

(x) "Partnership Minimum Gain" has the meaning set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

(y) "Percentage Interest" means, with respect to any Partner, the percentage interest set opposite such Partner's name on EXHIBIT A attached hereto. If any Partnership interest is transferred in accordance with the provisions of this Agreement, the transferee of such interest shall succeed to the Percentage Interest of her transferor to the extent it relates to the transferred interest.

(z) "Person" means any individual, partnership, corporation, trust, or other entity.

(aa) "Profits" and "Losses" means, for each fiscal year or other period, an amount equal to the Partnership's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss;

(ii) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to Subparagraphs (1)(ii) or (1)(iii) hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period, computed in accordance with the definition provided therefor in this Appendix; and

(vi) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Partner's or Interest Holder's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) Notwithstanding any other provision of this paragraph, any items which are specially allocated pursuant to Section 3.3 or Section 3.4 hereof shall not be taken into account in computing Profits or Losses.

(ab) "Property" means all real and personal property acquired by the Partnership and any improvements thereto, and shall include both tangible and intangible property.

(ac) "Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

(ad) "SIDNEY GARFIELD TRUST A REVERSE QTIP TRUST" and "SIDNEY GARFIELD TRUST A EVELYN TRUST" mean the trusts of those names created by the SECOND AMENDED AND RESTATED SIDNEY GARFIELD TRUST AGREEMENT dated May 1, 1987 as amended by a First Amendment thereto dated November 2, 1990.

(ae) "Transfer" means, as a noun, any voluntary or involuntary transfer, sale, pledge, hypothecation, or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge, hypothecate, or otherwise dispose of.



ASSIGNMENT

FOR VALUE RECEIVED, PAVILLION NURSING CENTER, INC. ("Assignor") does hereby assign and transfer to PAVILLION NORTH, a limited partnership ("Assignee"), all of its right, title and interest in and to all of Assignor's assets including without limiting the generality of the foregoing (a) its interest in that certain Lease dated November 30, 1977 between Assignee, as landlord, and Assignor, as tenant, (b) all tangible personal property, (c) all intangibles, (d) all business assets, and (e) the registered trade name "Wexford House", subject to all liabilities asserted or unasserted, contingent or otherwise.

Assignee does hereby accept such assets subject to all such liabilities.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the 30<sup>th</sup> day of March, 1984.

PAVILLION NURSING CENTER  
NORTH, INC.

By: /s/ Sidney Garfield  
Sidney Garfield, President

"Assignor"

PAVILLION NORTH,  
a Limited Partnership

By: /s/ Sidney Garfield  
Sidney Garfield,  
General Partner

"Assignee"



[ILLEGIBLE]	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
	200319900148	DOMESTIC AGENT SUBSEQUENT APPOINTMENT (AGS)	25.00	100.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

C.T. CORPORATION SYSTEM  
17 S. HIGH STREET  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE  
Ohio Secretary of State, J. Kenneth Blackwell  
1222454**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**SKILLED NURSING - HICKSVILLE, INC.**

and, that said business records show the filing and recording of

Document(s):

Document No(s):

**DOMESTIC AGENT SUBSEQUENT APPOINTMENT**

**200319900148**



Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 17th day of July, A.D. 2003.

United States of America  
State of Ohio  
Office of the Secretary of State

/s/ J. Kenneth Blackwell  
Ohio Secretary of State



Prescribed by J. Kenneth Blackwell

Please obtain fee amount and mailing instructions from the **Forms Inventory List** (using the 3 digit form # located at the bottom of this form). To obtain the **Forms Inventory List** or for assistance, please call Customer Service: Central Ohio: (614)-466-3910 Toll Free: 1-877-SOS-FILE (1-877-767-3453)

**ORIGINAL APPOINTMENT OF STATUTORY AGENT**

The undersigned, being at least a majority of the incorporators of SKILLED NURSING - HICKSVILLE, INC.

hereby appoint CSC-Lawyers Incorporating Service  
(Corporation Service Company), to be statutory agent upon whom any process, notice or

demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is:

50 West Broad Street

(street name and number P.O. Boxes are not acceptable)

Columbus, Ohio 43215  
(city, village or township) (zip code)

Signature: [ILLEGIBLE], Incorporator  
Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_

**ACCEPTANCE OF APPOINTMENT**

The undersigned, CSC-Lawyers Incorporating Service  
(Corporation Service Company), named herein as the statutory agent for,  
SKILLED NURSING - HICKSVILLE, INC., hereby acknowledges and accepts the  
appointment of statutory agent for said corporation.

CSC-Lawyers Incorporating Service  
(Corporation Service Company)

Signature: by: /s/ Laura D. Mudra, Laura D. Mudra, Asst.  
Statutory Agent Secretary

Version: May 1, 1999



DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
04/16/2001	200110300204	DOMESTIC ARTICLES/FOR PROFIT (ARF)	100.00	10.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

**CSC**  
**700 S. Second Street**  
**Springfield, IL 62704**

**STATE OF OHIO**

**Ohio Secretary of State, J. Kenneth Blackwell**

**1222454**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**SKILLED NURSING - HICKSVILLE, INC.**

and, that said business records show the filing and recording of:

Document(s)

Document No(s):

**DOMESTIC ARTICLES/FOR PROFIT**

**200110300204**



Witness my hand and the seal of the Secretary of State at Columbus,  
Ohio this 9th day of April, A.D. 2001.

United States of America  
State of Ohio  
Office of the Secretary of State

/s/ J. Kenneth Blackwell  
Ohio Secretary of State



**Prescribed by J. Kenneth Blackwell** Please obtain fee amount and mailing instructions from the **Forms Inventory List** (using the 3 digit form # located at the bottom of this form). To obtain the **Forms Inventory List** or for assistance, please call Customer Service: Central Ohio: (614)-466-3910 Toll Free: 1-877-SOS-FILE (1-877-767-3453)

Expedite this form  
 Yes

**ARTICLES OF INCORPORATION  
 (Under Chapter 1701 of the Ohio Revised Code)  
 Profit Corporation**

The undersigned, desiring to form a corporation, for profit, under Sections 1701.01 et seq. of the Ohio Revised Code, do hereby state the following:

**FIRST.** The name of said corporation shall be:  
 SKILLED NURSING - HICKSVILLE, INC.

**SECOND.** The place in Ohio where its principal office is to be located is  
401 Fountain Street, Hicksville, Defiance County, Ohio  
 (city, village or township)

**THIRD.** The purpose(s) for which this corporation is formed is:  
 The purpose for which the corporation is organized to transact any or all lawful business for which corporations may be incorporated under the Act.

**FOURTH.** The number of shares which the corporation is authorized to have outstanding is: 1,000  
 (Please state whether shares are common or preferred, and their par value, if any. Shares will be recorded as common with no par value unless otherwise indicated.)

IN WITNESS WHEREOF, we have hereunto subscribed our names, on March 2,  
2001 (date)

Signature: /s/ [ILLEGIBLE], Incorporator  
 Name: \_\_\_\_\_

Signature: \_\_\_\_\_, Incorporator  
 Name: \_\_\_\_\_

Signature: \_\_\_\_\_, Incorporator  
 Name: \_\_\_\_\_

# Delaware

*The First State*

PAGE 1

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 "GREENBOUGH, LLC", FILED IN THIS OFFICE ON THE THIRTEENTH DAY OF JULY, A.D. 2006, AT 12 O' CLOCK P.M.



4190040 8100

070223469

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5459565

DATE: 02-26-07

**DELAWARE  
CERTIFICATE OF FORMATION  
OF  
GREENBOUGH, LLC**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

**1. NAME**

The name of the limited liability company is Greenbough, LLC (the "LLC").

**2. REGISTERED OFFICE AND AGENT**

The address of the LLC's registered office in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, County of New Castle. The name of the LLC's registered agent at such address is Corporation Service Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation of Greenbough, LLC, this 12<sup>th</sup> day of July, 2006.

By: /s/ Scott J. Bell

Scott J. Bell  
Authorized Person

---

**STATE OF DELAWARE  
CERTIFICATE OF AMENDMENT**

1. Name of Limited Liability Company: Greenbough, LLC  
\_\_\_\_\_
  
2. The Certificate of Formation of the limited liability company is hereby amended as follows:      The new Registered Agent shall be The Corporation Trust  
Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, New Castle County  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IN WITNESS WHEREOF**, the undersigned have executed this Certificate on the 26th day of February, A.D. 2007.

By: /s/ Carolyn Silva-Quagliato  
Authorized Person(s)

Name: Carolyn Silva-Quagliato  
Print or Type

\_\_\_\_\_



# 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 FORMATION OF "GREENBOUGH I LLC", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF DECEMBER, A.D. 2008, AT 1:29 O'CLOCK P.M.



4636812 8100

081219346

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 7042225

DATE: 12-22-08

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State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 01: 42 PM 12/22/2008  
FILED 01: 29 PM 12/22/2008  
SRV 081219346 - 4636812 FILE

**DELAWARE  
CERTIFICATE OF FORMATION**

**OF**

**GREENBOUGH I LLC**

The undersigned, an authorized 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, Section 18-201 of the Delaware Limited Liability Company Act and the acts amendatory thereof and supplemental thereto) hereby certifies that:

**1. NAME**

The name of the limited liability company is Greenbough I LLC (the "LLC").

**2. REGISTERED OFFICE AND AGENT**

The address of the LLC's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the LLC's registered agent at such address is The Corporation Trust Company.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation of Greenbough I LLC this 22<sup>nd</sup> day of December, 2008.

By:           /s/ Carolyn Silva-Quagliato            
Carolyn Silva-Quagliato  
Authorized Person

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# 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 MERGER, WHICH MERGES:

"GREENBOUGH, LLC", A DELAWARE LIMITED LIABILITY COMPANY,

WITH AND INTO "GREENBOUGH I LLC" UNDER THE NAME OF "GREENBOUGH, LLC", A LIMITED LIABILITY COMPANY ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-THIRD DAY OF DECEMBER, A.D. 2008, AT 12:35 O'CLOCK P.M.



4636812 8100M

081224024

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of  
State

AUTHENTICATION: 7048532

DATE: 12-24-08

**CERTIFICATE OF MERGER**

**MERGING**

**GREENBOUGH, LLC**  
a Delaware limited liability company

**INTO**

**GREENBOUGH I LLC**  
a Delaware limited liability company

Pursuant to Section 18-209 of the Delaware Limited Liability Company Act (the "Act"), GREENBOUGH 1 LLC, a Delaware limited liability company and the surviving limited liability company ("Greenbough I"), submits the following Certificate of Merger for filing and certifies as of this 23rd day of December, 2008 that:

1. The name and jurisdiction of formation of each of the limited liability companies which is a party to the merger are:

<u>Name</u>	<u>Jurisdiction</u>
GREENBOUGH, LLC	Delaware
GREENBOUGH I LLC	Delaware

2. A Plan of Merger dated as of December 23, 2008, setting forth the terms and conditions of the merger (the "Merger") of GREENBOUGH, LLC ("Greenbough, LLC") with and into Greenbough I, with Greenbough I surviving, has been approved, adopted and executed by each of Greenbough, LLC and Greenbough I;
  3. Greenbough 1 shall be the surviving limited liability company upon consummation of the Merger. Immediately following completion of the Merger, Article 1 of the Certificate of Formation of Greenbough 1 shall be amended and restated to read in its entirety as follows:  

"The name of the limited liability company is Greenbough, LLC (the "LLC")."
  4. The Merger shall become effective upon filing of this Certificate of Merger;
  5. The Plan of Merger is on file at the principal executive office of Greenbough I which is located at 4445 Willard Avenue, 12th Floor, Chevy Chase, MD 20815; and
  6. A copy of the Plan of Merger will be furnished by Greenbough, I, on request and without cost, to any member of Greenbough, I or Greenbough, LLC or any person holding an interest in Greenbough, LLC.
-

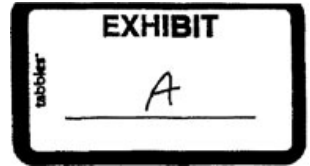
IN WITNESS WHEREOF, this Certificate of Merger has been duly executed as of the date first set forth above, and is being filed in accordance with Section 18-209 of the Act by an authorized person of Greenbough I LLC, the surviving limited liability company in the merger.

GREENBOUGH I LLC

By: /s/ Steven A. Museles

Name: Steven A. Museles

Title: Executive Vice President



*Delaware*  
*The First State*

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "LAD I REAL ESTATE COMPANY, LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE TEWNTY-NINTH DAY OF JULY, A.D. 2004, AT 1:14 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY.



3835890 8100H

060024629

/s/ Harriet Smith Windsor  
Harriet Smith Windsor, Secretary of State  
AUTHENTICATION: 4437534

DATE: 01-10-06

**STATE of DELAWARE  
LIMITED LIABILITY COMPANY  
CERTIFICATE of FORMATION**

- **First:** The name of the limited liability company is LAD I REAL ESTATE COMPANY, LLC.
- **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 term of existence of the company shall be perpetual.
- **Fourth:** The Company shall be managed by a manager or managers.

**In Witness Whereof**, the undersigned have executed this Certificate of Formation of LAD I REAL ESTATE COMPANY, LLC this 29th day of July, 2004.

BY: /s/ Lianne Barnard

NAME: Lianne Barnard, Organizer

# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "SUWANEE, LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE THIRTEENTH DAY OF JULY, A.D. 2006, AT 12 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY, "SUWANEE, LLC".

4190036 8100H



070223579

/s/ Harriet Smith Windsor  
Harriet Smith Windsor, Secretary  
of State

AUTHENTICATION: 5459629

DATE: 02-26-07





**STATE OF DELAWARE  
CERTIFICATE OF AMENDMENT**

1. Name of Limited Liability Company: Suwanee, LLC  
\_\_\_\_\_
  
2. The Certificate of Formation of the limited liability company is hereby amended as follows: \_\_\_\_\_  
The new Registered Agent shall be The Corporation Trust  
Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, New Castle County .  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IN WITNESS WHEREOF**, the undersigned have executed this Certificate on the 26th day of February, A.D. 2007.

By: /s/ Carolyn Silva-Quagliato  
\_\_\_\_\_ Authorized Person(s)

Name: Carolyn Silva-Quagliato  
\_\_\_\_\_ Print or Type

\_\_\_\_\_

**COVER LETTER**

**TO:** Registration Section  
Division of Corporations

**SUBJECT:** Suwanee, LLC  
(Name of Limited Liability Company)

Dear Sir or Madam:

The enclosed Registered Agent/Registered Office Change and fee(s) are submitted for filing.

Please return all correspondence concerning this matter to the following:

Carolyn Silva-Quagliato  
(Name of Person)

c/o CapitalSource  
(Firm/Company)

4445 Willard Avenue, 12th Floor  
(Address)

Chevy Chase, MD 20815  
(City/State and Zip Code)

For further information concerning this matter, please call:

Carolyn Silva-Quagliato at (301) 841-2765  
(Name of Person) (Area Code & Daytime Telephone Number)

**STREET/COURIER ADDRESS:**

Registration Section  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, Florida 32301

**MAILING ADDRESS:**

Registration Section  
Division of Corporations  
P.O. Box 6327  
Tallahassee, Florida 32314

**Enclosed is a check for the following amount:**

\$25 Filing Fee

\$55 Filing Fee & Certified Copy

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT  
OF  
[COMPANY] LLC

This Second Amended and Restated Limited Liability Company Agreement (the "Agreement") of [COMPANY] LLC (the "Company"), is entered into by OHI Asset CSE-U, LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company. As used in this Agreement, "Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

RECITALS:

WHEREAS, the Company was formed as a limited liability company on [DATE], pursuant to the provisions of the Act;

WHEREAS, the Member acquired all of the outstanding equity interests in the Company (the "Membership Interest") on December 22, 2009; and

WHEREAS, the Member desires to enter into this Agreement to amend and restate the Amended and Restated Operating Agreement of the Company dated [DATE], as heretofore amended.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member hereto hereby agrees as follows:

Section 1. Name. The name of the limited liability company is [COMPANY] LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 200 International Circle, Suite 3500, Hunt Valley, MD 21030.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 5. Member. The mailing address of the Member is set forth on Schedule A attached hereto. Upon its execution of a counterpart signature page to this Agreement, OHI Asset CSE-U, LLC is hereby admitted to the Company as the sole member of the Company.

Section 6. Foreign Qualification. The Member or any Officer shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business. The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes. The Company has been formed for the purposes of (a) acquiring, selling, investing in, holding, owning, leasing, managing, operating, granting mortgages on and security interests in, and acquiring and making loans secured by, real property and personal property and all rights and interests in any manner appertaining or incidental thereto, and (b) engaging in any lawful business, action or activity in which a limited liability company organized formed pursuant to the Act may engage.

Section 8. Powers. The Company, and the Member and the Officers on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management. In accordance with Section 18-402 of the Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company within the meaning of Section 18-402 of the Act.

Section 10. Officers.

(a) Officers. The Member may, from time to time, designate one or more persons to be officers of the Company (each an “Officer”). Any Officer so designated shall have such title and authority and perform such duties as the Member may, from time to time, delegate to them; provided, however, that except as otherwise delegated by the Member, the Officers shall have such authority and perform such duties as officers with similar titles of business corporations organized under the General Corporation Law of the State of Delaware. Each Officer shall hold office for the term for which such Officer is designated and until its qualified successor shall be duly designated or until such officer’s death, resignation or removal as provided herein. Any Officer may be removed as such, with or without cause, by the Member at any time. Any Officer may resign at any time upon written notice to the Company. Such resignation shall be in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time the Member receives such written resignation. The initial Officers of the Company designated by the Member are listed on Schedule B attached hereto. The Member may from time to time by resolution authorize a person who is not an Officer to act on behalf of the Company and to execute and/or attest documents as an authorized representative of the Company, subject to such specific authority and such specific limitations as the Member shall in its sole discretion determine and as shall be set forth in the resolution, and such person shall have such title as shall be set forth in the resolution. The action of such person taken in accordance with the authority granted to such person in the resolution shall bind the Company, and such person shall have the same fiduciary duty of loyalty and care as the Officers.

(b) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company’s business and, the actions of the Officers taken in accordance with such powers shall bind the Company.

( c ) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 11. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company.

Section 12. Certificates. All of the equity interests of a Member in the Company (the “Membership Interests”) may be evidenced by a certificate showing the name of the Member and the number or percentage of Membership Interests held by that Member. Each such certificate shall be signed by an officer of the Company, and such certificates may be signed in counterparts. The certificates representing the Membership Interests in the Company shall constitute a “security” within the meaning of (A) Article 8 of the Uniform Commercial Code (including Section 8-102(a) thereof) as in effect from time to time in the State of Delaware and (B) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Each Member hereby agrees that its Membership Interest in the Company and in its Membership Interests for all purposes shall be personal property. The Members have no interest in specific Company property.

Section 13. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time at its sole discretion. The provisions of this Agreement, including this Section 13, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company and the Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 14. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 15. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any other provision of this Agreement, the Company shall not be required to make a distribution to the Member on account of its limited liability company interests in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law.

Section 16. Exculpation and Indemnification.

( a ) Neither the Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

( c ) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be finally determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

Section 17. Resignation. The Member has the right to resign from the Company at any time.

Section 18. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

( e ) Upon the cancellation of the Certificate of Formation by the filing of a certificate of cancellation or otherwise in accordance with the Act, this Agreement shall terminate.

Section 19. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 20. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 21. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 22. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Second Amended and Restated Limited Liability Company Agreement, effective as of the date written below.

MEMBER:

OHI Asset CSE-U, LLC, a Delaware limited liability company

January 22, 2010

By: /s/ Taylor Pickett

Name: Taylor Pickett

Title: Chief Executive Officer

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SCHEDULE A

Member

Name	Mailing Address	Membership Interest
OHI Asset CSE-U, LLC.	200 International Circle Suite 3500 Hunt Valley, MD 21030	100%

SCHEDULE B

OFFICERS

C. Taylor Pickett

Daniel J. Booth

Robert O. Stephenson

Michael Ritz

TITLE

President and Chief Executive  
Officer

Chief Operating Officer and  
Secretary

Chief Financial Officer and  
Treasurer

Vice President and Chief Accounting  
Officer

This Form is Used by Entity. The Fee is \$10.00.

RESOLUTION TO CHANGE PRINCIPAL OFFICE OR RESIDENT AGENT

The directors/stockholders/general partner/authorized person of \_\_\_\_\_

Texas Lessor - Stonegate LP  
\_\_\_\_\_  
(Name of Entity)

organized under the laws of Maryland \_\_\_\_\_, passes the following resolution:  
(State)

[ILLEGIBLE]  
2003 JUL 17 PM 3:31

[CHECK APPLICABLE BOX(ES)]

The principal office is changed from: (old address)  
\_\_\_\_\_  
\_\_\_\_\_

to: (new address)  
\_\_\_\_\_  
\_\_\_\_\_

The name and address of the resident agent is changed from:  
Corporation Service Company  
11 E. Chase Street Baltimore, MD 21207  
\_\_\_\_\_

to:  
\_\_\_\_\_  
THE CORPORATION TRUST INCORPORATED  
\_\_\_\_\_  
300 East Lombard Street, Baltimore, Maryland 21202  
\_\_\_\_\_

I certify under penalties of perjury the foregoing is true.

\_\_\_\_\_  
/s/ Michael E. Jones  
Secretary or Assistant Secretary  
General Partner  
Authorized Person  
BY: Texas Lessor Stonegate GP, Inc.  
Michael E. Jones, Vice President

I hereby consent to my designation in this document as resident agent for this entity.

\_\_\_\_\_  
THE CORPORATION TRUST INCORPORATED  
SIGNED /s/ Linda Tyndell  
\_\_\_\_\_  
Resident Agent  
Linda Tyndell, Asst. Sec

Mail to: State Department of Assessments & Taxation, 301 W. Preston Street, Room 801. Baltimore, MD 21201

CERTIFICATE OF LIMITED PARTNERSHIP  
[ILLEGIBLE]  
OF  
TEXAS LESSOR - STONEGATE, LP

To the State Department of Assessments and Taxation State of Maryland

The undersigned, pursuant to section 10-201 of the Annotated Code of Maryland, desiring to form a limited partnership under the laws of Maryland, hereby certify that:

- 1. The name of the limited partnership is TEXAS LESSOR - STONEGATE, LP
- 2. The address of its principal office in this state is 9690 Deereco Road, Suite 100, Timonium, Maryland 21093.

The name and address of its resident agent is CSC-Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore, Maryland 21202.

- 3. The names and business residence or mailing addresses of the general partners are set forth below:

<u>NAME</u>	<u>ADDRESS</u>
Texas Lessor - StoneGate GP, Inc., a Maryland corporation	9690 Deereco Road, Suite 360 Timonium, Maryland 21093

- 4. The limited partnership shall have a perpetual existence.
- 5. The undersigned constitute all the general partners in the above-named limited partnership.

*Signatures on following page.*

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 4  
page document on file in this office. DATED: 3/17/04  
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: /s/ [ILLEGIBLE], Custodian

This stamp replaces our previous certification system. Effective: 6/95

Signed on January 29, 2002.

Texas Lessor - StoneGate GP, Inc., a  
Maryland corporation, its General Partner

By: /s/ Laurence D. Rich

Name: Laurence D. Rich

Title: VP

I hereby consent to my designation in this document as resident agent for this limited partnership.

SIGNED SEE ATTACHED

Resident Agent

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I hereby consent to my designation in this document as resident agent for this corporation.

CSC-Lawyers Incorporating Service Company

Signed by: /s/ [ILLEGIBLE]

Resident Agent

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August 9, 2010

Omega Healthcare Investors, Inc.  
200 International Circle  
Suite 3500  
Hunt Valley, Maryland 21030

Re: Registration Statement on Form S-4 filed by Omega Healthcare Investors, Inc.

Ladies and Gentlemen:

We have served as counsel to Omega Healthcare Investors, Inc., a Maryland corporation (the "Company"), in connection with the Registration Statement on Form S-4 (the "Registration Statement") to be filed by the Company and by the subsidiary guarantors listed on Schedule I hereto (the "Subsidiary Guarantors") with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), relating to the offer by the Company (the "Exchange Offer") to exchange up to \$200,000,000 in aggregate principal amount of the Company's issued and outstanding 7½% Senior Notes due 2020 (the "Exchange Notes") for aggregate principal amount of up to \$200,000,000 of its issued and outstanding 7½% Senior Notes due 2020 (the "Initial Notes"), under the indenture dated as of February 9, 2010 (the "Indenture"), among the Company, the Subsidiary Guarantors and U.S. Bank National Association, as trustee (the "Trustee"). All capitalized terms which are defined in the Indenture shall have the same meanings when used herein, unless otherwise specified.

In connection herewith, we have examined:

- (1) the Registration Statement (including all exhibits thereto);
  - (2) an executed copy of the Indenture, including the guarantees of the Initial Notes and the Exchange Notes (each, a "Guarantee") provided for therein;
  - (3) executed copies of the Initial Notes;
  - (4) the form of the Exchange Notes;
  - (5) the charter, certificate or articles of incorporation, formation or trust and bylaws, limited liability company agreement, limited partnership agreement or other organizational documents of the Subsidiary Guarantors identified as "Identified Guarantors" on Schedule I hereto (the "Identified Guarantors") as in effect on the date hereof and as certified by the applicable Secretary, Assistant Secretary or other appropriate representative of such company (the "Organizational Documents");
  - (6) a certificate of legal existence and good standing for the Company and each of the Identified Guarantors as of a recent date; and
  - (7) certificates of the respective Secretaries, Assistant Secretaries or other appropriate representatives of each of the Company and the Identified Guarantors, certifying as to resolutions relating to the transactions referred to herein and the incumbency of officers.
-



The documents referenced as items (1) through (4) above are collectively referred to as the "Transaction Documents."

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such other corporate, limited liability company, limited partnership or trust records, agreements and instruments of the Company and the Identified Guarantors, certificates of public officials and officers or other appropriate representatives of the Company and the Identified Guarantors, and such other documents, records and instruments, and we have made such legal and factual inquiries, as we have deemed necessary or appropriate as a basis for us to render the opinions hereinafter expressed. In our examination of the Transaction Documents and the foregoing, we have assumed the genuineness of all signatures, the legal competence and capacity of natural persons, the authenticity of documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied without independent investigation as to matters of fact upon statements of governmental officials and upon representations made in or pursuant to certificates and statements of appropriate representatives of the Company and the Identified Guarantors.

In connection herewith, we have assumed that, other than with respect to the Company and the Identified Guarantors, all of the documents referred to in this opinion have been duly authorized by, have been duly executed and delivered by, and constitute the valid, binding and enforceable obligations of, all of the parties thereto, all of the signatories to such documents have been duly authorized by all such parties and all such parties are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents.

We have assumed, with your permission, that each of the Subsidiary Guarantors other than the Identified Guarantors (the "Non-Identified Guarantors") has been duly organized and is validly existing in good standing under the laws of its state of organization or formation, the execution and delivery by such Non-Identified Guarantor of the Transaction Documents to which it is a party and the performance by it of its obligations thereunder are within its organizational power and have been duly authorized by all necessary corporate, limited liability company, limited partnership or trust action on its part, each of the Transaction Documents to which it is a party has been duly executed and delivered by it and the execution and delivery by it of the Transaction Documents to which it is a party and the performance by it of its obligations thereunder do not result in any violation by it of the provisions of its organizational documents.

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Based upon the foregoing and in reliance thereon, and subject to the assumptions, comments, qualifications, limitations and exceptions set forth herein, we are of the opinion that, when (i) the Registration Statement has become effective under the Act, (ii) the Indenture has become duly qualified under the Trust Indenture Act of 1939, as amended, and (iii) the Exchange Notes (in the form examined by us) have been duly executed by the Company and authenticated and delivered by the Trustee and issued in exchange for the Initial Notes in accordance with the provisions of the Indenture upon consummation of the Exchange Offer, and otherwise in accordance with the terms of the Registration Statement and the exhibits thereto, (a) the Exchange Notes will constitute valid and binding obligations of the Company and (b) the Guarantee of each Identified Guarantor provided for in the Indenture will constitute a valid and binding obligation of such Identified Guarantor.

In addition to the assumptions, comments, qualifications, limitations and exceptions set forth above, the opinion set forth herein is further limited by, subject to and based upon the following assumptions, comments, qualifications, limitations and exceptions:

(a) Our opinions herein reflect only the application of applicable Delaware, Maryland and New York state law (excluding the securities and blue sky laws of such states, as to which we express no opinion) and the federal laws of the United States of America. The opinion set forth herein is made as of the date hereof and is subject to, and may be limited by, future changes in the factual matters set forth herein, and we undertake no duty to advise you of the same. The opinion expressed herein is based upon the law in effect (and published or otherwise generally available) on the date hereof, and we assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision or otherwise. In rendering our opinion, we have not considered, and hereby disclaim any opinion as to, the application or impact of any laws, cases, decisions, rules or regulations of any other jurisdiction, court or administrative agency.

(b) We express no opinion herein as to the enforceability of the Exchange Notes or the Guarantees.

(c) We express no opinion as to whether a subsidiary may guarantee or otherwise be liable for indebtedness incurred by its parent except to the extent that such subsidiary may be determined to have benefited from the incurrence of the indebtedness by its parent or whether such benefit may be measured other than by the extent to which the proceeds of the indebtedness incurred by its parent are, directly or indirectly, made available to such subsidiary for its corporate or other analogous purposes.

We do not render any opinions except as set forth above. The opinion set forth herein is made as of the date hereof. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name therein and in the related prospectus under the captions "Legal Matters." In giving such consent, we do not thereby concede that we are within the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission thereunder.

Very truly yours,

/s/ Bryan Cave LLP

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Schedule I

Subsidiary Guarantors

(\* indicates an Identified Guarantor)

<b>Subsidiary</b>	<b>State or other jurisdiction of formation</b>
Arizona Lessor - Infinia, Inc.*	Maryland
Baldwin Health Center, Inc.	Pennsylvania
Bayside Alabama Healthcare Second, Inc.	Alabama
Bayside Arizona Healthcare Associates, Inc.	Arizona
Bayside Arizona Healthcare Second, Inc.	Arizona
Bayside Colorado Healthcare Associates, Inc.	Colorado
Bayside Colorado Healthcare Second, Inc.	Colorado
Bayside Indiana Healthcare Associates, Inc.	Indiana
Bayside Street II, Inc.*	Delaware
Bayside Street, Inc.*	Maryland
Canton Health Care Land, Inc.	Ohio
Carnegie Gardens LLC*	Delaware
Center Healthcare Associates, Inc.	Texas
Cherry Street – Skilled Nursing, Inc.	Texas
Colonial Gardens, LLC	Ohio
Colorado Lessor - Conifer, Inc.*	Maryland
Copley Health Center, Inc.	Ohio
CSE Albany LLC*	Delaware
CSE Amarillo LLC*	Delaware
CSE Anchorage LLC*	Delaware
CSE Arden L.P.*	Delaware
CSE Augusta LLC*	Delaware
CSE Bedford LLC*	Delaware
CSE Blountville LLC*	Delaware
CSE Bolivar LLC*	Delaware
CSE Cambridge LLC*	Delaware
CSE Cambridge Realty LLC*	Delaware
CSE Camden LLC*	Delaware
CSE Canton LLC*	Delaware
CSE Casablanca Holdings II LLC*	Delaware
CSE Casablanca Holdings LLC*	Delaware
CSE Cedar Rapids LLC*	Delaware
CSE Centennial Village	Delaware
CSE Chelmsford LLC*	Delaware
CSE Chesterton LLC*	Delaware
CSE Claremont LLC*	Delaware
CSE Corpus North LLC*	Delaware
CSE Crane LLC*	Delaware
CSE Denver Iliff LLC*	Delaware
CSE Denver LLC*	Delaware
CSE Douglas LLC*	Delaware
CSE Dumas LLC*	Delaware
CSE Elkton LLC*	Delaware

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<b>Subsidiary</b>	<b>State or other jurisdiction of formation</b>
CSE Elkton Realty LLC*	Delaware
CSE Fairhaven LLC*	Delaware
CSE Fort Wayne LLC*	Delaware
CSE Frankston LLC*	Delaware
CSE Georgetown LLC*	Delaware
CSE Green Bay LLC*	Delaware
CSE Hilliard LLC*	Delaware
CSE Huntingdon LLC*	Delaware
CSE Huntsville LLC*	Delaware
CSE Indianapolis-Continental LLC*	Delaware
CSE Indianapolis-Greenbriar LLC*	Delaware
CSE Jacinto City LLC*	Delaware
CSE Jefferson City LLC*	Delaware
CSE Jeffersonville-Hillcrest Center LLC*	Delaware
CSE Jeffersonville-Jennings House LLC*	Delaware
CSE Kerrville LLC*	Delaware
CSE King L.P.*	Delaware
CSE Kingsport LLC*	Delaware
CSE Knightdale L.P.*	Delaware
CSE Lake City LLC*	Delaware
CSE Lake Worth LLC*	Delaware
CSE Lakewood LLC*	Delaware
CSE Las Vegas LLC*	Delaware
CSE Lawrenceburg LLC*	Delaware
CSE Lenoir L.P. *	Delaware
CSE Lexington Park LLC*	Delaware
CSE Lexington Park Realty LLC*	Delaware
CSE Ligonier LLC*	Delaware
CSE Live Oak LLC*	Delaware
CSE Logansport LLC*	Delaware
CSE Lowell LLC*	Delaware
CSE Marianna Holdings LLC*	Delaware
CSE Memphis LLC*	Delaware
CSE Mobile LLC*	Delaware
CSE Moore LLC*	Delaware
CSE North Carolina Holdings I LLC*	Delaware
CSE North Carolina Holdings II LLC*	Delaware
CSE Omro LLC*	Delaware
CSE Orange Park LLC*	Delaware
CSE Orlando-Pinar Terrace Manor LLC*	Delaware
CSE Orlando-Terra Vista Rehab LLC*	Delaware
CSE Pennsylvania Holdings	Delaware
CSE Piggott LLC*	Delaware
CSE Pilot Point LLC*	Delaware
CSE Ponca City LLC*	Delaware
CSE Port St. Lucie LLC*	Delaware

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<b>Subsidiary</b>	<b>State or other jurisdiction of formation</b>
CSE Richmond LLC*	Delaware
CSE Ripley LLC*	Delaware
CSE Ripon LLC*	Delaware
CSE Safford LLC*	Delaware
CSE Salina LLC*	Delaware
CSE Seminole LLC*	Delaware
CSE Shawnee LLC*	Delaware
CSE Spring Branch LLC*	Delaware
CSE Stillwater LLC*	Delaware
CSE Taylorsville LLC*	Delaware
CSE Texarkana LLC*	Delaware
CSE Texas City LLC*	Delaware
CSE The Village LLC*	Delaware
CSE Upland LLC*	Delaware
CSE Walnut Cove L.P.*	Delaware
CSE West Point LLC*	Delaware
CSE Whitehouse LLC*	Delaware
CSE Williamsport LLC*	Delaware
CSE Winter Haven LLC*	Delaware
CSE Woodfin L.P. *	Delaware
CSE Yorktown LLC*	Delaware
Dallas – Skilled Nursing, Inc.	Texas
Delta Investors I, LLC*	Maryland
Delta Investors II, LLC*	Maryland
Desert Lane LLC*	Delaware
Dixon Health Care Center, Inc.	Ohio
Florida Lessor – Crystal Springs, Inc. *	Maryland
Florida Lessor – Emerald, Inc. *	Maryland
Florida Lessor – Lakeland, Inc. *	Maryland
Florida Lessor – Meadowview, Inc. *	Maryland
Florida Real Estate Company, LLC	Florida
Georgia Lessor - Bonterra/Parkview, Inc. *	Maryland
Greenbough, LLC*	Delaware
Hanover House, Inc.	Ohio
Heritage Texarkana Healthcare Associates, Inc.	Texas
House of Hanover, Ltd	Ohio
Hutton I Land, Inc.	Ohio
Hutton II Land, Inc.	Ohio
Hutton III Land, Inc.	Ohio
Indiana Lessor – Jeffersonville, Inc. *	Maryland
Indiana Lessor – Wellington Manor, Inc. *	Maryland
Jefferson Clark, Inc. *	Maryland
LAD I Real Estate Company, LLC*	Delaware
Lake Park – Skilled Nursing, Inc.	Texas
Leatherman 90-1, Inc.	Ohio
Leatherman Partnership 89-1, Inc.	Ohio

<b>Subsidiary</b>	<b>State or other jurisdiction of formation</b>
Leatherman Partnership 89-2, Inc.	Ohio
Long Term Care – Michigan, Inc.	Michigan
Long Term Care – North Carolina, Inc.	North Carolina
Long Term Care Associates – Illinois, Inc.	Illinois
Long Term Care Associates – Indiana, Inc.	Indiana
Long Term Care Associates – Texas, Inc.	Texas
Meridian Arms Land, Inc.	Ohio
North Las Vegas LLC*	Delaware
NRS Ventures, L.L.C. *	Delaware
OHI (Connecticut), Inc.	Connecticut
OHI (Florida), Inc.	Florida
OHI (Illinois), Inc.	Illinois
OHI (Indiana), Inc.	Indiana
OHI (Iowa), Inc.	Iowa
OHI (Kansas), Inc.	Kansas
OHI Asset (CA), LLC*	Delaware
OHI Asset (CO), LLC*	Delaware
OHI Asset (CT) Lender, LLC*	Delaware
OHI Asset (FL), LLC*	Delaware
OHI Asset (ID), LLC*	Delaware
OHI Asset (IL), LLC*	Delaware
OHI Asset (IN), LLC*	Delaware
OHI Asset (LA), LLC*	Delaware
OHI Asset (MI/NC), LLC*	Delaware
OHI Asset (MO), LLC*	Delaware
OHI Asset (OH) Lender, LLC*	Delaware
OHI Asset (OH) New Philadelphia, LLC*	Delaware
OHI Asset (OH), LLC*	Delaware
OHI Asset (PA) Trust*	Maryland
OHI Asset (PA), LLC*	Delaware
OHI Asset (SMS) Lender, Inc. *	Maryland
OHI Asset (TX), LLC*	Delaware
OHI Asset CSB LLC*	Delaware
OHI Asset CSE – E, LLC*	Delaware
OHI Asset CSE – U, LLC*	Delaware
OHI Asset Essex (OH), LLC*	Delaware
OHI Asset II (CA), LLC*	Delaware
OHI Asset II (FL), LLC*	Delaware
OHI Asset II (PA) Trust*	Maryland
OHI Asset III (PA) Trust*	Maryland
OHI Asset IV (PA) Silver Lake Trust*	Maryland
OHI Asset, LLC*	Delaware
OHI of Texas, Inc. *	Maryland
OHI Sunshine, Inc.	Florida
OHI Tennessee, Inc. *	Maryland
OHIMA, Inc.	Massachusetts

<b>Subsidiary</b>	<b>State or other jurisdiction of formation</b>
Omega (Kansas), Inc.	Kansas
Omega TRS I, Inc. *	Maryland
Orange Village Care Center, Inc.	Ohio
OS Leasing Company	Kentucky
Panama City Nursing Center LLC*	Delaware
Parkview – Skilled Nursing, Inc.	Texas
Pavillion North Partners, Inc.	Pennsylvania
Pavillion North, LLP	Pennsylvania
Pavillion Nursing Center North, Inc.	Pennsylvania
Pine Texarkana Healthcare Associates, Inc.	Texas
Reunion Texarkana Healthcare Associates, Inc.	Texas
San Augustine Healthcare Associates, Inc.	Texas
Skilled Nursing – Gaston, Inc.	Indiana
Skilled Nursing – Herrin, Inc.	Illinois
Skilled Nursing – Hicksville, Inc.	Ohio
Skilled Nursing – Paris, Inc.	Illinois
Skyler Maitland LLC*	Delaware
South Athens Healthcare Associates, Inc.	Texas
St. Mary's Properties, Inc.	Ohio
Sterling Acquisition Corp.	Kentucky
Sterling Acquisition Corp. II	Kentucky
Suwanee, LLC*	Delaware
Texas Lessor – Stonegate GP, Inc. *	Maryland
Texas Lessor – Stonegate, Limited, Inc. *	Maryland
Texas Lessor – Stonegate, LP*	Maryland
Texas Lessor – Treemont, Inc. *	Maryland
The Suburban Pavilion, Inc.	Ohio
Washington Lessor – Silverdale, Inc. *	Maryland
Waxahachie Healthcare Associates, Inc.	Texas
West Athens Healthcare Associates, Inc.	Texas
Wilcare, LLC	Ohio

**Omega Healthcare Investors , Inc.**  
**Computation of Ratio of Earnings to Fixed Charges**  
(In millions except ratios)

	<u>Year Ended December 31,</u>					<u>Six Months Ended</u>	
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>June 30,</u>	
						<u>2009</u>	<u>2010</u>
Net Income (Loss) from Continuing Operations	\$ 37,289	\$ 55,905	\$ 67,598	\$ 77,691	\$ 82,111	\$ 44,734	\$ 36,460
Interest Expense	34,771	47,611	44,092	39,746	39,075	19,011	33,644
<b>Net Income (Loss) before Fixed Charges</b>	<b>\$ 72,060</b>	<b>\$ 103,516</b>	<b>\$ 111,690</b>	<b>\$ 117,437</b>	<b>\$ 121,186</b>	<b>\$ 63,745</b>	<b>\$ 70,104</b>
Capitalized Interest	—	—	110	160	141	79	6
Interest	\$ 34,771	\$ 47,611	\$ 44,092	\$ 39,746	\$ 39,075	\$ 19,011	\$ 33,644
Total Fixed Charges	\$ 34,771	\$ 47,611	\$ 44,202	\$ 39,906	\$ 39,216	\$ 19,090	\$ 33,650
<b>Earnings / Fixed Charge coverage ratio</b>	<b>2.1x</b>	<b>2.2x</b>	<b>2.5x</b>	<b>2.9x</b>	<b>3.1x</b>	<b>3.3x</b>	<b>2.1x</b>

consist of income from continuing operations plus fixed charges. Fixed charges consist of interest expense.



## Subsidiaries of Omega Healthcare Investors, Inc.

1. Arizona Lessor - Infinia, Inc.
  2. Baldwin Health Center, Inc.
  3. Bayside Alabama Healthcare Second, Inc.
  4. Bayside Arizona Healthcare Associates, Inc.
  5. Bayside Arizona Healthcare Second, Inc.
  6. Bayside Colorado Healthcare Associates, Inc.
  7. Bayside Colorado Healthcare Second, Inc.
  8. Bayside Indiana Healthcare Associates, Inc.
  9. Bayside Street II, Inc.
  10. Bayside Street, Inc.
  11. Canton Health Care Land, Inc.
  12. Carnegie Gardens LLC
  13. Center Healthcare Associates, Inc.
  14. Cherry Street – Skilled Nursing, Inc.
  15. CHR Bartow LLC
  16. CHR Boca Raton LLC
  17. CHR Bradenton LLC
  18. CHR Cape Coral LLC
  19. CHR Clearwater Highland LLC
  20. CHR Clearwater LLC
  
  21. CHR Deland East LLC
  22. CHR Deland West LLC
  23. CHR Fort Myers LLC
  24. CHR Fort Walton Beach LLC
  25. CHR Gulfport LLC
  26. CHR Hudson LLC
  27. CHR Lake Wales LLC
  28. CHR Lakeland LLC
  29. CHR Panama City LLC
  30. CHR Pompano Beach Broward LLC
  31. CHR Pompano Beach LLC
  32. CHR Sanford LLC
  33. CHR Sarasota LLC
  34. CHR Spring Hill LLC
  35. CHR St. Pete Abbey LLC
  36. CHR St. Pete Bay LLC
  37. CHR St. Pete Egret LLC
  38. CHR Tampa Carrollwood LLC
  39. CHR Tampa LLC
  40. CHR Tarpon Springs LLC
  41. CHR Titusville LLC
  42. CHR West Palm Beach LLC
-

43. Colonial Gardens, LLC
  44. Colorado Lessor - Conifer, Inc.
  45. Copley Health Center, Inc.
  46. CSE Albany LLC
  47. CSE Amarillo LLC
  48. CSE Anchorage LLC
  49. CSE Arden L.P.
  50. CSE Augusta LLC
  51. CSE Bedford LLC
  52. CSE Blountville LLC
  53. CSE Bolivar LLC
  54. CSE Cambridge LLC
  55. CSE Cambridge Realty LLC
  56. CSE Camden LLC
  57. CSE Canton LLC
  58. CSE Casablanca Holdings II LLC
  59. CSE Casablanca Holdings LLC
  60. CSE Cedar Rapids LLC
  61. CSE Centennial Village
  62. CSE Chelmsford LLC
  63. CSE Chesterton LLC
  64. CSE Claremont LLC
  65. CSE Corpus North LLC
  66. CSE Crane LLC
  67. CSE Denver Iliff LLC
  68. CSE Denver LLC
  69. CSE Douglas LLC
  70. CSE Dumas LLC
  71. CSE Elkton LLC
  72. CSE Elkton Realty LLC
  73. CSE Fairhaven LLC
  74. CSE Fort Wayne LLC
  75. CSE Frankston LLC
  76. CSE Georgetown LLC
  77. CSE Green Bay LLC
  78. CSE Hilliard LLC
  79. CSE Huntingdon LLC
  80. CSE Huntsville LLC
  81. CSE Indianapolis-Continental LLC
  82. CSE Indianapolis-Greenbriar LLC
  83. CSE Jacinto City LLC
  84. CSE Jefferson City LLC
  85. CSE Jeffersonville-Hillcrest Center LLC
  86. CSE Jeffersonville-Jennings House LLC
  87. CSE Kerrville LLC
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88. CSE King L.P.
  89. CSE Kingsport LLC
  90. CSE Knightdale L.P.
  91. CSE Lake City LLC
  92. CSE Lake Worth LLC
  93. CSE Lakewood LLC
  94. CSE Las Vegas LLC
  95. CSE Lawrenceburg LLC
  96. CSE Lenoir L.P.
  97. CSE Lexington Park LLC
  98. CSE Lexington Park Realty LLC
  99. CSE Ligonier LLC
  100. CSE Live Oak LLC
  101. CSE Logansport LLC
  102. CSE Lowell LLC
  103. CSE Marianna Holdings LLC
  104. CSE Memphis LLC
  105. CSE Mobile LLC
  106. CSE Moore LLC
  107. CSE North Carolina Holdings I LLC
  108. CSE North Carolina Holdings II LLC
  109. CSE Omro LLC
  110. CSE Orange Park LLC
  111. CSE Orlando-Pinar Terrace Manor LLC
  112. CSE Orlando-Terra Vista Rehab LLC
  113. CSE Pennsylvania Holdings
  114. CSE Piggott LLC
  115. CSE Pilot Point LLC
  116. CSE Pine View LLC
  117. CSE Ponca City LLC
  118. CSE Port St. Lucie LLC
  119. CSE Richmond LLC
  120. CSE Ripley LLC
  121. CSE Ripon LLC
  122. CSE Safford LLC
  123. CSE Salina LLC
  124. CSE Seminole LLC
  125. CSE Shawnee LLC
  126. CSE Spring Branch LLC
  127. CSE Stillwater LLC
  128. CSE Taylorsville LLC
  129. CSE Texarkana LLC
  130. CSE Texas City LLC
  131. CSE The Village LLC
  132. CSE Upland LLC
-

133. CSE Walnut Cove L.P.
  134. CSE West Point LLC
  135. CSE Whitehouse LLC
  136. CSE Williamsport LLC
  137. CSE Winter Haven LLC
  138. CSE Woodfin L.P.
  139. CSE Yorktown LLC
  140. Dallas – Skilled Nursing, Inc.
  141. Delta Investors I, LLC
  142. Delta Investors II, LLC
  143. Desert Lane LLC
  144. Dixie White Nursing Home, Inc.
  145. Dixon Health Care Center, Inc.
  146. Florida Lessor – Crystal Springs, Inc.
  147. Florida Lessor – Emerald, Inc.
  148. Florida Lessor – Lakeland, Inc.
  149. Florida Lessor – Meadowview, Inc.
  150. Florida Real Estate Company, LLC
  151. Georgia Lessor - Bonterra/Parkview, Inc.
  152. Greenbough, LLC
  153. Hanover House, Inc.
  154. Heritage Texarkana Healthcare Associates, Inc.
  155. House of Hanover, Ltd
  156. Hutton I Land, Inc.
  157. Hutton II Land, Inc.
  158. Hutton III Land, Inc.
  159. Indiana Lessor – Jeffersonville, Inc.
  160. Indiana Lessor – Wellington Manor, Inc.
  161. Jefferson Clark, Inc.
  162. LAD I Real Estate Company, LLC
  163. Lake Park – Skilled Nursing, Inc.
  164. Leatherman 90-1, Inc.
  165. Leatherman Partnership 89-1, Inc.
  166. Leatherman Partnership 89-2, Inc.
  167. Long Term Care – Michigan, Inc.
  168. Long Term Care – North Carolina, Inc.
  169. Long Term Care Associates – Illinois, Inc.
  170. Long Term Care Associates – Indiana, Inc.
  171. Long Term Care Associates – Texas, Inc.
  172. Meridian Arms Land, Inc.
  173. North Las Vegas LLC
  174. NRS Ventures, L.L.C.
  175. Ocean Springs Nursing Home, Inc.
  176. OHI (Connecticut), Inc.
  177. OHI (Florida), Inc.
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178. OHI (Illinois), Inc.
  179. OHI (Indiana), Inc.
  180. OHI (Iowa), Inc.
  181. OHI (Kansas), Inc.
  182. OHI Acquisition Co I, LLC
  183. OHI Asset (CA), LLC
  184. OHI Asset (CO), LLC
  185. OHI Asset (CT) DIP, LLC
  186. OHI Asset (CT) Lender, LLC
  187. OHI Asset (FL), LLC
  188. OHI Asset (ID), LLC
  189. OHI Asset (IL), LLC
  190. OHI Asset (IN), LLC
  191. OHI Asset (LA), LLC
  192. OHI Asset (MI/NC), LLC
  193. OHI Asset (MO), LLC
  194. OHI Asset (OH) Lender, LLC
  195. OHI Asset (OH) New Philadelphia, LLC
  196. OHI Asset (OH), LLC
  197. OHI Asset (PA) Trust
  198. OHI Asset (PA), LLC
  199. OHI Asset (SMS) Lender, Inc.
  200. OHI Asset (TX) Paris, LLC
  201. OHI Asset (TX), LLC
  202. OHI Asset CSB LLC
  203. OHI Asset CSE – E, LLC
  204. OHI Asset CSE – U, LLC
  205. OHI Asset Essex (OH), LLC
  206. OHI Asset HUD Delta, LLC
  207. OHI Asset HUD H-F, LLC
  208. OHI Asset II (CA), LLC
  209. OHI Asset II (FL), LLC
  210. OHI Asset II (PA) Trust
  211. OHI Asset III (PA) Trust
  212. OHI Asset IV (PA) Silver Lake Trust
  213. OHI Asset, LLC
  214. OHI of Texas, Inc.
  215. OHI Sunshine, Inc.
  216. OHI Tennessee, Inc.
  217. OHIMA, Inc.
  218. Omega (Kansas), Inc.
  219. Omega TRS I, Inc.
  220. Orange Village Care Center, Inc.
  221. OS Leasing Company
  222. Panama City Nursing Center LLC
-

- 223. Parkview – Skilled Nursing, Inc.
- 224. Pavillion North Partners, Inc.
- 225. Pavillion North, LLP
- 226. Pavillion Nursing Center North, Inc.
- 227. Pensacola Real-Estate Holdings I, Inc.
- 228. Pensacola Real-Estate Holdings II, Inc.
- 229. Pensacola Real-Estate Holdings III, Inc.
- 230. Pensacola Real-Estate Holdings IV, Inc.
- 231. Pensacola Real-Estate Holdings V, Inc.
- 232. Pine Texarkana Healthcare Associates, Inc.
- 233. Reunion Texarkana Healthcare Associates, Inc.
- 234. San Augustine Healthcare Associates, Inc.
- 235. Skilled Nursing – Gaston, Inc.
- 236. Skilled Nursing – Herrin, Inc.
- 237. Skilled Nursing – Hicksville, Inc.
- 238. Skilled Nursing – Paris, Inc.
- 239. Skyler Boyington, Inc.
- 240. Skyler Florida, Inc.
- 241. Skyler Maitland LLC
- 242. Skyler Pensacola, Inc.
- 243. South Athens Healthcare Associates, Inc.
- 244. St. Mary's Properties, Inc.
- 245. Sterling Acquisition Corp.
- 246. Sterling Acquisition Corp. II
- 247. Suwanee, LLC
- 248. Texas Lessor – Stonegate GP, Inc.
- 249. Texas Lessor – Stonegate, Limited, Inc.
- 250. Texas Lessor – Stonegate, LP
- 251. Texas Lessor – Treemont, Inc.
- 252. The Suburban Pavilion, Inc.
- 253. Washington Lessor – Silverdale, Inc.
- 254. Waxahachie Healthcare Associates, Inc.
- 255. West Athens Healthcare Associates, Inc.
- 256. Wilcare, LLC

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" in this Registration Statement (Form S-4 No. 333-) and related Prospectus of Omega Healthcare Investors, Inc. for the exchange of \$200,000,000 of 7½% Senior Notes due 2020 offered under a private placement for \$200,000,000 of 7½% Senior Notes which have been registered under the Securities Act of 1933, as amended, and to the incorporation by reference therein of our reports dated March 1, 2010, with respect to the consolidated financial statements and schedules of Omega Healthcare Investors, Inc., and the effectiveness of internal control over financial reporting of Omega Healthcare Investors, Inc., included in its Annual Report (Form 10-K) for the year ended December 31, 2009, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Baltimore, Maryland  
August 9, 2010

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in this Registration Statement (Form S-4 No. 333-) and related Prospectus of Omega Healthcare Investors, Inc. for the registration of \$200,000,000 7½% Senior Notes due 2020 and to the incorporation by reference therein of our report dated December 18, 2009, with respect to the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I and II for the year ended December 31, 2008, included in Omega Healthcare Investors, Inc.'s Current Report on Form 8-K/A dated December 22, 2009, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

McLean, Virginia  
August 9, 2010



Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in this Registration Statement (Form S-4 No. 333-) and related Prospectus of Omega Healthcare Investors, Inc. for the registration of \$200,000,000 7½% Senior Notes due 2020 and to the incorporation by reference therein of our report dated March 11, 2010, with respect to the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II for the year ended December 31, 2009, and our report dated March 11, 2010, with respect to the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III for the year ended December 31, 2009, included in Omega Healthcare Investors, Inc.'s Current Report on Form 8-K dated May 7, 2010, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

McLean, Virginia  
August 9, 2010

FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Statement of Eligibility Under  
The Trust Indenture Act of 1939 of a Corporation  
Designated to Act as Trustee

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**U.S. BANK NATIONAL ASSOCIATION**

(Exact name of trustee as specified in its charter)

31-0841368  
(I.R.S. Employer Identification No.)

800 Nicollett Mall. Minneapolis, MN  
(Address of principal executive offices)

55402  
(Zip code)

U.S. Bank National Association  
Attention: Paul Henderson  
1349 W. Peachtree St., NW, Suite 1050  
Atlanta, GA 30309  
Telephone 404-965-7218  
(Name, address and telephone number of agent for service)

**OMEGA HEALTHCARE INVESTORS, INC.  
AND THE SUBSIDIARY GUARANTORS LISTED IN SCHEDULE A**

(Exact name of obligor as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

38-3041398  
(I.R.S. Employer Identification No.)

200 International Circle, Suite 3500  
Hunt Valley, Maryland  
(Address of principal executive offices)

21093  
(Zip code)

7.5% Senior Notes due 2014  
(Title of the indenture securities)

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**Schedule A**  
**Subsidiary Guarantors**

Exact name of registrant as specified in its charter (1)	State or other jurisdiction of formation	I.R.S. Employer Identification No.
Arizona Lessor - Infinia, Inc.	Maryland	32-0008074
Baldwin Health Center, Inc.	Pennsylvania	25-1495708
Bayside Alabama Healthcare Second, Inc.	Alabama	38-3517839
Bayside Arizona Healthcare Associates, Inc.	Arizona	38-3518309
Bayside Arizona Healthcare Second, Inc.	Arizona	38-3520329
Bayside Colorado Healthcare Associates, Inc.	Colorado	38-3517837
Bayside Colorado Healthcare Second, Inc.	Colorado	38-3520325
Bayside Indiana Healthcare Associates, Inc.	Indiana	38-3517842
Bayside Street II, Inc.	Delaware	38-3519969
Bayside Street, Inc.	Maryland	38-3160026
Canton Health Care Land, Inc.	Ohio	20-1914579
Carnegie Gardens LLC	Delaware	20-2442381
Center Healthcare Associates, Inc.	Texas	38-3517844
Cherry Street – Skilled Nursing, Inc.	Texas	38-3592148
Colonial Gardens, LLC	Ohio	26-0110549
Colorado Lessor - Conifer, Inc.	Maryland	32-0008069
Copley Health Center, Inc.	Ohio	34-1473010
CSE Albany LLC	Delaware	20-5885886
CSE Amarillo LLC	Delaware	20-5862752
CSE Anchorage LLC	Delaware	26-1866499
CSE Arden L.P.	Delaware	20-5888680
CSE Augusta LLC	Delaware	20-5885921
CSE Bedford LLC	Delaware	20-5886082
CSE Blountville LLC	Delaware	20-8295288
CSE Bolivar LLC	Delaware	20-8295024
CSE Cambridge LLC	Delaware	20-5886976
CSE Cambridge Realty LLC	Delaware	20-5959318
CSE Camden LLC	Delaware	20-8295066
CSE Canton LLC	Delaware	20-5887312
CSE Casablanca Holdings II LLC	Delaware	26-0595183
CSE Casablanca Holdings LLC	Delaware	20-8724466
CSE Cedar Rapids LLC	Delaware	20-5884941
CSE Centennial Village	Delaware	20-6974959
CSE Chelmsford LLC	Delaware	20-5920451
CSE Chesterton LLC	Delaware	20-5885195
CSE Claremont LLC	Delaware	20-5883891
CSE Corpus North LLC	Delaware	20-5186415
CSE Crane LLC	Delaware	20-8684704
CSE Denver Iliff LLC	Delaware	20-8037772
CSE Denver LLC	Delaware	20-5884311
CSE Douglas LLC	Delaware	20-5883761
CSE Dumas LLC	Delaware	20-5883692
CSE Elkton LLC	Delaware	20-5887006
CSE Elkton Realty LLC	Delaware	20-5959253
CSE Fairhaven LLC	Delaware	20-8281491

Exact name of registrant as specified in its charter (1)	State or other jurisdiction of formation	I.R.S. Employer Identification No.
CSE Fort Wayne LLC	Delaware	20-5885125
CSE Frankston LLC	Delaware	20-5862947
CSE Georgetown LLC	Delaware	20-5886126
CSE Green Bay LLC	Delaware	20-5888029
CSE Hilliard LLC	Delaware	20-5887347
CSE Huntingdon LLC	Delaware	20-8295191
CSE Huntsville LLC	Delaware	20-5887764
CSE Indianapolis-Continental LLC	Delaware	20-5885046
CSE Indianapolis-Greenbriar LLC	Delaware	20-5885096
CSE Jacinto City LLC	Delaware	20-5186519
CSE Jefferson City LLC	Delaware	20-8295101
CSE Jeffersonville-Hillcrest Center LLC	Delaware	20-5885261
CSE Jeffersonville-Jennings House LLC	Delaware	20-5885346
CSE Kerrville LLC	Delaware	20-8684872
CSE King L.P.	Delaware	20-5888725
CSE Kingsport LLC	Delaware	20-5887736
CSE Knightdale L.P.	Delaware	20-5888653
CSE Lake City LLC	Delaware	20-5863259
CSE Lake Worth LLC	Delaware	20-5863173
CSE Lakewood LLC	Delaware	20-5884352
CSE Las Vegas LLC	Delaware	20-5887216
CSE Lawrenceburg LLC	Delaware	20-5887802
CSE Lenoir L.P.	Delaware	20-5888528
CSE Lexington Park LLC	Delaware	20-5886951
CSE Lexington Park Realty LLC	Delaware	20-5959280
CSE Ligonier LLC	Delaware	20-5885484
CSE Live Oak LLC	Delaware	20-5863086
CSE Logansport LLC	Delaware	20-5885583
CSE Lowell LLC	Delaware	20-5885381
CSE Marianna Holdings LLC	Delaware	20-1411422
CSE Memphis LLC	Delaware	20-8295130
CSE Mobile LLC	Delaware	20-5883572
CSE Moore LLC	Delaware	20-5887574
CSE North Carolina Holdings I LLC	Delaware	20-5888397
CSE North Carolina Holdings II LLC	Delaware	20-5888430
CSE Omro LLC	Delaware	20-5887998
CSE Orange Park LLC	Delaware	20-5863371
CSE Orlando-Pinar Terrace Manor LLC	Delaware	20-5863043
CSE Orlando-Terra Vista Rehab LLC	Delaware	20-5863223
CSE Pennsylvania Holdings	Delaware	20-6974946
CSE Piggott LLC	Delaware	20-5883659
CSE Pilot Point LLC	Delaware	20-5862827
CSE Ponca City LLC	Delaware	20-5887495
CSE Port St. Lucie LLC	Delaware	20-5863294
CSE Richmond LLC	Delaware	20-5885427
CSE Ripley LLC	Delaware	20-8295238
CSE Ripon LLC	Delaware	26-0480886
CSE Safford LLC	Delaware	20-5883807

Exact name of registrant as specified in its charter (1)	State or other jurisdiction of formation	I.R.S. Employer Identification No.
CSE Salina LLC	Delaware	20-5885669
CSE Seminole LLC	Delaware	20-5887615
CSE Shawnee LLC	Delaware	20-5887524
CSE Spring Branch LLC	Delaware	20-5186484
CSE Stillwater LLC	Delaware	20-5887548
CSE Taylorsville LLC	Delaware	20-5886196
CSE Texarkana LLC	Delaware	20-5862880
CSE Texas City LLC	Delaware	20-5862791
CSE The Village LLC	Delaware	20-5186550
CSE Upland LLC	Delaware	20-5891148
CSE Walnut Cove L.P.	Delaware	20-5888502
CSE West Point LLC	Delaware	20-5887119
CSE Whitehouse LLC	Delaware	20-8294979
CSE Williamsport LLC	Delaware	26-0480953
CSE Winter Haven LLC	Delaware	20-5863327
CSE Woodfin L.P.	Delaware	20-5888619
CSE Yorktown LLC	Delaware	20-5885163
Dallas – Skilled Nursing, Inc.	Texas	38-3592151
Delta Investors I, LLC	Maryland	54-2112455
Delta Investors II, LLC	Maryland	54-2112456
Desert Lane LLC	Delaware	20-3098022
Dixon Health Care Center, Inc.	Ohio	34-1509772
Florida Lessor – Crystal Springs, Inc.	Maryland	75-3116533
Florida Lessor – Emerald, Inc.	Maryland	22-3872569
Florida Lessor – Lakeland, Inc.	Maryland	22-3872564
Florida Lessor – Meadowview, Inc.	Maryland	56-2398721
Florida Real Estate Company, LLC	Florida	20-1458431
Georgia Lessor - Bonterra/Parkview, Inc.	Maryland	16-1650494
Greenbough, LLC	Delaware	27-0258266
Hanover House, Inc.	Ohio	34-1125264
Heritage Texarkana Healthcare Associates, Inc.	Texas	38-3517861
House of Hanover, Ltd	Ohio	34-6691713
Hutton I Land, Inc.	Ohio	20-1914403
Hutton II Land, Inc.	Ohio	20-1914470
Hutton III Land, Inc.	Ohio	20-1914529
Indiana Lessor – Jeffersonville, Inc.	Maryland	22-3872575
Indiana Lessor – Wellington Manor, Inc.	Maryland	32-0008064
Jefferson Clark, Inc.	Maryland	38-3433390
LAD I Real Estate Company, LLC	Delaware	20-1454154
Lake Park – Skilled Nursing, Inc.	Texas	38-3592152
Leatherman 90-1, Inc.	Ohio	20-1914625
Leatherman Partnership 89-1, Inc.	Ohio	34-1656489
Leatherman Partnership 89-2, Inc.	Ohio	34-1656491
Long Term Care – Michigan, Inc.	Michigan	04-3833330
Long Term Care – North Carolina, Inc.	North Carolina	04-3833335
Long Term Care Associates – Illinois, Inc.	Illinois	38-3592159
Long Term Care Associates – Indiana, Inc.	Indiana	38-3592160
Long Term Care Associates – Texas, Inc.	Texas	38-3592142

Exact name of registrant as specified in its charter (1)	State or other jurisdiction of formation	I.R.S. Employer Identification No.
Meridian Arms Land, Inc.	Ohio	20-1914864
North Las Vegas LLC	Delaware	20-3098036
NRS Ventures, L.L.C.	Delaware	38-4236118
OHI (Connecticut), Inc.	Connecticut	06-1552120
OHI (Florida), Inc.	Florida	65-0523484
OHI (Illinois), Inc.	Illinois	37-1332375
OHI (Indiana), Inc.	Indiana	38-3568359
OHI (Iowa), Inc.	Iowa	38-3377918
OHI (Kansas), Inc.	Kansas	48-1156047
OHI Asset (CA), LLC	Delaware	04-3759925
OHI Asset (CO), LLC	Delaware	84-1706510
OHI Asset (CT) Lender, LLC	Delaware	75-3205111
OHI Asset (FL), LLC	Delaware	13-4225158
OHI Asset (ID), LLC	Delaware	04-3759931
OHI Asset (IL), LLC	Delaware	14-1951802
OHI Asset (IN), LLC	Delaware	04-3759933
OHI Asset (LA), LLC	Delaware	04-3759935
OHI Asset (MI/NC), LLC	Delaware	04-3759928
OHI Asset (MO), LLC	Delaware	04-3759939
OHI Asset (OH) Lender, LLC	Delaware	51-0529744
OHI Asset (OH) New Philadelphia, LLC	Delaware	51-0529741
OHI Asset (OH), LLC	Delaware	04-3759938
OHI Asset (PA) Trust	Maryland	54-6643405
OHI Asset (PA), LLC	Delaware	90-0137715
OHI Asset (SMS) Lender, Inc.	Maryland	33-1067711
OHI Asset (TX), LLC	Delaware	04-3759927
OHI Asset CSB LLC	Delaware	27-2820083
OHI Asset CSE – E, LLC	Delaware	27-1675861
OHI Asset CSE – U, LLC	Delaware	27-1675768
OHI Asset Essex (OH), LLC	Delaware	83-0379722
OHI Asset II (CA), LLC	Delaware	20-1000879
OHI Asset II (FL), LLC	Delaware	27-1813906
OHI Asset II (PA) Trust	Maryland	84-6390330
OHI Asset III (PA) Trust	Maryland	84-6390331
OHI Asset IV (PA) Silver Lake Trust	Maryland	80-6146794
OHI Asset, LLC	Delaware	32-0079270
OHI of Texas, Inc.	Maryland	38-3506136
OHI Sunshine, Inc.	Florida	82-0558471
OHI Tennessee, Inc.	Maryland	38-3509157
OHIMA, Inc.	Massachusetts	06-1552118
Omega (Kansas), Inc.	Kansas	32-0142534
Omega TRS I, Inc.	Maryland	38-3587540
Orange Village Care Center, Inc.	Ohio	34-1321728
OS Leasing Company	Kentucky	38-3221641
Panama City Nursing Center LLC	Delaware	20-2568041
Parkview – Skilled Nursing, Inc.	Texas	38-3592157
Pavillion North Partners, Inc.	Pennsylvania	20-2597892
Pavillion North, LLP	Pennsylvania	75-3202956

<b>Exact name of registrant as specified in its charter (1)</b>	<b>State or other jurisdiction of formation</b>	<b>I.R.S. Employer Identification No.</b>
Pavillion Nursing Center North, Inc.	Pennsylvania	25-1222652
Pine Texarkana Healthcare Associates, Inc.	Texas	38-3517864
Reunion Texarkana Healthcare Associates, Inc.	Texas	38-3517865
San Augustine Healthcare Associates, Inc.	Texas	38-3517866
Skilled Nursing – Gaston, Inc.	Indiana	38-3592171
Skilled Nursing – Herrin, Inc.	Illinois	38-3592162
Skilled Nursing – Hicksville, Inc.	Ohio	38-3592172
Skilled Nursing – Paris, Inc.	Illinois	38-3592165
Skyler Maitland LLC	Delaware	20-3888672
South Athens Healthcare Associates, Inc.	Texas	38-3517880
St. Mary's Properties, Inc.	Ohio	20-1914905
Sterling Acquisition Corp.	Kentucky	38-3207992
Sterling Acquisition Corp. II	Kentucky	38-3207991
Suwanee, LLC	Delaware	20-5223977
Texas Lessor – Stonegate GP, Inc.	Maryland	32-0008071
Texas Lessor – Stonegate, Limited, Inc.	Maryland	32-0008072
Texas Lessor – Stonegate, LP	Maryland	32-0008073
Texas Lessor – Treemont, Inc.	Maryland	16-1650495
The Suburban Pavilion, Inc.	Ohio	34-1035431
Washington Lessor – Silverdale, Inc.	Maryland	56-2386887
Waxahachie Healthcare Associates, Inc.	Texas	38-3517884
West Athens Healthcare Associates, Inc.	Texas	38-3517886
Wilcare, LLC	Ohio	26-0110550

(1) Address, including zip code, and telephone number, including area code, of the principal executive offices of each subsidiary guarantor listed in Schedule A is c/o Omega Healthcare Investors, Inc., 200 International Circle, Suite 3500, Hunt Valley, Maryland, 21030 and the telephone number is (410) 427-1700.

**Item 1. General Information.** Furnish the following information as to the trustee--

(a) Name and address of each examining or supervising authority to which it is subject.

*Comptroller of the Currency, Washington D.C. 20521*

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

**Item 2. Affiliations with Obligor and Underwriters.** If the obligor or any underwriter for the obligor is an affiliate of the trustee, describe each such affiliation.

*No such affiliation exists with the Trustee, U.S. Bank National Association.*

**Items 3-15 are not applicable because to the best of the Trustee's knowledge the obligor is not in default under any Indenture for which the Trustee acts as Trustee.**

**Item 16. List of Exhibits.**

**Exhibit 1** Articles of Association of U.S. Bank National Association. <sup>(1)</sup>

**Exhibit 2** Certificate of Authority of U.S. Bank National Association to Commence Business. <sup>(1)</sup>

**Exhibit 3** Authorization of the trustee to exercise corporate trust powers. <sup>(1)</sup>

**Exhibit 4** Bylaws of U.S. Bank National Association. <sup>(1)</sup>

**Exhibit 5** Not Applicable.

**Exhibit 6** Consents of U.S. Bank National Association required by Section 321(b) of the Act. <sup>(2)</sup>

**Exhibit 7** Latest Report of Condition of U.S. Bank National Association. <sup>(2)</sup>

(1) Incorporated by reference to the exhibit of the same number to the Form T-1 filed with registration statement number 333-67188.

(2) Attached.

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SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, U.S. Bank National Association, a national banking association organized under the laws of the United States, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Atlanta, and State of Georgia, on the 9<sup>th</sup> day of August, 2010.

U.S. BANK NATIONAL ASSOCIATION

By /S/ Paul Henderson  
Paul Henderson  
Assistant Vice President

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Exhibit 6

CONSENT OF THE TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939 in connection with the proposed issuance by Omega Healthcare Investors, Inc., we hereby consent that reports of examinations by federal, state, territorial and district authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

U.S. BANK NATIONAL ASSOCIATION

By /S/ Paul Henderson  
Paul Henderson  
Assistant Vice President

Dated: August 9, 2010

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Exhibit 7

REPORT OF CONDITION

U.S. Bank National Association  
Statement of Financial Condition  
As of March 31, 2010  
(000's)

	<u>03/31/2010</u>
<u>ASSETS</u>	
Cash and balances due from depository institutions	\$ 8,396,049
Securities	45,269,095
Federal funds sold and securities purchased under agreements to resell	3,774,651
Loans and lease financing receivables	180,918,939
Trading assets	1,093,896
Premises and fixed assets (including capitalized leases)	2,220,060
Other real estate owned	1,726,653
Investments in unconsolidated subsidiaries and associated companies	67,633
Intangible assets	13,355,160
Other assets	<u>20,687,148</u>
Total assets	<u>\$ 277,509,284</u>
<u>LIABILITIES</u>	
Deposits	\$ 194,167,405
Federal funds purchased and securities sold under agreements to repurchase	9,849,249
Trading liabilities	362,519
Other borrowed money	31,906,386
Subordinated notes and debentures	7,629,967
Other liabilities	6,648,045
Total liabilities	<u>\$ 250,563,571</u>
<u>EQUITY CAPITAL</u>	
Common stock	\$ 18,200
Surplus	12,642,020
Retained earnings	12,673,897
Noncontrolling (minority) interests in consolidated subsidiaries	1,611,596
Total equity capital	<u>\$ 26,945,713</u>
Total liabilities and equity capital	<u>\$ 277,509,284</u>

**Omega Healthcare Investors, Inc.**

**LETTER OF TRANSMITTAL**

**Offer For All Outstanding**

**7½% Senior Notes due 2020**

**in exchange for**

**7½% Senior Notes due 2020  
which have been registered under the  
Securities Act of 1933**

**Pursuant to the Prospectus dated           , 2010**

*The Exchange Agent for this Exchange Offer is:*

**U.S. Bank National Association**

*By Mail, Hand or Courier:*

Corporate Trust Services  
60 Livingston Avenue  
St. Paul, MN 55107  
Attention: Specialty Finance Group  
Reference: Omega Healthcare Investors, Inc.

*By Facsimile:*

(615) 495-8158  
Attention: Specialty Finance Group  
Reference: Omega Healthcare Investors, Inc.

*For Information or Confirmation by Telephone:*

(800) 934-6802

The exchange offer will expire at 5:00 p.m., New York City time, on           , 2010, unless we extend the offer. Tenders may be withdrawn at any time prior to the expiration of the exchange offer.

**Delivery of this letter of transmittal to an address other than as set forth above, or transmission of instructions via facsimile to a number other than as listed above, will not constitute a valid delivery.**

**The instructions contained herein should be read carefully before this letter of transmittal is completed.**

The undersigned acknowledges that he or she has received the prospectus dated \_\_\_\_\_, 2010, referred to as the prospectus, of Omega Healthcare Investors, Inc., a Maryland corporation, or Omega, and this letter of transmittal, which together constitute Omega's offer, referred to as the exchange offer, to exchange an aggregate principal amount of up to \$200,000,000 of its 7½% Senior Notes due 2020, which have been registered under the Securities Act of 1933, as amended, referred to as the exchange notes, for a like principal amount of its issued and outstanding 7½% Senior Notes due 2020, referred to as the initial notes. Capitalized terms used but not defined herein shall have the same meaning given to them in the prospectus, as it may be amended or supplemented.

This letter of transmittal is to be completed by a holder of exchange notes either if (a) certificates for such exchange notes are to be forwarded herewith or (b) a tender of exchange notes is to be made by book-entry transfer to the account of U.S. Bank National Association, the exchange agent for the exchange offer, at The Depository Trust Company, or DTC, pursuant to the procedures for tender by book-entry transfer set forth under "The Exchange Offer—Procedures for Tendering Initial Notes" in the prospectus. Certificates or book-entry confirmation of the transfer of exchange notes into the exchange agent's account at DTC, as well as this letter of transmittal or a facsimile hereof, properly completed and duly executed, with any required signature guarantees, and any other documents required by this letter of transmittal, must be received by the exchange agent at its address set forth herein on or prior to the expiration date. Tenders by book-entry transfer may also be made by delivering an agent's message in lieu of this letter of transmittal. The term "book-entry confirmation" means a confirmation of a book-entry transfer of exchange notes into the exchange agent's account at DTC. The term "agent's message" means a message to the exchange agent by DTC which states that DTC has received an express acknowledgment that the tendering holder agrees to be bound by the letter of transmittal and that Omega may enforce the letter of transmittal against such holder. The agent's message forms a part of a book-entry transfer.

If exchange notes are tendered pursuant to book-entry procedures, the exchange agent must receive, no later than 5:00 p.m., New York City time, on the expiration date, book-entry confirmation of the tender of the exchange notes into the exchange agent's account at DTC, along with a completed letter of transmittal or an agent's message.

By crediting the exchange notes to the exchange agent's account at DTC and by complying with the applicable procedures of DTC's Automated Tender Offer Program, or ATOP, with respect to the tender of the exchange notes, including by the transmission of an agent's message, the holder of exchange notes acknowledges and agrees to be bound by the terms of this letter of transmittal, and the participant in DTC confirms on behalf of itself and the beneficial owners of such exchange notes all provisions of this letter of transmittal as being applicable to it and such beneficial owners as fully as if such participant and each such beneficial owner had provided the information required herein and executed and transmitted this letter of transmittal to the exchange agent.

Holders of initial notes whose certificates for such initial notes are not immediately available or who cannot deliver their certificates and all other required documents to the exchange agent on or prior to the expiration date or who cannot complete the procedures for book-entry transfer on a timely basis must tender their initial notes according to the guaranteed delivery procedures set forth in "The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery Procedures" in the prospectus.

**Delivery of documents to DTC does not constitute delivery to the exchange agent.**

The undersigned has completed the appropriate boxes below and signed this letter of transmittal to indicate the action the undersigned desires to take with respect to the exchange offer.

List below the exchange notes to which this letter of transmittal relates. If the space provided below is inadequate, the certificate numbers and principal amount of exchange notes should be listed on a separate, signed schedule affixed hereto.



CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.\*

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\*You are entitled to as many copies as you reasonably believe necessary. If you require more than 10 copies, please indicate the total number required in the following space: \_\_\_\_\_.

Ladies and Gentlemen:

The undersigned hereby tenders to Omega the principal amount of initial notes indicated above, upon the terms and subject to the conditions of the exchange offer. Subject to and effective upon the acceptance for exchange of all or any portion of the initial notes tendered herewith in accordance with the terms and conditions of the exchange offer, including, if the exchange offer is extended or amended, the terms and conditions of any such extension or amendment, the undersigned hereby irrevocably sells, assigns and transfers to or upon the order of Omega all right, title and interest in and to such initial notes.

The undersigned hereby irrevocably constitutes and appoints the exchange agent as its agent and attorney-in-fact, with full knowledge that the exchange agent is also acting as agent of Omega in connection with the exchange offer and as trustee under the indenture governing the initial notes and the exchange notes, with respect to the tendered initial notes, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) subject only to the right of withdrawal described in the prospectus, to (1) deliver certificates representing such initial notes, together with all accompanying evidences of transfer and authenticity, to or upon the order of Omega upon receipt by the exchange agent, as the undersigned's agent, of the exchange notes to be issued in exchange for such initial notes, (2) present certificates for such initial notes for transfer and to transfer the initial notes on the books of Omega and (3) receive for the account of Omega all benefits and otherwise exercise all rights of beneficial ownership of such initial notes, all in accordance with the terms and conditions of the exchange offer.

The undersigned hereby represents and warrants that (1) the undersigned has full power and authority to tender, exchange, sell, assign and transfer the initial notes tendered hereby, (2) Omega will acquire good, marketable and unencumbered title to the tendered initial notes, free and clear of all liens, restrictions, charges and other encumbrances, and (3) the initial notes tendered hereby are not subject to any adverse claims or proxies. The undersigned warrants and agrees that the undersigned will, upon request, execute and deliver any additional documents requested by Omega or the exchange agent to complete the exchange, sale, assignment and transfer of the initial notes tendered hereby. The undersigned has read and agrees to all of the terms and conditions of the exchange offer.

The name(s) and address(es) of the registered holder(s) of the initial notes tendered hereby should be printed above, if they are not already set forth above, as they appear on the certificates representing such initial notes. The certificate number(s) and the initial notes that the undersigned wishes to tender should be indicated in the appropriate boxes above.

If any tendered initial notes are not exchanged pursuant to the exchange offer for any reason, or if certificates are submitted for more initial notes than are tendered or accepted for exchange, certificates for such non-exchanged or non-tendered initial notes will be returned, or, in the case of initial notes tendered by book-entry transfer, such initial notes will be credited to an account maintained at DTC, without expense to the tendering holder, promptly following the expiration or termination of the exchange offer.

The undersigned understands that tenders of initial notes pursuant to any one of the procedures described in "The Exchange Offer—Procedures for Tendering Initial Notes" in the prospectus and in the instructions attached hereto will, upon Omega's acceptance for exchange of such tendered initial notes, constitute a binding agreement between the undersigned and Omega upon the terms and subject to the conditions of the exchange offer. The exchange notes will bear interest from the most recent date to which interest has been paid on the initial notes, or, if no interest has been paid, from the date of original issuance of the initial notes. If your initial notes are accepted for exchange, then you will receive interest on the exchange notes and not on the initial notes. The undersigned recognizes that, under certain circumstances set forth in the prospectus, Omega may not be required to accept for exchange any of the initial notes tendered hereby.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, the undersigned hereby directs that the exchange notes be issued in the name(s) of the undersigned or, in the case of a book-entry transfer of initial notes, that such exchange notes be credited to the account indicated above maintained at DTC. If applicable, substitute certificates representing initial notes not exchanged or not accepted for exchange will be issued to the undersigned or, in the case of a book-entry transfer of initial notes, will be credited to the account indicated above maintained at DTC. Similarly, unless otherwise indicated under "Special Delivery Instructions," the undersigned hereby directs that the exchange notes be delivered to the undersigned at the address shown below the undersigned's signature. The undersigned recognizes that Omega has no obligation pursuant to "Special Delivery Instructions" to transfer any initial notes from a registered holder thereof if Omega does not accept for exchange any of the principal amount of such initial notes so tendered.



By tendering initial notes and executing this letter of transmittal, the undersigned hereby represents that: (1) the exchange notes acquired in the exchange offer are being obtained in the ordinary course of business of the person receiving the exchange notes, whether or not that person is the holder; (2) neither the holder nor any other person receiving the exchange notes is participating, intends to participate or has an arrangement or understanding with any person to participate in a "distribution" (within the meaning of the Securities Act) of the exchange notes; and (3) neither the holder nor any other person receiving the exchange notes is an "affiliate" (within the meaning of the Securities Act) of Omega.

The undersigned acknowledges that this exchange offer is being made in reliance on interpretations by the staff of the Securities and Exchange Commission, or the SEC, as set forth in no-action letters issued to third parties, which provide that the exchange notes issued pursuant to the exchange offer in exchange for the initial notes may be offered for resale, resold and otherwise transferred by holders thereof (other than any such holder that is an "affiliate" of Omega within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such exchange notes are acquired in the ordinary course of such holders' business and such holders have no arrangement with any person to participate in the distribution of such exchange notes.

However, the SEC has not considered the exchange offer in the context of a no-action letter, and there can be no assurance that the staff of the SEC would make a similar determination with respect to the exchange offer as in other circumstances. If any holder is an affiliate of Omega, is participating, intends to participate or has any arrangement or understanding to participate in a distribution of the exchange notes to be acquired pursuant to the exchange offer, such holder (i) could not rely on the applicable interpretation of the staff of the SEC and (ii) must comply with the registration and prospectus deliver requirements of the Securities Act in connection with any resale transaction.

If the undersigned is a broker-dealer that will receive exchange notes for its own account in exchange for initial notes, it hereby represents that the initial notes to be exchanged for the exchange notes were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act and comply with any other applicable provisions of the Securities Act in connection with any offer to resell, resale or other retransfer of such exchange notes pursuant to the exchange offer. However, by so acknowledging and delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" (within the meaning of the Securities Act). Any such broker-dealer is referred to as a participating broker-dealer.

Omega has agreed that, to the extent that any participating broker-dealer participates in the exchange offer, Omega shall use all commercially reasonable efforts to maintain the effectiveness of the registration statement of which the prospectus forms a part, referred to as the exchange offer registration statement, for a period of 90 days following the consummation of the exchange offer as the same may be extended as provided in the registration rights agreement relating to the initial notes, which is referred to herein as the applicable period. Omega has also agreed that, subject to the provisions of the registration rights agreement, the prospectus, as amended or supplemented, will be made available to participating broker-dealers for use in connection with offers to resell, resales or retransfers of exchange notes received in exchange for initial notes pursuant to the exchange offer during the applicable period. Omega will advise each participating broker-dealer (i) when a prospectus supplement or post-effective amendment has been filed or has become effective, (ii) of the issuance by the SEC of any stop order suspending the effectiveness of the exchange offer registration statement or of any order preventing or suspending the use of any preliminary prospectus or the initiation of any proceedings for that purpose, (iii) if at any time when a prospectus is required by the Securities Act to be delivered in connection with resales of exchange notes by participating broker dealers, the representations and warranties of Omega contained in any underwriting agreement cease to be true and correct, (iv) of the receipt by Omega of any notification of the suspension of qualification or exemption from qualification of the exchange offer registration statement or the exchange notes to be sold by any participating broker-dealer for offer or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event, the existence of any condition or any information becoming known that makes any statement made in the exchange offer registration statement or the prospectus, or any document incorporated or deemed to be incorporated therein by reference, untrue in any material respect or that requires the making of any changes in or amendments or supplements to the exchange offer registration statement or the prospectus, or any such document, so that it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (vi) of Omega's determination that a post-effective amendment to the exchange offer registration statement would be appropriate.

Any participating broker-dealer, by tendering initial notes and executing this letter of transmittal or effecting delivery of an agent's message in lieu thereof, agrees that, upon receipt of notice from Omega of the existence of any fact of the kind described in (ii), (iv), (v) and (vi) above, such participating broker-dealer will discontinue disposition of the exchange notes pursuant to the exchange offer registration statement until receipt of the amended or supplemented prospectus or until Omega has given notice that the use of the prospectus may be resumed, as the case may be. If Omega gives such notice to suspend the sale of the exchange notes, it shall extend the 90-day period referred to above during which participating broker-dealers are entitled to use the prospectus in connection with the resale of exchange notes by the number of days during the period from and including the date of the giving of such notice to and including the date when participating broker-dealers shall have received copies of the supplemented or amended prospectus necessary to permit resales of the exchange notes or to and including the date on which Omega has given notice that the sale of exchange notes may be resumed, as the case may be.

As a result, a participating broker-dealer that intends to use the prospectus in connection with offers to resell, resales or retransfers of exchange notes received in exchange for initial notes pursuant to the exchange offer must notify Omega, or cause Omega to be notified, on or prior to the expiration date, that it is a participating broker-dealer. Such notice may be given in the space provided above or may be delivered to the exchange agent at the address set forth in the prospectus under "The Exchange Offer—Exchange Agent."

The undersigned will, upon request, execute and deliver any additional documents deemed by Omega to be necessary or desirable to complete the sale, assignment and transfer of the initial notes tendered hereby.

All authority conferred or agreed to be conferred herein and every obligation of the undersigned under this letter of transmittal shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, personal representatives, trustees in bankruptcy, legal representatives, successors and assigns of the undersigned. Except as stated in the prospectus under "The Exchange Offer—Withdrawal Rights," this tender is irrevocable.

THE UNDERSIGNED, BY COMPLETING THE BOX ENTITLED "DESCRIPTION OF INITIAL NOTES" ABOVE AND SIGNING THIS LETTER OF TRANSMITTAL, WILL BE DEEMED TO HAVE TENDERED THE INITIAL NOTES AS SET FORTH IN SUCH BOX.

TO BE COMPLETED BY ALL TENDERING HOLDERS  
(See Instructions 2 and 6)

PLEASE SIGN HERE

(Please Complete Substitute Form W-9 on Page 14 or a Form W-8; See Instruction 10)

Signature(s) of Holder(s) \_\_\_\_\_

Date: \_\_\_\_\_

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on certificate(s) for the initial notes tendered or on a security position listing or by person(s) authorized to become the registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 6.)

Name(s): \_\_\_\_\_

(Please Print)

Capacity (full title): \_\_\_\_\_

Address: \_\_\_\_\_

Area Code and Telephone No.: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

GUARANTEE OF SIGNATURE(S)  
(Only If Required - See Instruction 2)

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Please Print)

Title: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Area Code and Telephone No.: \_\_\_\_\_

Date: \_\_\_\_\_

**SPECIAL ISSUANCE INSTRUCTIONS**

**(Signature Guarantee Required—See Instructions 2, 7 and 14)**

TO BE COMPLETED ONLY if exchange notes or initial notes not tendered or not accepted are to be issued in the name of someone other than the registered holder(s) of the initial notes whose signature(s) appear(s) above, or if initial notes delivered by book-entry transfer and not accepted for exchange are to be returned for credit to an account maintained at DTC other than the account indicated above.

**Issue (check appropriate box(es))**

- Initial notes to:
- Exchange notes to:

Name \_\_\_\_\_  
(Please Print)

Address \_\_\_\_\_  
\_\_\_\_\_  
(Zip Code)

Taxpayer Identification No. \_\_\_\_\_

**SPECIAL DELIVERY INSTRUCTIONS**

**(Signature Guarantee Required—See Instructions 2, 7 and 14)**

TO BE COMPLETED ONLY if exchange notes or initial notes not tendered or not accepted are to be sent to someone other than the registered holder(s) of the initial notes whose signature(s) appear(s) above, or to such registered holder at an address other than that shown above.

**Deliver (check appropriate box(es))**

- Initial notes to:
- Exchange notes to:

Name \_\_\_\_\_  
(Please Print)

Address \_\_\_\_\_  
\_\_\_\_\_  
(Zip Code)

**INSTRUCTIONS**  
**Forming Part Of The Terms And Conditions Of The Exchange Offer**

**1. Delivery of letter of transmittal and certificates; guaranteed delivery procedures.** This letter of transmittal is to be completed by a holder of initial notes to tender such holder's initial notes either if (a) certificates are to be forwarded herewith or (b) tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in "The Exchange Offer—Procedures for Tendering Initial Notes—Book-Entry Transfers" in the prospectus and an agent's message, as defined on page 2 hereof, is not delivered. Certificates or book-entry confirmation of transfer of initial notes into the exchange agent's account at DTC, as well as this letter of transmittal or a facsimile hereof, properly completed and duly executed, with any required signature guarantees, and any other documents required by this letter of transmittal, must be received by the exchange agent at its address set forth herein on or prior to the expiration date. If the tender of initial notes is effected in accordance with applicable ATOP procedures for book-entry transfer, an agent's message may be transmitted to the exchange agent in lieu of an executed letter of transmittal. Initial notes may be tendered in whole or in part in denominations of \$1,000 and any integral multiple of \$1,000.

For purposes of the exchange offer, the term "holder" includes any participant in DTC named in a securities position listing as a holder of initial notes. Only a holder of record may tender initial notes in the exchange offer. Any beneficial owner of initial notes who wishes to tender some or all of such initial notes should arrange with DTC, a DTC participant or the record owner of such initial notes to execute and deliver this letter of transmittal or to send an electronic instruction effecting a book-entry transfer on his or her behalf. See Instruction 6.

Holders who wish to tender their initial notes and (i) whose certificates for the initial notes are not immediately available or for whom all required documents are unlikely to reach the exchange agent on or prior to the expiration date or (ii) who cannot complete the procedures for delivery by book-entry transfer on a timely basis, may tender their initial notes by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in "The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery" in the prospectus. Pursuant to such procedures: (i) such tender must be made by or through an eligible institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Omega, must be received by the exchange agent on or prior to the expiration date; and (iii) the certificates for the initial notes, or a book-entry confirmation, together with a properly completed and duly executed letter of transmittal or a facsimile hereof, or an agent's message in lieu thereof, with any required signature guarantees and any other documents required by this letter of transmittal, must be received by the exchange agent within three (3) New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery for all such tendered initial notes, all as provided in "The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery" in the prospectus.

The Notice of Guaranteed Delivery may be delivered by hand, facsimile, mail or overnight delivery to the exchange agent, and must include a guarantee by an eligible institution in the form set forth in such Notice of Guaranteed Delivery. For initial notes to be properly tendered pursuant to the guaranteed delivery procedure, the exchange agent must receive a Notice of Guaranteed Delivery on or prior to the expiration date. As used herein, "eligible institution" means a firm or other entity which is identified as an "Eligible Guarantor Institution" in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, including a bank; a broker, dealer, municipal securities broker or dealer or government securities broker or dealer; a credit union; a national securities exchange, registered securities association or clearing agency; or a savings association.

**The method of delivery of certificates for the initial notes, this letter of transmittal and all other required documents is at the election and sole risk of the tendering holder. If delivery is by mail, registered mail with return receipt requested, properly insured, or overnight delivery service is recommended. In all cases, sufficient time should be allowed to ensure timely delivery. No letters of transmittal or initial notes should be sent to Omega. Delivery is complete when the exchange agent actually receives the items to be delivered. Delivery of documents to DTC in accordance with DTC's procedures does not constitute delivery to the exchange agent.**

Omega will not accept any alternative, conditional or contingent tenders. Each tendering holder, by execution of a letter of transmittal or a facsimile hereof or by causing the transmission of an agent's message, waives any right to receive any notice of the acceptance of such tender.

2. **Guarantee of Signatures.** No signature guarantee on this letter of transmittal is required if:
- a. this letter of transmittal is signed by the registered holder (which term, for purposes of this document, shall include any participant in DTC whose name appears on a security position listing as the owner of the initial notes) of initial notes tendered herewith, unless such holder has completed either the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" above; or
  - b. such initial notes are tendered for the account of a firm that is an eligible institution.

In all other cases, an eligible institution must guarantee the signature(s) on this letter of transmittal. See Instruction 6.

3. **Inadequate Space.** If the space provided in the box captioned "Description of Initial Notes" is inadequate, the certificate number(s) and/or the principal amount of initial notes and any other required information should be listed on a separate, signed schedule which is attached to this letter of transmittal.

4. **Partial Tenders (Not Applicable To Holders Who Tender By Book-Entry Transfer).** If less than all the initial notes evidenced by any certificate submitted are to be tendered, fill in the principal amount of initial notes which are to be tendered in the "Principal Amount Tendered" column of the box entitled "Description of Initial Notes" on page 2 of this letter of transmittal. In such case, new certificate(s) for the remainder of the initial notes that were evidenced by your old certificate(s) will be sent only to the holder of the initial notes as promptly as practicable after the expiration date. All initial notes represented by certificates delivered to the exchange agent will be deemed to have been tendered unless otherwise indicated. Tender of initial notes will be accepted only in denominations of \$1,000 and any integral multiple of \$1,000.

5. **Withdrawal Rights.** Except as otherwise provided herein, tenders of initial notes may be withdrawn at any time on or prior to the expiration date. In order for a withdrawal to be effective on or prior to that time, a written notice of withdrawal must be timely received by the exchange agent at its address set forth above and in the prospectus on or prior to the expiration date. Any such notice of withdrawal must specify the name of the person who tendered the initial notes to be withdrawn, identify the initial notes to be withdrawn, including the total principal amount of initial notes to be withdrawn, and where certificates for initial notes are transmitted, the name of the registered holder of the initial notes, if different from that of the person withdrawing such initial notes. If certificates for the initial notes have been delivered or otherwise identified to the exchange agent, then the tendering holder must submit the serial numbers of the initial notes to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an eligible institution, except in the case of initial notes tendered for the account of an eligible institution. If initial notes have been tendered pursuant to the procedures for book-entry transfer set forth in the prospectus under "The Exchange Offer—Procedures for Tendering Initial Notes—Book-Entry Transfers," the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn initial notes and the notice of withdrawal must be delivered to the exchange agent. Withdrawals of tenders of initial notes may not be rescinded; however, initial notes properly withdrawn may again be tendered at any time on or prior to the expiration date by following any of the procedures described in the prospectus under "The Exchange Offer—Procedures for Tendering Initial Notes."

All questions regarding the form of withdrawal, validity, eligibility, including time of receipt, and acceptance of withdrawal notices will be determined by Omega, in its sole discretion, which determination of such questions and terms and conditions of the exchange offer will be final and binding on all parties. Neither Omega, any of its affiliates or assigns, the exchange agent nor any other person is under any obligation to give notice of any irregularities in any notice of withdrawal, nor will they be liable for failing to give any such notice.

Initial notes tendered by book-entry transfer through DTC that are withdrawn or not exchanged for any reason will be credited to an account maintained with DTC. Withdrawn initial notes will be returned to the holder after withdrawal. The initial notes will be returned or credited to the account maintained at DTC as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Any initial notes which have been tendered for exchange but which are withdrawn or not exchanged for any reason will be returned to the holder thereof without cost to such holder.

**6. Signatures On Letter Of Transmittal, Assignments And Endorsements.** If this letter of transmittal is signed by the registered holder(s) of the initial notes tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever.

If any initial notes tendered hereby are owned of record by two or more joint owners, all such owners must sign this letter of transmittal.

If any tendered initial notes are registered in different name(s) on several certificates, it will be necessary to complete, sign and submit as many separate letters of transmittal or facsimiles hereof as there are different registrations of certificates.

If this letter of transmittal, any certificates or bond powers or any other document required by the letter of transmittal are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and, unless waived by Omega, must submit proper evidence satisfactory to Omega, in its sole discretion, of each such person's authority so to act.

When this letter of transmittal is signed by the registered owner(s) of the initial notes listed and transmitted hereby, no endorsement(s) of certificate(s) or separate bond power(s) are required unless exchange notes are to be issued in the name of a person other than the registered holder(s).

Signature(s) on such certificate(s) or bond power(s) must be guaranteed by an eligible institution.

If this letter of transmittal is signed by a person other than the registered owner(s) of the initial notes listed, the certificates must be endorsed or accompanied by appropriate bond powers, signed exactly as the name or names of the registered owner(s) appear(s) on the certificates, and also must be accompanied by such opinions of counsel, certifications and other information as Omega or the trustee for the initial notes may require in accordance with the restrictions on transfer applicable to the initial notes. Signatures on such certificates or bond powers must be guaranteed by an eligible institution.

**7. Special Issuance And Delivery Instructions.** If exchange notes are to be issued in the name of a person other than the signer of this letter of transmittal, or if exchange notes are to be sent to someone other than the signer of this letter of transmittal or to an address other than that shown above, the appropriate boxes on this letter of transmittal should be completed. In the case of issuance in a different name, the U.S. taxpayer identification number of the person named must also be indicated. A holder of initial notes tendering initial notes by book-entry transfer may instruct that initial notes not exchanged be credited to such account maintained at DTC as such holder may designate. If no such instructions are given, certificates for initial notes not exchanged will be returned by mail to the address of the signer of this letter of transmittal or, if the initial notes not exchanged were tendered by book-entry transfer, such initial notes will be returned by crediting the account indicated on page 3 above maintained at DTC. See Instruction 6.

**8. Irregularities.** Omega will determine, in its sole discretion, all questions regarding the form of documents, validity, eligibility, including time of receipt, and acceptance for exchange of any tendered initial notes, which determination and interpretation of the terms and conditions of the exchange offer will be final and binding on all parties. Omega reserves the absolute right, in its sole and absolute discretion, to reject any tenders determined to be in improper form or the acceptance of which, or exchange for which, may, in the view of counsel to Omega, be unlawful. Omega also reserves the absolute right, subject to applicable law, to waive any of the conditions of the exchange offer set forth in the prospectus under "The Exchange Offer—Conditions to the Exchange Offer" or any condition or irregularity in any tender of initial notes by any holder, whether or not we waived similar conditions or irregularities in the case of other holders. Omega's interpretation of the terms and conditions of the exchange offer, including this letter of transmittal and the instructions hereto, will be final and binding on all parties. A tender of initial notes is invalid until all defects and irregularities have been cured or waived. Neither Omega, any of its affiliates or assigns, the exchange agent nor any other person is under any obligation to give notice of any defects or irregularities in tenders nor will they be liable for failure to give any such notice.

**9. Questions, Requests For Assistance And Additional Copies.** Questions and requests for assistance may be directed to the exchange agent at its address and telephone number set forth on the front of this letter of transmittal. Additional copies of the prospectus, the letter of transmittal, the Notice of Guaranteed Delivery and Forms W-8 may be obtained from the exchange agent at the address and telephone/facsimile numbers indicated above, or from your broker, dealer, commercial bank, trust company or other nominee.

**10. Backup Withholding; Substitute Form W-9; Form W-8.** Under the United States federal income tax laws, interest paid to holders of exchange notes received pursuant to the exchange offer may be subject to backup withholding. Generally, such payments will be subject to backup withholding unless the holder (i) is exempt from backup withholding or (ii) furnishes the payer with its correct taxpayer identification number, or TIN, and provides certain certifications. If backup withholding applies, Omega may be required to withhold at the applicable rate on interest payments made to a holder of exchange notes. Backup withholding is not an additional tax. Rather, the amount of backup withholding is treated as an advance payment of a tax liability, and a holder's U.S. federal income tax liability will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained by the holder from the Internal Revenue Service, or the IRS.

To avoid backup withholding, a holder should notify the exchange agent of its correct TIN by completing the Substitute Form W-9 below and certifying on Substitute Form W-9 that the TIN provided is correct (or that the holder is awaiting a TIN). In addition, a holder is required to certify on Substitute Form W-9 that (i) the holder is exempt from backup withholding, or (ii) the holder has not been notified by the IRS that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified the holder that the holder is no longer subject to backup withholding. Consult the enclosed *Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9* for guidelines on completing the Substitute Form W-9. If the exchange agent is provided with an incorrect TIN or the holder makes false statements resulting in no backup withholding, the holder may be subject to penalties imposed by the IRS.

Certain holders (including, among others, corporations and certain foreign individuals) may be exempt from these backup withholding requirements. See the enclosed *Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9* for further information regarding exempt holders. Exempt holders should furnish their TIN, check the box in Part 4 of the Substitute Form W-9, and sign, date and return the Substitute Form W-9 to the exchange agent. If the holder is a nonresident alien or foreign entity not subject to backup withholding, such holder should submit an appropriate completed IRS Form W-8, signed under penalties of perjury, attesting to the holder's foreign status, instead of the Substitute Form W-9. The appropriate Form W-8 can be obtained from the exchange agent upon request.

**11. Waiver Of Conditions.** Omega reserves the absolute right to waive satisfaction of any or all conditions, completely or partially, enumerated in the prospectus.

**12. No Conditional Tenders.** No alternative, conditional or contingent tenders will be accepted. All tendering holders of initial notes, by execution of this letter of transmittal, shall waive any right to receive notice of the acceptance of initial notes for exchange.

None of Omega, the exchange agent or any other person is obligated to give notice of any defect or irregularity with respect to any tender of initial notes nor shall any of them incur any liability for failure to give any such notice.

**13. Mutilated, Lost, Destroyed Or Stolen Certificates.** If any certificate(s) representing initial notes have been mutilated, lost, destroyed or stolen, the holder should promptly notify the exchange agent. The holder will then be instructed as to the steps that must be taken in order to replace the certificate(s). This letter of transmittal and related documents cannot be processed until the procedures for replacing lost, destroyed or stolen certificate(s) have been followed.



**14. Security Transfer Taxes.** Except as provided below, holders who tender their initial notes for exchange will not be obligated to pay any transfer taxes in connection therewith. If, however, (i) exchange notes are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the initial notes tendered, (ii) tendered initial notes are registered in the name of any person other than the person signing this letter of transmittal, or (iii) a transfer tax is imposed for any reason other than the exchange of initial notes in connection with the exchange offer, then the amount of any such transfer tax (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. The exchange agent must receive satisfactory evidence of the payment of such taxes or exemption there from or the amount of such transfer taxes will be billed directly to the tendering holder.

Except as provided in this Instruction 14, it is not necessary for transfer tax stamps to be affixed to the initial notes specified in this letter of transmittal.

**15. Incorporation Of Letter Of Transmittal.** This letter of transmittal shall be deemed to be incorporated in any tender of initial notes by any DTC participant effected through procedures established by DTC and, by virtue of such tender, such participant shall be deemed to have acknowledged and accepted this letter of transmittal on behalf of itself and the beneficial owners of any initial notes so tendered.

**Substitute Form W-9 Payer's Request for Taxpayer Identification Number (TIN)**

<p>Part 1 – PLEASE PROVIDE YOUR TIN IN THE APPROPRIATE SPACE TO THE RIGHT AND CERTIFY BY SIGNING AND DATING BELOW</p> <p>Payee's Name and Address: _____ _____ _____</p>	<p>Social security number or _____/_____ _____/_____</p> <p>Employer identification number _____ _____</p>
<p>Part 2 – Certification – Under penalties of perjury, I certify that:</p> <p>(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because (i) I am exempt from backup withholding, (ii) I have not been notified by the Internal Revenue Service, or the IRS, that I am subject to backup withholding as a result of failure to report all interest or dividends, or (iii) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien).</p> <p>Certificate Instructions – You must cross out item (2) in Part 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. However, if after being notified by the IRS that you are subject to backup withholding you received a notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).</p> <p>_____ Signature Date _____ (include year)</p> <p>_____ Name (Please Print)</p>	
<p>Part 3 -- Awaiting TIN <input type="checkbox"/></p>	<p>Part 4 – Exempt from backup withholding <input type="checkbox"/></p>

**NOTE: FAILURE TO COMPLETE THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF TAX ON ANY PAYMENTS MADE TO YOU. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.**

**YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECK THE BOX IN PART 3 OF SUBSTITUTE FORM W-9**

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within 60 days, all reportable payments made to me thereafter will be subject to backup withholding tax until I provide a number.

\_\_\_\_\_  
Signature Date \_\_\_\_\_ (include year)

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

**Guidelines For Determining the Proper Identification Number to Give the Payer** – Social Security Numbers (“SSNs”) have nine digits separated by two hyphens: *i.e.*, 000-00-000. Employer Identification Numbers, or EINs, have nine digits separated by only one hyphen: *i.e.*, 00-0000000. The table below will help determine the number to give the payer.

<b>For this type of account:</b>	<b>Give the NAME and SOCIAL SECURITY NUMBER or EMPLOYER IDENTIFICATION NUMBER of----</b>	<b>For this type of account:</b>	<b>Give the NAME And EMPLOYER IDENTIFICATION NUMBER of----</b>
1. Individual	The individual	6. A valid trust, estate, or pension trust	Legal entity (4)
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account (1)	7. Corporation or LLC electing corporate status on Form 8832	The corporation
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor (2)	8. Association, club, religious, charitable, educational or other tax-exempt organization	The organization
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee (1)	9. Partnership or multi-member LLC	The partnership or LLC
b. The so-called trust account that is not a legal or valid trust under State law	The actual owner (1)		
5. Sole proprietorship or single-owner LLC	The owner (3)	10. A broker or registered nominee	The broker or nominee

- (1) List first and circle the name of the person whose SSN you furnish. If only one person on a joint account has an SSN, that person’s number must be furnished.
- (2) Circle the minor’s name and furnish the minor’s SSN.
- (3) You must show your individual name and you may also enter your business or “doing business as” name. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, the Internal Revenue Service encourages you to use your SSN.
- (4) List first and circle the name of the legal trust, estate or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title).

NOTE: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER  
ON SUBSTITUTE FORM W-9**

**Page 2**

**Purpose of Form**

A person who is required to file an information return with the IRS must get your correct Taxpayer Identification Number, or TIN, to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA. Use Form W-9 to give your correct TIN to the requester (the person requesting your TIN) and, when applicable, (1) to certify the TIN you are giving is correct (or you are waiting for a number to be issued), (2) to certify you are not subject to backup withholding, or (3) to claim exemption from backup withholding if you are an exempt payee. The TIN provided must match the name given on the Substitute Form W-9.

**How to Get a TIN**

If you do not have a TIN, apply for one immediately. To apply for an SSN, obtain Form SS-5, Application for a Social Security Card, at the local office of the Social Security Administration or get this form on-line at [www.ssa.gov/online/ss-5.pdf](http://www.ssa.gov/online/ss-5.pdf). You may also get this form by calling 1-800-772-1213. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer ID Numbers under Related Topics. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS web site at [www.irs.gov](http://www.irs.gov).

If you do not have a TIN, check the "Applied For" box in Part 3, sign and date the form, and give it to the payer. Also sign and date the "Certificate of Awaiting Taxpayer Identification Number." For interest and dividend payments and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the payer. If the payer does not receive your TIN within 60 days, backup withholding, if applicable, will begin and continue until you furnish your TIN.

Note: Checking the "Applied For" box on the form means that you have already applied for a TIN OR that you intend to apply for one soon. As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the payer.

**CAUTION:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

**Payees Exempt from Backup Withholding**

Individuals (including sole proprietors) are NOT exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note: If you are exempt from backup withholding, you should still complete Substitute Form W-9 to avoid possible erroneous backup withholding. If you are exempt, enter your name and correct TIN in Part 1, check the "Exempt" box in Part 4, and sign and date the form. If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8, Certificate of Foreign Status.

The following is a list of payees that may be exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except for those listed in item (9). For broker transactions, payees listed in (1) through (13) and any person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7). However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: (i) medical and health care payments, (ii) attorneys' fees, and (iii) payments for services paid by a federal executive agency. Only payees described in items (1) through (5) are exempt from backup withholding for barter exchange transactions and patronage dividends.

- (1) An organization exempt from tax under section 501(a), or an individual retirement plan, or IRA, or a custodial account under section 403(b)(7), if the account satisfies the requirements of section 401(f)(2).
- (2) The United States or any of its agencies or instrumentalities.
- (3) A state, the District of Columbia, a possession of the United States, or any of their subdivisions or instrumentalities.
- (4) A foreign government, a political subdivision of a foreign government, or any of their agencies or instrumentalities.
- (5) An international organization or any of its agencies or instrumentalities.
- (6) A corporation.
- (7) A foreign central bank of issue.
- (8) A dealer in securities or commodities registered in the United States, the District of Columbia, or a possession of the United States.
- (9) A futures commission merchant registered with the Commodity Futures Trading Commission.
- (10) A real estate investment trust.
- (11) An entity registered at all times during the tax year under the Investment Company Act of 1940.
- (12) A common trust fund operated by a bank under section 584(a).
- (13) A financial institution.
- (14) A middleman known in the investment community as a nominee or custodian.
- (15) An exempt charitable remainder trust, or a non-exempt trust described in section 4947.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. **FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, CHECK THE "EXEMPT" BOX IN PART 4 ON THE FACE OF THE FORM IN THE SPACE PROVIDED, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.**

Certain payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N, and their regulations.

**Privacy Act Notice.** Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax

return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation and to cities, states, and the District of Columbia to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, or to federal and state agencies to enforce federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to a payer. The penalties described below may also apply.

#### **Penalties**

**Failure to Furnish TIN.** If you fail to furnish your correct TIN to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil Penalty for False Information With Respect to Withholding.** If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

**Criminal Penalty for Falsifying Information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the payer discloses or uses TINs in violation of federal law, the payer may be subject to civil and criminal penalties.

**FOR ADDITIONAL INFORMATION, CONTACT YOUR TAX ADVISOR OR THE INTERNAL REVENUE SERVICE.**

**Omega Healthcare Investors, Inc.**

**NOTICE OF GUARANTEED DELIVERY**

**Offer For All Outstanding**

**7½% Senior Notes due 2020**

**in exchange for**

**7½% Senior Notes due 2020**

**which have been registered under the  
Securities Act of 1933**

**Pursuant to the Prospectus dated                      , 2010**

This notice of guaranteed delivery, or one substantially equivalent to this form, must be used to accept the exchange offer, as defined below, if (i) certificates for the 7½% Senior Notes due 2020 of Omega Healthcare Investors, Inc., or Omega, referred to as the initial notes, are not immediately available or if all required documents are unlikely to reach U.S. Bank National Association, the exchange agent, on or prior to the expiration date, as defined below; or (ii) a book-entry transfer cannot be completed on a timely basis. This notice of guaranteed delivery may be delivered by hand, facsimile, mail or overnight carrier to the exchange agent. See "The Exchange Offer—Procedures for Tendering Initial Notes" in the prospectus. In addition, in order to utilize the guaranteed delivery procedure to tender initial notes pursuant to the exchange offer, (a) a properly completed and duly executed notice of guaranteed delivery must be delivered on or prior to the expiration date and (b) a properly completed and duly executed letter of transmittal relating to the initial notes or a facsimile thereof, or an agent's message in lieu thereof, together with the initial notes tendered hereby in proper form for transfer or confirmation of the book-entry transfer of such initial notes to the exchange agent's account at The Depository Trust Company, or DTC, must be received by the exchange agent within three (3) New York Stock Exchange trading days after the date of execution of this notice of guaranteed delivery. Unless indicated otherwise, capitalized terms used but not defined herein shall have the same meaning given them in the prospectus or the letter of transmittal, as the case may be.

*The Exchange Agent for this Exchange Offer is:*

**U.S. Bank National Association**

*By Mail, Hand or Courier:*

Corporate Trust Services  
60 Livingston Avenue  
St. Paul, MN 55107

Attention: Specialty Finance Group  
Reference: Omega Healthcare  
Investors, Inc.

*By Facsimile:*

(615) 495-8158

Attention: Specialty Finance Group  
Reference: Omega Healthcare  
Investors, Inc.

*For Information or Confirmation by*

*Telephone:*  
(800) 934-6802

The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2010, unless we extend the offer. Tenders may be withdrawn at any time prior to the expiration of the exchange offer.

Delivery of this notice of guaranteed delivery to an address other than as set forth above or transmission of this notice of guaranteed delivery via facsimile to a number other than as set forth above will not constitute a valid delivery.

This notice of guaranteed delivery is not to be used to guarantee signatures. If a signature on a letter of transmittal is required to be guaranteed by an "eligible institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the letter of transmittal.

Aggregate Principal Amount Tendered\* \_\_\_\_\_

Name of Registered Holder(s) \_\_\_\_\_

Certificate No(s). (if available) \_\_\_\_\_

Total Principal Amount Represented by Initial Note Certificate(s) \_\_\_\_\_

If initial notes will be tendered by book-entry transfer, provide the following information:

DTC Account Number: \_\_\_\_\_

Date: \_\_\_\_\_

\*Must be in denominations of U.S. \$1,000 and any integral multiple of \$1,000.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and every obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

**PLEASE SIGN AND COMPLETE**

Signature of Registered Holder(s) or Authorized Signatory:

\_\_\_\_\_

Name(s) of Registered Holder(s):

\_\_\_\_\_

Date:

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Area Code and Telephone No.:

\_\_\_\_\_

The notice of guaranteed delivery must be signed by the holder(s) of the initial notes exactly as their name(s) appear on certificates for the initial notes or on a security position listing as the owner of the initial notes, or by person(s) authorized to become registered holder(s) by endorsements and documents transmitted with this notice of guaranteed delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, that person must provide the following information, and unless waived by Omega, provide proper evidence satisfactory to Omega of such person's authority to act.

**Please print name(s) and address(es)**

Name(s): \_\_\_\_\_

\_\_\_\_\_

Capacity:

\_\_\_\_\_

\_\_\_\_\_

Address(es): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**GUARANTEE OF DELIVERY**  
**(not to be used for signature guarantees)**

The undersigned, a firm which is a member of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., a bank, trust company or other nominee having an office or correspondent in the United States or another eligible guarantor institution (as defined in the prospectus), hereby guarantees to deliver to the exchange agent, at one of its addresses set forth above, the letter of transmittal, together with the initial notes tendered hereby in proper form for transfer or confirmation of the book-entry transfer of such initial notes to the exchange agent's account at DTC, pursuant to the procedures for book-entry transfer set forth in the prospectus, together with any other documents required by the letter of transmittal, within three trading days for the New York Stock Exchange after the date of execution of this notice of guaranteed delivery.

The undersigned acknowledges that (1) it must deliver to the exchange agent the letter of transmittal or a facsimile thereof, or an agent's message in lieu thereof, and the initial notes tendered hereby in proper form for transfer or confirmation of the book-entry transfer of such initial notes to the exchange agent's account at DTC within the time period set forth above and (2) that failure to do so could result in a financial loss to the undersigned.

Name of Firm: \_\_\_\_\_

\_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

(Include Zip Code)

Area Code and Telephone No.: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(Please Print)

Dated: \_\_\_\_\_

**Do not send certificates for initial notes with this form. Actual surrender of certificates for initial notes must be made pursuant to, and be accompanied by, an executed letter of transmittal.**

## INSTRUCTIONS FOR NOTICE OF GUARANTEED DELIVERY

**1. Delivery of this Notice of Guaranteed Delivery.** A properly completed and duly executed copy of this notice of guaranteed delivery must be received by the exchange agent at one of its addresses set forth in this notice of guaranteed delivery before the expiration date. The method of delivery of this notice of guaranteed delivery and any other required documents to the exchange agent is at the election and sole risk of the holder of initial notes, and the delivery will be deemed made only when actually received by the exchange agent. If delivery is by mail, we recommend registered mail with return receipt required, properly insured. As an alternative to delivery by mail, holders may wish to use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. For a description of the guaranteed delivery procedures, see the prospectus and Instruction 1 of the letter of transmittal.

**2. Signatures on this Notice of Guaranteed Delivery.** If this notice of guaranteed delivery is signed by the registered holder(s) of the initial notes referred to in this notice of guaranteed delivery, the signatures must correspond exactly with the name(s) written on the face of the initial notes without alteration, enlargement, or any change whatsoever.

If this notice of guaranteed delivery is signed by a participant of DTC whose name appears on a security position listing as the owner of the initial notes, the signature must correspond with the name shown on the security position listing as the owner of the initial notes.

If this notice of guaranteed delivery is signed by a person other than the registered holder(s) of any initial notes listed or a participant of DTC whose name appears on a security position listing as the owner of the initial notes, this notice of guaranteed delivery must be accompanied by appropriate bond powers, signed exactly as the name(s) of the registered holder(s) appear(s) on the initial notes or signed as the name of the participant is shown on DTC's security position listing, and also must be accompanied by such opinions of counsel, certifications and other information as the Company or the trustee for the initial notes may require in accordance with the restrictions on transfer applicable to the initial notes.

If this notice of guaranteed delivery is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should so indicate when signing and submit the notice of guaranteed delivery evidence satisfactory to Omega of the person's authority to so act.

**3. Questions, Requests For Assistance And Additional Copies.** Questions and requests for assistance may be directed to the exchange agent at its address and telephone number set forth on the front of this notice of guaranteed delivery. Additional copies of the prospectus, the letter of transmittal, the notice of guaranteed delivery and Form W-8 may be obtained from the exchange agent at the address and telephone/facsimile numbers indicated above, or from your broker, dealer, commercial bank, trust company or other nominee.

**Omega Healthcare Investors, Inc.**

**Offer For All Outstanding**

**7½% Senior Notes due 2020**

**in exchange for**

**7½% Senior Notes due 2020  
which have been registered under the  
Securities Act of 1933**

**The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2010, unless we extend the offer. Tenders may be withdrawn at any time prior to the expiration of the exchange offer.**

To Securities Dealers, Brokers, Commercial Banks, Trust Companies and Other Nominees:

Omega Healthcare Investors, Inc., a Maryland corporation, or Omega, is offering to exchange an aggregate principal amount of up to \$200,000,000 of its 7½% Senior Notes due 2020, referred to as the exchange notes, for a like principal amount of its 7 ½% Senior Notes due 2020, referred to as the initial notes, upon the terms and subject to the conditions set forth in the prospectus dated \_\_\_\_\_, 2010 and in the related letter of transmittal and the instructions thereto.

Enclosed herewith are copies of the following documents:

1. The prospectus.
2. The letter of transmittal for your use and for the information of your clients, including a substitute Internal Revenue Service Form W-9 for collection of information relating to backup federal income tax withholding.
3. A notice of guaranteed delivery to be used to accept the exchange offer with respect to initial notes in certificated form or initial notes accepted for clearance through the facilities of The Depository Trust Company, or DTC, if (i) certificates for initial notes are not immediately available or all required documents are unlikely to reach the exchange agent on or prior to the expiration date or (ii) a book-entry transfer cannot be completed on a timely basis.
4. A form of letter which may be sent to your clients for whose account you hold the initial notes in your name or in the name of a nominee, with space provided for obtaining such clients' instructions with regard to the exchange offer.
5. Return envelopes addressed to U.S. Bank National Association, the exchange agent for the exchange offer.

**Please note that the exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2010, unless extended. We urge you to contact your clients as promptly as possible.**

Omega has not retained any dealer-manager in connection with the exchange offer and will not pay any fee or commission to any broker, dealer, nominee or other person, other than the exchange agent, for soliciting tenders of the initial notes pursuant to the exchange offer. You will be reimbursed by Omega for customary mailing and handling expenses incurred by you in forwarding the enclosed materials to your clients and for handling or tendering for your clients.

Additional copies of the enclosed materials may be obtained by contacting the exchange agent as provided in the enclosed letter of transmittal.

Very truly yours,

OMEGA HEALTHCARE INVESTORS, INC.

Enclosures

**NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF OMEGA OR THE EXCHANGE AGENT OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM WITH RESPECT TO THE EXCHANGE OFFER OTHER THAN THOSE STATEMENTS CONTAINED IN THE DOCUMENTS ENCLOSED HEREWITH.**

**The exchange offer is not being made to, and the tender of initial notes will not be accepted from or on behalf of, holders in any jurisdiction in which the making or acceptance of the exchange offer would not be in compliance with the laws of such jurisdiction.**

Omega Healthcare Investors, Inc.

Offer For All Outstanding

7½% Senior Notes due 2020

in exchange for

7½% Senior Notes due 2020  
which have been registered under the  
Securities Act of 1933

The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2010, unless we extend the offer. Tenders may be withdrawn at any time prior to the expiration of the exchange offer.

To Our Clients:

Enclosed for your consideration is a prospectus dated \_\_\_\_\_, 2010 and the related letter of transmittal and instructions thereto in connection with the offer, referred to as the exchange offer, of Omega Healthcare Investors, Inc., a Maryland corporation, or Omega, to exchange an aggregate principal amount of up to \$200,000,000 of its 7½% Senior Notes due 2020, referred to as the exchange notes, for a like principal amount of its issued and outstanding 7 ½% Senior Notes due 2020, referred to as the initial notes, upon the terms and subject to the conditions set forth in the prospectus and the letter of transmittal. Consummation of the exchange offer is subject to certain conditions described in the prospectus.

**We are the registered holder of initial notes held by us for your account. A tender of any such initial notes can be made only by us as the registered holder and pursuant to your instructions. The letter of transmittal is furnished to you for your information only and cannot be used by you to tender initial notes held by us for your account.**

Accordingly, we request instructions as to whether you wish us to tender any or all such initial notes held by us for your account pursuant to the terms and conditions set forth in the prospectus and the letter of transmittal. **We urge you to read the prospectus and the letter of transmittal carefully before instructing us to tender your initial notes.**

Your instructions to us should be forwarded as promptly as possible in order to permit us to tender initial notes on your behalf in accordance with the provisions of the exchange offer. **The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2010, unless extended.** Initial notes tendered pursuant to the exchange offer may be withdrawn only under the circumstances described in the prospectus and the letter of transmittal.

Your attention is directed to the following:

1. The exchange offer is for the entire aggregate principal amount of outstanding initial notes.

2. Consummation of the exchange offer is conditioned upon the terms and conditions set forth in the prospectus under the captions “The Exchange Offer—Terms of the Exchange Offer” and “The Exchange Offer—Conditions to the Exchange Offer.”

3. Tendering holders may withdraw their tender at any time until 5:00 p.m., New York City time, on the expiration date.

4. Any transfer taxes incident to the transfer of initial notes from the tendering holder to Omega will be paid by Omega, except as provided in the prospectus and the instructions to the letter of transmittal.

5. The exchange offer is not being made to, nor will the surrender of initial notes for exchange be accepted from or on behalf of, holders of initial notes in any jurisdiction in which the exchange offer or acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction.

6. The acceptance for exchange of initial notes validly tendered and not withdrawn and the issuance of exchange notes will be made as soon as practicable after the expiration date.

7. Omega expressly reserves the right, in its reasonable discretion and in accordance with applicable law, (i) to delay accepting any initial notes, (ii) to terminate the exchange offer and not accept any initial notes for exchange if it determines that any of the conditions to the exchange offer, as set forth in the prospectus, have not occurred or been satisfied, (iii) to extend the expiration date of the exchange offer and retain all initial notes tendered in the exchange offer other than those notes properly withdrawn, or (iv) to waive any condition or to amend the terms of the exchange offer in any manner. In the event of any extension, delay, non-acceptance, termination, waiver or amendment, Omega will as promptly as practicable give oral or written notice of the action to the exchange agent and make a public announcement of such action. In the case of an extension, such announcement will be made no later than 5:00 p.m., New York City time, on the next business day after the previously scheduled expiration date.

8. Consummation of the exchange offer may have adverse consequences to non-tendering initial note holders, including that the reduced amount of outstanding initial notes as a result of the exchange offer may adversely affect the trading market, liquidity and market price of the initial notes.

9. If you wish to have us tender any or all of the initial notes held by us for your account, please so instruct us by completing, executing and returning to us the instruction form that follows.

OMEGA HEALTHCARE INVESTORS, INC.

INSTRUCTIONS REGARDING THE EXCHANGE OFFER  
WITH RESPECT TO THE  
7½% SENIOR NOTES DUE 2020  
(INITIAL NOTES)

THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF YOUR LETTER AND THE ENCLOSED DOCUMENTS REFERRED TO THEREIN RELATING TO THE EXCHANGE OFFER OF OMEGA HEALTHCARE INVESTORS, INC. WITH RESPECT TO THE INITIAL NOTES.

THIS WILL INSTRUCT YOU WHETHER TO TENDER THE PRINCIPAL AMOUNT OF INITIAL NOTES INDICATED BELOW HELD BY YOU FOR THE ACCOUNT OF THE UNDERSIGNED PURSUANT TO THE TERMS OF AND CONDITIONS SET FORTH IN THE PROSPECTUS AND THE LETTER OF TRANSMITTAL.

<input type="checkbox"/> Please tender the initial notes held by you for my account, as indicated below. <input type="checkbox"/> Please do not tender any initial notes held by you for my account.
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Type	Aggregate Principal Amount Held for Account of Holder(s)	Principal Amount to be Tendered*
7½% Senior Notes Due 2020		

\* UNLESS OTHERWISE INDICATED, SIGNATURE(S) HEREON BY BENEFICIAL OWNER(S) SHALL CONSTITUTE AN INSTRUCTION TO THE NOMINEE TO TENDER ALL INITIAL NOTES OF SUCH BENEFICIAL OWNER(S).

<b>SIGN HERE</b>
Signature(s)
Please print name(s)
Address
Area Code and Telephone Number
Tax Identification or Social Security Number
My Account Number with You
Date