

FORM OF

LEASE AGREEMENT

By and Between

The Nashoba Community Hospital Corporation

as Lessor

and

Essent Healthcare – Ayer, Inc.

as Lessee

Dated as of: [_____]

LEASE

This lease (this "Lease") is made as of this [] day of [], 200[], by and between The Nashoba Community Hospital Corporation (hereinafter with its successors and assigns called the "Lessor"), a non-profit, charitable corporation organized and existing under Chapter 180 of the Massachusetts General Laws and Essent Healthcare - Ayer, Inc. (hereinafter with its successors and assigns called the "Lessee"), a Tennessee business corporation.

WITNESSETH:

Whereas: Lessor is the owner of that certain real property (the "Real Property") located on Groton Road in the town of Ayer, in the County of Middlesex, Massachusetts, which Real Property is more particularly described in Exhibit A to this Lease.

Whereas: A portion of the Real Property, together with the buildings and improvements situated on said portion of the Real Property (said portion of the Real Property together with said buildings and improvements situated thereon collectively referred to herein as the "Nashoba Medical Condominium Property") has been submitted to a condominium form of ownership pursuant to Massachusetts General Laws Chapter 183A, pursuant to that certain master deed (the "Master Deed") dated June 18, 1990, and recorded with the Middlesex South Registry of Deeds at Book 20629, Page 227, all as more particularly described on Exhibit B hereto.

Whereas: A portion of the Real Property, together with the buildings and improvements situated on said portion of the Real Property (said portion of the Real Property together with said buildings and improvements situated thereon collectively referred to herein as the "SNF Property") is subject to that certain ground lease (the "SNF Ground Lease") entitled "Second Amended and Restated Ground Lease" by and between The Nashoba Community Hospital Corporation (successor in interest to The Nashoba Community Hospital, Inc.) and The Apple Valley Limited Partnership (successor in interest to Health Care Alternatives, Inc.) as Tenant, dated July 31, 1996, which real SNF Property is more particularly described on Exhibit B hereto.

Whereas: The remaining portion of the Real Property, together with the buildings and improvements situated on said remaining portion of the Real Property (said remaining portion of the Real Property together with said buildings and improvements situated thereon collectively referred to herein as the "Premises" or the "Demised Premises") that is not a part of the Nashoba Medical Condominium Property or the SNF Property is presently used for the operation of a general acute care hospital (the "Hospital") with approximately 41 licensed beds and having an address of 200 Groton Road, Ayer, MA, 01432.

Whereas: Lessor and Lessee, inter alia, have entered into that certain Asset Purchase Agreement (the "APA") dated _____, 200[], pursuant to which Lessee has agreed to purchase certain assets of Lessor relating to Lessor's ownership and operation of the Hospital, and to lease the Demised Premises in connection therewith, all pursuant to certain terms and conditions more particularly set forth in the APA.

Whereas: Lessor and Lessee, inter alia, have entered into that certain Option to Repurchase Agreement (the “Repurchase Agreement”) dated _____, 200[___], and Buyer’s Closing Documents and Sellers’ Closing Documents, as defined in Sections 4.2 and 4.3 of the APA (the APA, the Repurchase Agreement, Buyer’s Closing Documents and Sellers’ Closing Documents referred to herein as the “Purchase and Sale Documents”).

Whereas: This Lease is intended to set forth the terms and conditions of the lease by and between Lessor and Lessee for the Hospital Property as contemplated by the APA.

Whereas: Capitalized terms used in this Lease that are not otherwise defined herein shall have the meaning given to them in the APA or the Purchase and Sale Documents.

Now Therefore: For consideration paid pursuant to the terms of the APA, the rent and other payments required pursuant to the terms of this Lease, and the other mutual covenants and obligations of Lessor and Lessee set forth herein and in the other Purchase and Sale Documents, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows.

Article I

Basic Lease Provisions

Section 1. The following sets forth basic data for this Lease. Each reference in this Lease to any of the following subjects shall be construed to incorporate the data stated for that subject in this Section 1 of Article I:

Lessor: The Nashoba Community Hospital Corporation

Lessor’s Address: _____

Lessee: Essent Healthcare - Ayer, Inc.

Lessee's Address: 200 Groton Road
Ayer, MA, 01432

Guarantor: None

Guarantor's Address: N/A

Real Property: All of that certain real property, as more particularly described on Exhibit A, together with the buildings and improvements situated thereon.

Premises or Demised Premises: A portion of the Real Property, together with the buildings and improvements situated on said portion of the Real Property, which portion is more particularly described on Exhibit B, including, without limitation, the entire Nashoba Community Hospital facility (the “Hospital Facility”), a general acute care hospital with forty-one (41) licensed beds

and consisting of approximately _____ square feet, together with certain additional appurtenant rights all as more particularly described in this Lease.

Building Rentable Area: The Hospital Facility consists of approximately _____ square feet.

Lease Term: The Lease Term shall commence on the Lease Commencement Date and shall terminate on December 31, 2008, subject to earlier termination as provided herein.

Base Rent: The total Base Rent for the Lease Term shall be Ten Dollars (\$10.00), the receipt of which is hereby acknowledged.

Lease Commencement Date: [____], 200[____].

Rent Commencement Date: The Rent Commencement Date shall be the same as the Lease Commencement Date.

Permitted Uses: All services related to the provision of health care, including, without limitation, all inpatient, outpatient and emergency acute and sub-acute hospital services; skilled nursing services; rehabilitation services; transitional services; assisted living services; diagnostic services; pharmaceutical services; medical office buildings; health care education, research and training; medical laboratories; physician and health care practice professional services; health, wellness and fitness programs; public health and disease prevention programs, and such other uses and services reasonably related to the provision of health care. Notwithstanding anything to the contrary herein, Lessee's use of the Property shall be subject to the restrictions of Lessor, if any, set forth in the SNF Ground Lease and Lessee shall indemnify and hold Lessor harmless from any violation of any such restriction by Lessee .

Authorized Broker: None.

Security Deposit: None.

Force Majeure: Force Majeure shall have the meaning given to it in the Repurchase Agreement.

Section 2. The Exhibits listed below are incorporated in this Lease by reference and are to be construed as part of this Lease:

Exhibit A	Description of the Real Property
Exhibit B	Description of the Demised Premises
Exhibit C	Permitted Encumbrances
Exhibit D	Option Purchase and Sale Agreement

Article II

Demised Premises; Term and Commencement

Section 1. In consideration of the Base Rent, the receipt of which is hereby acknowledged, and the other payments, terms, covenants and conditions set forth herein and in the APA, to be paid,

performed and observed by the Lessor and/or Lessee, as the case may be, the Lessor hereby leases to the Lessee and the Lessee hereby leases from the Lessor, the Demised Premises subject to the terms and provisions hereinafter set forth and to all easements, restrictions, reservations and agreements of record with respect to the Real Property and the Demised Premises now in force and applicable; together with the nonexclusive right to use, in common with others lawfully entitled thereto, all driveways, roads, paths and walkways on the Real Property providing access to the Demised Premises from public ways, and all common areas on the Real Property, if any, serving the Demised Premises.

Section 2. The Demised Premises includes all of the Hospital Facility and the other buildings and improvements now situated on or hereafter constructed on the Demised Premises (the Hospital Facility and such other buildings and improvements now situated on or hereafter constructed referred to collectively herein as the “Buildings”), including, without limitation, all roofs, exterior walls and foundations of said Buildings. The Demised Premises includes the right of Lessee (without thereby assuming the obligation) to install, maintain, use, repair and replace all pipes, ducts, wires, meters, utility lines and the like which are in the judgment of the Lessee required to be located on the Demised Premises or in the Buildings in order to provide service to the Demised Premises. Lessee shall have the right to alter, reduce, increase and relocate all parking areas, driveways and walkways located on the Demised Premises. The Lessee shall have the right to make additions to the existing Buildings, and to erect additional Buildings and structures on the Demised Premises.

Except as otherwise provided herein and in the APA and other Purchase and Sale Documents, Lessee acknowledges and agrees that Lessee is leasing the Demised Premises in their “AS IS” condition, with all faults, if any, and without any warranty, express or implied, except as otherwise expressly set forth in this Lease. Lessee acknowledges that, except as expressly set forth herein and in the APA and other Purchase and Sale Documents: (a) Lessor is not making and specifically disclaims any warranties or representations of any kind or character, express or implied with respect to the Demised Premises, including, but not limited to, warranties or representations as to matters of title, zoning, tax consequences, physical or environmental condition, compliance with law, merchantability or suitability or fitness for any purpose; and (b) Lessee has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty (whether orally or in writing) by Lessor or any person acting on behalf of Lessor. Lessee represents that it is a knowledgeable lessee of real estate and, except as otherwise provided herein and in the APA and other Purchase and Sale Documents, that Lessee has had full opportunity to conduct all such inspections, tests and investigations of the Demised Premises as Lessee has deemed necessary or appropriate, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon the same.

Section 3. TO HAVE AND TO HOLD the Demised Premises for the Lease Term unless sooner terminated and extended as herein provided.

Section 4. Notwithstanding anything to the contrary provided herein, this Lease may be terminated prior to December 31, 2008 pursuant to the terms set forth below.

- (a) In the event Lessor exercises its option to repurchase pursuant to the terms of that certain Option to Repurchase Agreement referred to in Section 4.3.8 of the APA

and dated as of the date hereof, then this Lease shall terminate on the date that Lessor takes title to the Acquired Property (as that term is defined in the Option to Repurchase Agreement).

- (b) In the event Lessee elects to proceed with the Renovated Hospital Option or the Replacement Hospital Option pursuant to the terms of Section 12 of the APA, then this Lease shall terminate on the date that Lessee takes title to the Demised Premises in accordance with Section 1 of Article XX hereof.
- (c) In the event Lessee elects the New Hospital Option pursuant to the terms of Section 12 of the APA, then this Lease shall terminate upon the substantial completion of the construction of the New Hospital and the transfer of all patients and services to the New Hospital, all in accordance with the terms of Section 12 of the APA.

Article III

Rent And Other Lessee Payments

Section 1. The Lessee shall pay a total Base Rent of Ten Dollars (\$10.00) for the entire Lease Term, the receipt of which is hereby acknowledged.

Section 2. Whenever the term "lease year" is used in this lease, such term shall mean for the first lease year, the twelve (12) full calendar months, plus the partial month, if any, immediately following the commencement of the term hereof; and thereafter, the term "lease year" shall mean each twelve (12) calendar month period following the expiration of the first lease year of the term hereof.

Section 3. The Lessee shall pay, during the Lease Term hereof and any extension hereof, Lessee's Share of Real Estate Taxes (hereinafter defined), and all water rents, sewer and other such charges which shall be imposed, assessed or levied upon the Demised Premises for any tax year (as hereafter defined) or portion thereof falling within the Lease Term.

The term "Lessee's Share of Real Estate Taxes" shall mean _____ percent (____%) of the real estate taxes set forth on the tax bills (the "Demised Premises Tax Bills") applicable to Parcel No. _____ and _____ percent (____%) of the tax bill applicable to Parcel No. _____. (collectively the "Demised Premises Tax Parcels") **[need to determine what tax parcels affect the demised premises]**

Lessee's Share of Real Estate Taxes shall include all taxes and special assessments of every kind and nature assessed by a governmental authority on the Demised Premises and appearing on the Demised Premises Tax Bills which the Lessor shall become obligated to pay because of or in connection with the ownership, leasing and operation of the Demised Premises, including all taxes due with respect to the building and other improvements located on the Demised Premises and a prorated share of the taxes attributable to the land (prorated on a square foot basis based on the total amount of the land that is taxed for non tax-exempt uses) in the event the Demised Premises Tax Parcels include land that is not a part of the Demised Premises. If any such special assessment is payable in installments, Lessee shall only be obligated to pay the pro rata share of

Lessee's Share of Real Estate Taxes relating to such special assessment that is allocable to the Lease Term, or any extension of the term hereof. If this Lease shall commence on a date other than the first day of a tax year, or terminate on a date other than the last day of a tax year, the Lessee for that tax year shall pay only such portion of Lessee's Share of Real Estate Taxes, water rents, sewer and other such charges for the whole tax year as shall be proportionate to the portion of the tax year contained within the term of this Lease. As used herein, the term "tax year" shall mean each 12 calendar month period July 1 through June 30 falling within the Lease Term (appropriately pro rated and adjusted for any partial tax year falling within the Lease Term).

The term "real estate taxes" shall mean all taxes and special assessments of every kind and nature set forth on the Demised Premises Tax Bills and applicable to the Demised Premises which the Lessor shall become obligated to pay because of or in connection with the ownership, leasing and operation of the Demised Premises.

Lessee shall pay Lessee's Share of Real Estate Taxes directly to the applicable taxing authority on or before the due date for same. Lessee's obligation to pay Lessee's Share of Real Estate Taxes and all other bills relating to water rents, sewer and other charges relating to the Demised Premises shall begin as of the Lease Commencement Date. Lessor shall promptly deliver to Lessee all tax bills and any other bills relating to water rents, sewer and other charges relating to the Demised Premises after receipt of same by Lessor.

Section 4. During the Lease Term and any extensions or renewals thereof, Lessee shall pay all costs (the "Operating Costs") associated with operating, maintaining and repairing the Demised Premises, including, without limitation, parking areas, driveways, walkways, and landscaping thereon. Such costs shall include, without limitation: (1) all costs of providing utilities, (including, without limitation, where applicable, heat, cooling, and light), for maintaining, replacing and repairing the common areas of the Buildings, the parking areas, driveways and walkways on the Demised Premises (including, without limitation, resurfacing, striping and sweeping) and removing snow and ice from the parking areas, driveways and walkways on the Demised Premises and from the roof of the Buildings; (2) all costs of maintaining, repairing and replacing all drainage, sewage and/or septic systems and utility facilities and equipment on the Demised Premises whether above or underground; (3) all costs of operating, maintaining, replacing and repairing the Buildings and any additions thereto, including, without limitation, security and traffic control, maintenance, replacement and repair of all fixtures and equipment and utility facilities, including sewer and/or septic systems not serving exclusively the Demised Premises nor serving exclusively any other tenant on the Real Property; and (4) all costs relating to Lessor's share of the maintenance and repair the so-called connectors between the Demised Premises and the SNF Property pursuant to the terms of Section 2.4 of the SNF Ground Lease and Lessor's share of utility and service costs attributable to the so-called pedestrian corridors, utilities, conduits or connectors between the Demised Premises and the SNF Property pursuant to the terms of Section 4.3 of the SNF Ground Lease. Lessee shall pay such Operating Costs directly to the vendor or governmental authority to which such payments are due. Lessee's obligation to pay said Operating Costs Demised Premises shall begin as of the Lease Commencement Date.

Section 5. During the Lease Term and any extensions or renewals thereof, Lessee shall maintain, and pay for the cost of maintaining, the indemnity and public liability insurance set forth in Article VIII of this Lease.

Section 6. During the Lease Term and any extensions or renewals thereof, Lessee shall maintain, and pay for the cost of maintaining, the fire and extended coverage insurance set forth in Article IX of this Lease.

Section 7. This is, and is intended to be, a NET LEASE, and accordingly, except as expressly otherwise provided for herein, Lessee shall be obligated to pay all charges, assessments and impositions made upon the Demised Premises.

Article IV

Covenants

Section 1: Lessee covenants and agrees as follows:

- (a) To pay Lessee's Share of Real Estate Taxes and all water rents, sewer and other such charges, all Operating Costs, and all other costs which Lessee is obligated to pay pursuant to the terms hereof, when due and at the times and in the manner set forth herein.
- (b) To procure any and all licenses and permits required for any use to be made of the Demised Premises by Lessee, to keep the Demised Premises equipped with all safety appliances required by law or ordinance because of any use of the Demised Premises by Lessee and to make any alterations or changes to the Demised Premises which may be necessary after the date hereof to keep the Demised Premises in material compliance with all applicable federal, state and local laws, rules and regulations, including, without limitation, such laws, rules and regulations promulgated under the Americans With Disabilities Act of 1990 and the Occupational Safety and Health Act of 1970, which are related to Lessee's use and occupation of the Demised Premises.
- (c) To pay promptly when due the entire cost of any work to the Demised Premises undertaken by Lessee so that said Demised Premises shall at all times be free of liens for labor and materials; to procure all necessary permits before undertaking such work; to do all of such work in a good and workmanlike manner and in compliance with all governmental and insurance requirements; and to save Lessor harmless and indemnified from all injury, loss, claims or damage to any person or property occasioned by or growing out of such work including, without limitation, reasonable attorneys' fees.
- (d) To pay when due any and all State, Federal or local taxes based upon Lessee's personal property or resulting from any permitted alteration, additions or improvements made by Lessee to the Demised Premises.
- (e) To conform to and comply with all laws, orders and regulations of any governmental authorities and any public body or officer having jurisdiction over the Demised Premises.

- (f) To permit no waste with respect to the Demised Premises, and not to generate, store, use or dispose of any Hazardous Substance (as that term is defined in the APA) in violation of any Environmental Laws (as that term is defined in the APA).
- (g) Not to do, or suffer to be done, or to keep, or suffer to be kept, or omit to do anything in, upon or about the Demised Premises which may prevent the obtaining of any insurance on the Demised Premises or which may make void or voidable any insurance on the Demised Premises.
- (h) To perform all of the post-closing obligations and covenants set forth in the APA and other Purchase and Sale Documents that are related to Lessee's use of the Demised Premises.

Section 2: Lessor covenants and agrees as follows:

- (a) For so long as Lessee performs its obligations under this Lease, Lessee shall peaceably and quietly have, hold and enjoy the Demised Premises free from any manner of hindrance or molestation by Lessor or anyone claiming by, through or under Lessor for the term of this Lease and any extensions thereof.
- (b) To perform all of the post-closing obligations and covenants set forth in the APA and other Purchase and Sale Documents that are related to Lessee's use of the Demised Premises.
- (c) Not to enter into or permit any encumbrances or restrictions on the Demised Premises or the Real Property, including, without limitation, any mortgages, liens or other monetary encumbrances (voluntary or involuntary), at any time during the Term or any extensions thereof, other than the permitted encumbrances (the "Permitted Encumbrances") existing as of the date hereof and more particularly set forth on Exhibit C, without consent of Lessee, which consent may be withheld by Lessee for any reason in Lessee's sole discretion. Notwithstanding anything to the contrary provided herein, Lessor shall be permitted to amend any Permitted Encumbrance, or to grant a new encumbrance (other than a mortgage, lien or other monetary encumbrance), if such amendment or grant is required to prevent Lessor from being in default of its obligations under the SNF Ground Lease or the Nashoba Medical Condominium Ground Lease, and then only to the minimum extent necessary to prevent such default.

Article V

Use of Demised Premises

Section 1. The Lessee shall have the right to use the Demised Premises for Permitted Uses set forth in Article I and for such other uses as are reasonably related thereto, but in no event shall Lessee conduct at the Demised Premises any use or do anything which violates any provisions of any applicable laws, ordinances or regulations.

Article VI

Repairs and Alterations

Section 1. The Lessee shall keep the Demised Premises in good order and repair, including all electrical, plumbing, gas, sprinkler, and equipment within or serving the Demised Premises, and all fixtures and interior walls, floors, ceilings, signs (including exterior signs where permitted) and all interior building appliances and similar equipment and the exterior and the interior portions of all windows, window frames, doors, door frames, and all other glass or plate glass thereon.

Section 2. The Lessee shall, at its own expense, make any necessary (as determined by Lessee in Lessee's reasonable discretion) repairs to the roof, foundations, beams, girders, mullions and exterior walls of the Demised Premises, including glass, window frames, windows, doors, and door frames (the "Structural Repairs"). The Lessee shall make such necessary repairs as promptly as is practicable under the circumstances; provided, however, that Lessee shall not be liable for a delay in commencement of the making of such repairs or for a delay or failure to complete such repairs where such delay or failure is attributable to strikes or other labor conditions, inability or difficulty in obtaining materials or services, wars, delays due to the weather, or any other cause beyond the reasonable control of the Lessee. Lessee shall use commercially reasonable efforts not to interfere with the operations of the tenants of the Nashoba Medical Condominium or the SNF Property when making such repairs.

Section 3. Lessee shall be responsible for the maintenance of the grass and shrubs located on the Demised Premises and shall be responsible for maintaining, repairing and lighting, and removing snow from the parking areas, driveways and walkways on the Demised Premises.

Section 4. All costs paid or incurred by Lessee in performing any of its obligations under this Article VI shall be paid by Lessee in accordance with the provisions set forth of Article III hereof relating to the payment of Operating Costs.

Section 5. The Lessee shall at the expiration or earlier termination of this Lease remove its goods and effects and peaceably yield up the Demised Premises. Notwithstanding the foregoing, in the event the Lease is terminated because Lessor exercises its rights pursuant to an Event of Default pursuant to Section 2 of Article XII hereof, then Lessee shall peaceably yield up the Demised Premises, but shall not remove its goods and effects at the time of such termination.

Section 6. The Lessee shall have the right at its expense to make alterations, improvements or additions to the interior of the Demised Premises, provided that;

- (a) Any such alteration, addition or improvement shall be done in accordance with all applicable laws, in a good and workmanlike manner, and shall not impair the safety of the structure of the Buildings.
- (b) Any such alteration, addition, or improvement shall be made in accordance with previously prepared plans and specifications, if the preparation of such plans and specifications is required under any applicable federal, state or local laws, rules and ordinances.

- (c) Prior to the commencement of work on any such alteration, addition, or improvement, the plans and specifications covering the same shall have been submitted to and approved by all municipal or other governmental departments or agencies having jurisdiction over the subject matter thereof; and:
- (d) The Lessee shall pay the increased premium, if any, for the insurance coverage of the Demised Premises resulting from any additional risk during the course of construction or installation of any such alteration, addition, or improvement or resulting from such alteration, addition or improvement.

All additions, improvements and fixtures (other than the usual trade fixtures, furniture and equipment) installed by the Lessee which may be removed from the Demised Premises without injury thereto may be removed by the Lessee at the expiration or earlier termination of this Lease, provided, however, that if this Lease is terminated pursuant to Section 2 of Article 12 hereof, Lessee may not remove any of the foregoing. All such additions, improvements and fixtures not so removed shall be surrendered with the Demised Premises as a part thereof.

Any trade fixtures, furniture and equipment owned by the Lessee which may be removed from the Demised Premises without injury thereto shall remain the property of the Lessee and may be removed by the Lessee from the Demised Premises without injury thereto upon the expiration or earlier termination of this Lease, provided, however, that if this Lease is terminated pursuant to Section 2 of Article 12 hereof, Lessee may not remove any of the foregoing. In the event Lessee elects not to remove said fixtures, furniture and/or equipment upon the expiration or earlier termination of this Lease, then they shall be deemed abandoned and may be disposed of by Lessor in any way Lessor sees fit, and Lessor shall not be liable to Lessee for any such disposal.

Article VII

Utilities

The Lessee shall pay when due all charges for utility services provided to the Demised Premises including, without limitation, electricity, gas, water, telephone, and the cost of fuel to heat or air condition the Demised Premises.

To the extent that said utility services are provided by equipment that is located on over or under the SNF Property, the Nashoba Medical Condominium Property, or other private property, Lessor hereby covenants to cooperate with Lessee to make said utility services available to the Demised Premises. To the extent that water, electricity, gas and telephone service are separately metered to the Demised Premises, Lessee shall pay such separately metered services directly to the applicable utility service provider by Lessee. Lessor shall not be liable for any interruption of electricity, gas water, telephone, sewage and/or septic system or other utility service supplied to the Demised Premises. To the extent within its reasonable control, Lessor shall use good faith efforts to cooperate with Lessee to the extent necessary in Lessee's efforts to promptly reinstate any service or utility to the Demised Premises that is curtailed, suspended or interrupted.

Article VIII

Indemnity and Public Liability Insurance

Section 1. The Lessee shall assume exclusive control of the Demised Premises, and all liabilities with respect to the control or occupancy thereof, and shall save the Lessor harmless and indemnified from all injury, loss, claims or damage of whatever nature to any person or property in or about the Demised Premises, arising from any act, omission or negligence of the Lessee or Lessee's subtenants or concessionaires or the employees, agents, contractors, suppliers, licensees, invites, or customers of any of the foregoing or otherwise resulting from Lessee's use, maintenance and occupancy of the Demised Premises or any thing or facility kept or used thereon.

Section 2. Lessee agrees to maintain in full force during the term hereof, and any extensions thereof, a policy of public liability and property damage insurance under which the Lessor is named as additional insured, and under which the insurer agrees to indemnify and hold Lessor harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries, and damages mentioned in Section 1 of This Article VIII. Each such policy shall be non-cancelable with respect to the Lessor without thirty (30) days' prior written notice to Lessor, and a duplicate original or certificate thereof shall be delivered to Lessor upon execution of this Lease. The minimum limits of liability of such insurance shall be consistent with and not less than amounts customarily carried by similarly situated owners and operators of hospitals.

Section 3. Neither the Lessor nor any agent or employee of the Lessor shall be liable for any loss or damage to the person or property of the Lessee, or of any subtenant, or concessionaire, or of any employee, customer, licensee, invitee, contractor or supplier, or guest of any of the foregoing, except where such damage is attributable to the negligence of the Lessor, its agents or employees.

Section 4. Lessor agrees to maintain in full force during the term hereof, and any extensions thereof, a policy of public liability insurance, on terms and conditions customary for the industry, insuring against claims, accidents injuries and damages to persons or property in or about any portion of the Real Property other than the Demised Premises. A certificate evidencing such insurance shall be delivered to Lessee upon execution of this Lease. The minimum limits of liability of such insurance shall be consistent with and not less than amounts customarily carried by similarly situated owners of comparable health care facilities.

Article IX

Fire and Extended Coverage Insurance

Section 1. The Lessee shall obtain the following insurance (the "Lessee Insurance") on the Demised Premises: fire, extended coverage, flood, earthquake, boiler and machinery, and such other insurance covering all hazards included within customary "all risks" coverage, including without limitation insurance covering fire, lightning, vandalism, malicious mischief, and sprinkler leakage, said insurance to be on a full value, repair, or replacement basis as determined

by Lessee; and such other insurance as Lessee determines may be necessary in Lessee's reasonable discretion.

Section 2. The Lessor shall not acquire, by being named as additional insured under any fire or extended coverage insurance on the Demised Premises or the Building, any right to participate in the adjustment of loss or to receive insurance proceeds and agrees upon request promptly to endorse over to Lessee any checks or other instruments in payment of loss in which the Lessor is named as payee.

Article X

Signs

All Lessee's signs shall conform to any applicable municipal or other law, rules, regulations, ordinances or code. Lessee Shall maintain and keep in good repair any signs erected by it.

Article XI

Assignment or Subletting

Section 1. Except as otherwise expressly provided herein, or in the APA and other Purchase and Sale Documents, Lessee shall not have the right to assign or pledge this Lease or to sublet the whole or any part of the Premises, whether voluntarily or by operation of law, without the consent of Lessor, which consent shall not be unreasonably withheld.

Section 2. In the event Lessee desires to sublet the Premises, or any portion thereof, or assign this Lease, other than a Permitted Transfer, Lessee shall give written notice thereof to Lessor at least thirty (30) days but no more than one hundred eighty (180) days prior to the proposed commencement date of such subletting or assignment, which notice shall set forth the name of the proposed sublessee or assignee and the relevant terms of any sublease, together with copies of such financial reports and other financial information of the proposed sublessee or assignee as Lessor may reasonably request. Notwithstanding any such assignment or subletting, Lessee shall at all times remain directly and primarily responsible and liable for compliance with all of its other obligations under this Lease.

Section 3. Notwithstanding anything to the contrary provided herein, Lessee may assign this Lease or sublease all or any portion of the Demised Premises without the consent of Lessor, but otherwise in accordance with the terms of this Section 3 (a "Permitted Transfer") to: (a) an Affiliate of Lessee; (b) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which Lessee is merged or consolidated in accordance with applicable statutory provisions governing merger and consolidation of business entities, so long as Lessee's obligations hereunder are assumed by the entity surviving such merger or created by such consolidation; (c) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity acquiring all or substantially all of Lessee's stock or assets; or (d) with respect to subleases only, an unrelated third party provided that, in the aggregate, such subleases to unrelated third parties do not encumber more than thirty percent of the floor area of the Demised Premises. As used

herein, the term “Affiliate” shall have the meaning given to it in the APA. Lessee shall notify Lessor of any such Permitted Transfer at least thirty (30) days prior to the effective date of said Permitted Transfer. In the event of such Permitted Transfer: (a) Lessee shall remain liable for the performance of all of the obligations of Lessee under this Lease in the case of any sublease of the Demised Premises or any assignment to an Affiliate; and (b) the Permitted Transferee shall comply with all of the terms and conditions of this Lease, including the Permitted Use. No assignment of this Lease under a Permitted Transfer shall be binding upon Lessor unless the assignee shall execute, acknowledge and deliver to Lessor an agreement in recordable form, whereby the assignee agrees unconditionally to be bound by and to perform all the terms, covenants and conditions of this Lease on Lessee’s part to be observed and performed, whether or not accruing prior to or after the date of such assignment and whether or not relating to matters arising prior to such assignment and further agrees that, notwithstanding such assignment, the provisions of this Article XI shall continue to be binding upon such assignee with respect to all future assignments.

Section 4. Lessor may not assign this Lease without the written consent of Lessee, which consent may be withheld for any reason. Notwithstanding the foregoing, Lessor shall be permitted to assign this Lease to the Foundation in connection with, and only at the time of a transfer of the Net Proceeds to the Foundation in accordance with Section 12.3.4(c)(iii) of the APA.

Article XII

Self-Help; Default

Section 1. Self Help: This Lease is made on the condition that if the Lessee shall fail to perform any obligation hereunder and such failure shall continue for thirty (30) days after receipt of written notice of default (or, if said default cannot reasonably be expected to be cured within such thirty (30) day period, shall not within said period commence to cure such default and thereafter prosecute the curing of such default to completion with due diligence) Lessor may, at its option, without waiving any claim for breach of agreement, at any time thereafter cure such default for the account of Lessee, and make all necessary payments in connection therewith, including but not limiting the same to reasonable counsel fees, costs or charges of or in connection with any legal action which may have been brought, and any amount paid by Lessor in so doing shall be deemed paid for the account of Lessee and Lessee agrees to reimburse Lessor therefore with interest thereon at the prime rate of interest charged from time to time by AmSouth Bank in Nashville, Tennessee, plus three percent (3%) per annum (the “Lease Interest Rate”), such sums payable by Lessee to Lessor to be deemed additional rent, or, at Lessor’s option, Lessor shall be permitted to use funds in the Escrow Account established pursuant to Section 3.4 of the APA for such purposes; provided that Lessor may cure any such default as aforesaid prior to the expiration of any waiting or cure period but after Lessor has exerted commercially reasonable efforts to give actual notice (by telephone or otherwise), if the curing of such default prior to the expiration of said waiting or cure period is reasonably necessary to protect the Demised Premises or Lessor's interest therein, or to prevent injury or damage to persons or property.

Section 2. Default: An event of Event of Default by Lessee under the Repurchase Agreement shall be an event of default by Lessee under this Lease, and Lessor shall have all rights in such Event of Default as Lessor has under said Repurchase Agreement.

Article XIII

Waiver of Subrogation

Lessor and Lessee each hereby releases the other from any and all liability or responsibility to the other (or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to the Demised Premises or property thereon against which the waiving party is protected by insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasors policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder. Lessor and Lessee each hereby agree that it shall cause such clause or endorsement to be included in its insurance policies with respect to the Demised Premises and pay any additional premium that may be charged therefore.

Article XIV

Damage by Fire, Etc.

Section 1. If the Demised Premises shall be damaged or destroyed by fire, windstorm or any other insured casualty, the Lessee shall immediately give notice thereof to the Lessor and unless this Lease is terminated as hereinafter provided, the Lessee at its own expense shall repair or rebuild the same so as to restore the Demised Premises to substantially the same condition they were in immediately prior to such damage or destruction, subject, however, to zoning and building laws then in existence, provided that the Lessee shall not be responsible for any delay in such repair or reconstruction which may result from any cause beyond its reasonable control, and provided further that Lessee shall not be required to expend more than the net amount of insurance proceeds, if any, received by Lessee for such purposes, it being understood that the application of insurance proceeds is subject to the right of any first mortgagee of the Demised Premises.

Section 2. If the Demised Premises shall be damaged or destroyed to the extent of twenty-five percent (25%) or more on a square footage basis by any cause (whether insured against by the Lessor or not), the Lessee may elect by written notice to the Lessor either to terminate this Lease or to repair or rebuild on the conditions set forth in Section 1.

Section 3. If the Demised Premises shall, within the last year of the term of this Lease or the last year of any extended term hereof, be damaged or destroyed by any cause to such extent that the same cannot be reasonably expected to be restored to substantially the same condition as prior to such damage or destruction within ninety (90) days from the time that such repair or restoration

work would be commenced, then the Lessee shall have the right to terminate this Lease by notice to the Lessor given within sixty (60) days after the occurrence of such damage or destruction.

Article XV
Eminent Domain

Section 1. If as a result of any taking by eminent domain which shall be deemed to include a voluntary conveyance in lieu of a taking, the total floor area remaining in the Hospital shall be reduced to less than ninety-five (95%) percent of the total floor area in the Hospital at the time of taking, or the total land area remaining in the Demised Premises shall be reduced to less than eighty (80%) percent of the total land area in the Demised Premises at the time of taking, then at the election of the Lessee, exercisable by written notice given to the Lessor within ninety (90) days after the date of the filing of the notice of such taking, this Lease may be terminated as of the date when the Lessee is required to vacate the Demised Premises or the portion thereof so taken. Notwithstanding that the entire interest of the Lessor may have been divested by such taking, and if following any such taking the Lessee does not terminate this Lease, then the Lessee at the Lessee's expense, but only to the extent of the award actually received by the Lessee for any such taking, (subject to the rights of any first mortgagee of the Demised Premises) and proceeding with all reasonable dispatch, shall do such work as may be practicable under the circumstances to put what may remain of the Demised Premises in proper condition for the conduct of the Lessee's business. From and after the date on which the Lessee is required to vacate the portion of the Demised Premises so taken, Lessee's obligations to pay Lessee's Share of Real Estate Taxes, Operating Costs and other costs and expenses required hereunder shall be appropriately adjusted.

Section 2. The Lessor hereby assigns to Lessee all of Lessor's right, title and interest to all damages to the Buildings and the Demised Premises and the leasehold hereby created, or awards with respect thereto, then or thereafter accruing, by reason of any taking by eminent domain or by reason of anything lawfully done or required by any public authority, and Lessee shall further be entitled to the value of its personal property and its relocation expenses, which may be compensable by a separate award. Lessor shall execute and deliver to the Lessee such further instruments of assignment thereof as the Lessee may from time to time request to effectuate the provisions of this Section 2.

Article XVI
Notices

Any notice, request, demand or other communication required or permitted by this Lease shall be in writing and shall be delivered in accordance with the provisions of Section 14.5 of the APA.

Article XVII
Brokerage

Except with respect to the firm of Salomon Smith Barney, which firm has been retained by Sellers or by Sellers' Parent to act on behalf of Sellers or Sellers' Parent and whose fees, costs and expenses with respect to such engagement shall be paid by Sellers or Sellers' Parents, neither the Lessor, nor Seller nor any Affiliate of a Seller nor any officer, trustee, or director thereof has engaged any broker or agent in connection with this Lease.

Article XVIII

Security Deposit

Lessee shall not be required to pay any security deposit in connection with this Lease.

Article XIX

Miscellaneous Provisions

Section 1. No consent or waiver, express or implied, by either party to or of any breach in the performance by the other party of its agreements hereunder shall be construed as a consent or waiver to or of any other breach in the performance by the breaching party of the same or any other covenant or agreement.

Section 2. In no case shall mention of specific instances under a more general provision be construed to limit the generality of said provisions.

Section 3. The delivery of keys to Lessor or any employees of Lessor or the Lessor's agent or any employee thereof shall not operate as a termination of this Lease or surrender of the Demised Premises.

Section 4. If the Lessee continues to occupy the Demised Premises after the expiration or earlier termination of the Term of this Lease, then Lessee shall occupy the Demised Premises on the same terms and conditions set forth herein for a periodic tenancy for periods of ninety (90) days each, except in the case of an Event of Default pursuant to which Lessor has exercised its remedy for such Event of Default in accordance with the terms of the Repurchase Agreement, in which case Lessee shall be a tenant at will.

Section 5. If any provision of this Lease or the application thereof to any person or circumstances shall be to any extent invalid or unenforceable the remainder of this Lease and the application to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 6. The conditions and agreements in this Lease contained to be kept and performed by the parties hereto shall be binding upon and inure to the benefit of said respective parties, their legal representatives, successors and assigns, and the same shall be construed as covenants running with the land. Wherever in this Lease reference is made to either of the parties, it shall be held to include and apply to the successors and assigns of such party as if in each case so

expressed, unless the context requires otherwise and regardless of the number or gender of such party.

Section 7. This Lease, together with the other agreements entered into as of the date hereof between Lessor and Lessee pursuant to the terms of that certain Asset Purchase Agreement between Lessor and Lessee dated _____, 200[___], shall constitute the only agreement between the parties relative to the Demised Premises and no oral statements and no prior written matter not specifically incorporated herein shall be of any force or effect. In entering into this Lease, the Lessee relies solely upon the representations and agreements contained herein. This agreement shall not be modified except by writing executed by both parties.

Section 8. The section and article headings throughout this instrument are for convenience and reference only and shall in no way be held to limit, define or describe the scope or intent of this Lease or in any way affect this Lease.

Section 9. If the Lessor shall at any time be an individual, joint venture, corporation, tenancy in common, joint tenancy, firm or partnership (general or limited), or a trust or trustees of a trust, it is specifically understood and agreed that there shall be no personal liability of any officer, director, shareholder, individual or any joint venturer, partner (general or limited), trustee, shareholder, beneficiary or holder of a beneficial interest under any of the provisions hereof or arising out of the use or occupation of the Demised Premises by Lessee.

Section 10. This Lease shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

Section 11. In any case where either party hereto is required to do any act, delays caused by or resulting from Force Majeure (as that term is defined in the Repurchase Agreement) shall not be counted in determining the time during which work shall be completed, whether such time be designated by a fixed date, a fixed time, "promptly" or "a reasonable time", and such time shall be deemed to be extended by the period of such delay.

Section 12. Lessee shall not record this Lease, but upon request of either party, both parties shall execute and deliver a notice of lease, in form reasonably satisfactory to Lessor and Lessee, and in a form appropriate for recording; the costs of such notice shall be borne by the requesting party.

Section 13. Lessee shall not do, and shall not permit persons within Lessee's control to do, any act or thing in or upon the Demised Premises which will violate any Requirements so as to incur liability for the Lessor. As used in this Lease, the term "Requirements" shall mean any statute, law, rule, by-law or ordinance of any governmental authority having jurisdiction over the Lessee and/or the Demised Premises.

Section 14. In the event either party commences a legal proceeding to enforce any of the terms of this Lease, the prevailing party in such action shall have the right to recover its reasonable attorneys' fees and costs from the other party, to be fixed by the court in the same action. The phrase "legal proceedings" as used herein shall include appeals from a lower court judgment as well as proceedings in the Federal Bankruptcy Court, whether or not adversarial proceedings or contested matters. The phrase "prevailing party" as used herein shall mean the party that prevails

in obtaining a remedy or relief which more nearly reflects the remedy or relief which the party sought.

Article XX
Additional Provisions

Section 1. Lessee Option to Purchase Real Property: Lessee shall have an option to purchase the Real Property (including, without limitation, the Demised Premises) in accordance with the terms hereof if: (a) Lessee elects to proceed with the Renovated Hospital Option pursuant to the terms of Section 12 of the APA; or (b) Lessee elects to proceed with the Replacement Hospital Option pursuant to the terms of Section 12 of the APA. Lessee shall exercise the option to purchase by providing written notice to Lessee of its intent to proceed with either the Renovated Hospital Option or the Replacement Hospital Option in accordance with the terms and provisions of the APA. In the event Lessee exercises its option to purchase the Real Property by providing such notice, Lessor shall convey all of its right, title and interest in and to the Real Property to Lessee, or a nominee of Lessee, on a date specified by Lessee. The parties contemplate that the closing of such conveyance will be held on a date that is not earlier than thirty (30) days, but not later than sixty (60) days subsequent to the date Lessee has notified Lessee that it has exercised the option to purchase the Real Property, and that each party shall use good faith efforts to hold said closing on such date. In the event Lessee so exercises its Option to Purchase the Real Property, Lessor shall convey the Real Property to the Lessee in accordance with the terms of the purchase and sale agreement (the "Option Purchase and Sale Agreement") attached hereto as Exhibit D.

Section 2. Lessee's Environmental Indemnity: Lessee shall defend and indemnify Lessor and hold Lessor wholly harmless from and against, any and all claims, judgments, damages, penalties, fines, expenses, liabilities, or losses that Lessor incurs as a result of a violation by Lessee of the covenants relating to Hazardous Materials set forth in Section 1(f) of Article IV of this Lease. The provisions of this paragraph shall survive the expiration or earlier termination of this Lease for a period of five (5) years subsequent to such expiration or termination, provided, however, that any claim made by Lessor hereunder prior to the expiration of such five (5) year period shall survive such expiration.

Section 3. Lessor Environmental Indemnity: Lessor shall defend and indemnify Lessee in accordance with the terms of the APA and for the time period provided by Section A(3) of Schedule 13.5 of the APA.

[signatures appear on following page]

Signature Page to Lease
By and Between
The Nashoba Community Hospital Corporation (Lessor) and
Essent Healthcare - Ayer, Inc. (Lessee)

EXECUTED under seal to be effective as of the date first above written.

LESSEE: ESSENT HEALTHCARE - AYER, INC.

By: _____
Name:
Title

Lessee's Signature Witnessed By:

LESSOR: THE NASHOBA COMMUNITY HOSPITAL CORPORATION

By: _____
Name:
Title:

Lessor's Signature Witnessed By:

Exhibit A

Description of the Real Property

A certain parcel of land owned by Lessor, with the buildings thereon situated, as owned by Lessor, on Washington Street (also known as Old Groton Road), Ayer, Middlesex County, Massachusetts, and being shown on a plan entitled "Land in Ayer, Mass. surveyed for The Nashoba Community Hospital, dated Nov. 1966 -- Charles A. Perkins Co., Inc., Civil engineers & Surveyors, Clinton, Mass. Plan No. 3253" recorded with the Middlesex South Registry of Deeds in Book 11271, Page 327, and containing 40.622 acres more or less according to said plan.

Exhibit B

Description of the Demised Premises

All of that certain real property located on the Real Property described on Exhibit A, together with the buildings and improvements situated on said Demised Premises, including, without limitation, the entire Nashoba Community Hospital facility, an acute care hospital with forty-one (41) licensed beds and consisting of approximately _____ square feet, together with certain additional appurtenant rights all as more particularly described in this Lease, provided, however, that the Demised Premises shall not include:

(a) all of that certain real property, together with the buildings and improvements situated thereon (said real property together with said buildings and improvements situated thereon collectively referred to herein as the “Nashoba Medical Condominium Property”), that is subject to The Nashoba Medical Condominium (the “Nashoba Medical Condominium”) established by that certain master deed (the “Master Deed”) dated June 18, 1990, and recorded with the Middlesex South Registry of Deeds at Book 20629, Page 227, which real property is more particularly described on Exhibit I to said Master Deed, a copy of which is attached hereto; and

(b) all of that certain real property, together with the buildings and improvements situated thereon (said real property together with said buildings and improvements situated thereon collectively referred to herein as the “SNF Property”), that is subject to that certain ground lease (the “SNF Ground Lease”) entitled “Second Amended and Restated Ground Lease” by and between The Nashoba Community Hospital Corporation (successor in interest to The Nashoba Community Hospital, Inc.) and The Apple Valley Limited Partnership (successor in interest to Health Care Alternatives, Inc.) as Tenant, dated July 31, 1996, which real property is more particularly described on Exhibit B to said SNF Ground Lease and on that certain plan of land entitled “Area To Be Leased In Ayer And Groton, Massachusetts Prepared For The Nashoba Community Hospital” dated November, 1988, prepared by Charles F. Perkins Co., Inc. and recorded , a copy of each of which is attached hereto.

Exhibit C

Permitted Encumbrances

Exhibit D

Option Purchase and Sale Agreement

61361.9