

AGREEMENT FOR TERMINATION OF LEASES

This agreement ("**Agreement**") is made between Kindred Healthcare Operating, Inc., a Delaware corporation ("**Kindred**") and Garatoni Holdings Limited Partnership II ("**GHLP 2**"), Health Quest Realty V ("**HQR V**"), Health Quest Realty VIII ("**HQR VIII**"), Health Quest Realty X ("**HQR X**"), and Health Quest Realty XXI ("**HQR XXI**"), all of which are Indiana limited partnerships, and Health Quest Realty XI ("**HQR XI**"), an Indiana general partnership (collectively, "**Landlords**").

Whereas, Kindred occupies, as tenant under lease agreements with Landlords (the "**Leases**" - originally entered as of July 1, 1993 by Nationwide Care, Inc., which was subsequently acquired by Kindred), seven health care facilities (the "**Facilities**") owned by Landlords, which Landlords have agreed to sell to Kindred's affiliates (the "**Kindred Affiliates**") as follows:

	Name/Address	Landlord	Buyer Entity	Recordation of Memo of Lease	Recordation of SIDA
1	Regency Place of Castleton 5226 East 82nd Street Indianapolis, IN 46260	HQR XXI	KND Real Estate 1, L.L.C.	Not recorded	Not recorded
2	Regency Place of Dyer 2300 Great Lakes Drive Dyer, IN 46311	HQR VIII	KND Real Estate 2, L.L.C.	Not recorded	Not recorded
3	Regency Place of Fort Wayne 6006 Brandy Chase Cove Fort Wayne, IN 46815	HQR X	KND Real Estate 3, L.L.C.	July 18, 1995 Document No 95-031097	Not recorded
4	Regency Place of Greenfield 200 Green Meadows Drive Greenfield, IN 46140	GHLP 2	KND Real Estate 4, L.L.C.	November 23, 1993 Instrument No. 9313108	October 5, 1994 Instrument No. 9410420
5	Regency Place of Greenwood 377 Westridge Road Greenwood, IN 46142	GHLP 2	KND Real Estate 5, L.L.C.	November 23, 1993 Misc. Red. 66, p 510 Assigned 11/12/97 as Instrument No. 97025807	October 5, 1994 Book 67, page 772 Instrument No. 9421988
6	Regency Place of Lafayette 300 Windy Hill Drive Lafayette, IN 47905	HQR XI	KND Real Estate 6, L.L.C.	Not recorded	Not recorded
7	Regency Place of South Bend 52654 North Ironwood Road South Bend, IN 46635	HQR V	KND Real Estate 7, L.L.C.	November 24, 1993 Doc No. 9348546	Not recorded

2007 09 25 08 55
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 REC'D
 DEPT. OF REVENUE
 INDIANA

Next #s 12-14-0005-0005, 12-14-0180-0001

Whereas, Kindred wishes to terminate the Leases and the related Lease Subordination, Non-Disturbance and Attornment Agreements effective upon the acquisition of the Facilities by the Kindred Affiliates as identified above; and

Whereas, the parties intend this document to be recorded concurrently with the warranty deeds of the Facilities by the Landlords to the Kindred Affiliates (each a "**Deed**" and collectively the "**Deeds**");

Now, therefore, in consideration of the mutual covenants and promises herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree that each Lease as to a Facility shall be terminated effective as of the recordation the Deed as to such Facility.

FILED

[Signatures follow on next page]

HOLD FOR MERIDIAN TITLES

DEC - 4 2007


PEGGY HOLINGA KATONA
LAKE COUNTY AUDITOR

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IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as set forth below.

TENANT:

Kindred Healthcare Operating, Inc.
a Delaware corporation

By: 
Name: **Douglas L. Curnutte**
Title: **Vice President of Facilities & Real Estate Development**
Date: October 5, 2007

LANDLORD
(52654 North Ironwood Road, South Bend, IN):
Health Quest Realty V
an Indiana limited partnership


LANDLORD
(2300 Great Lakes Drive, Dyer, IN):
Health Quest Realty VIII
an Indiana limited partnership


By Its General Partner:
The Garatoni Holdings Management, LLC

By Its General Partner:
The Garatoni Holdings Management, LLC

By Its Sole Member:
The Garatoni Holdings Irrevocable Trust

By Its Sole Member:
The Garatoni Holdings Irrevocable Trust

By: 
Lori Garatoni-Smith, Authorized Trustee
Date: October 4, 2007

By: 
Lori Garatoni-Smith, Authorized Trustee
Date: October 4, 2007

LANDLORD
(6006 Brandy Chase Cove Fort Wayne, IN):
Health Quest Realty X
an Indiana limited partnership

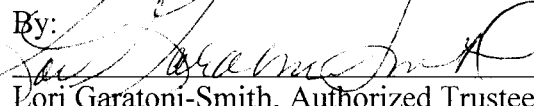
LANDLORD:
(5226 East 82nd Street, Indianapolis, IN):
Health Quest Realty XXI
an Indiana limited partnership

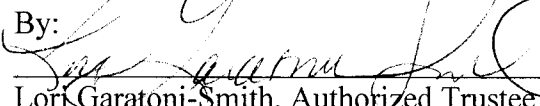
By Its General Partner:
The Garatoni Holdings Management, LLC

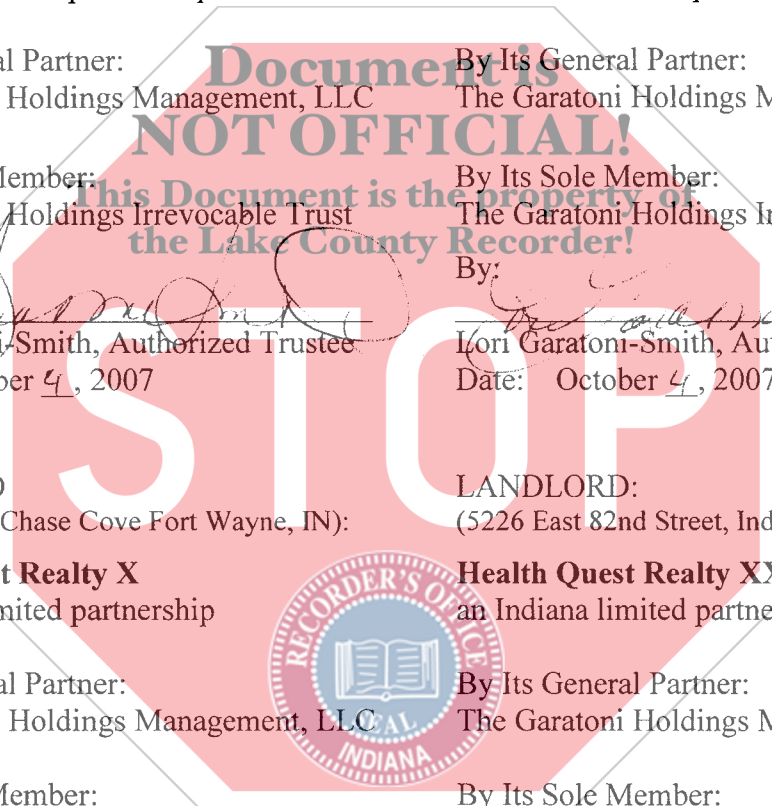
By Its General Partner:
The Garatoni Holdings Management, LLC

By Its Sole Member:
The Garatoni Holdings Irrevocable Trust

By Its Sole Member:
The Garatoni Holdings Irrevocable Trust

By: 
Lori Garatoni-Smith, Authorized Trustee
Date: October 4, 2007

By: 
Lori Garatoni-Smith, Authorized Trustee
Date: October 4, 2007




LANDLORD
(300 Windy Hill Drive Lafayette, IN):

Health Quest Realty XI
an Indiana general partnership

By Its Managing Partner:
The Garatoni Holdings Management, LLC

By Its Sole Member:
The Garatoni Holdings Irrevocable Trust

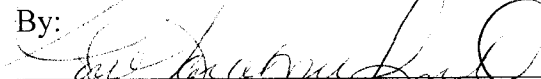
By: 
Lori Garatoni Smith, Authorized Trustee
Date: October 4, 2007

LANDLORD
(200 Green Meadows Drive, Greenfield, IN and
377 Westridge Road Greenwood, IN)

Garatoni Holdings Limited Partnership II
an Indiana limited partnership

By Its General Partner:
The Garatoni Holdings Management, LLC


By Its Sole Member:
The Garatoni Holdings Irrevocable Trust

By: 
Lori Garatoni-Smith, Authorized Trustee
Date: October 4, 2007

And By Its Partner:
Garatoni Holdings Limited Partnership II

By Its General Partner:
The Garatoni Holdings Management, LLC

By Its Sole Member:
The Garatoni Holdings Irrevocable Trust

By: 
Lori Garatoni-Smith, Authorized Trustee
Date: October 4, 2007



STATE OF INDIANA)

) SS:

COUNTY OF ST. JOSEPH)

On this 4th day of October, 2007, personally appeared before me Lori Garatoni-Smith, as trustee for the Garatoni Holdings Irrevocable Trust, sole member of The Garatoni Holdings Management, LLC, who did state she executed the foregoing instrument:

- as the act and deed of Health Quest Realty V, an Indiana limited partnership, by The Garatoni Holdings Management, LLC, as the general partner of such partnership;
- as the act and deed of Health Quest Realty VIII, an Indiana limited partnership, by The Garatoni Holdings Management, LLC, as the general partner of such partnership;
- as the act and deed of Health Quest Realty X, an Indiana limited partnership, by The Garatoni Holdings Management, LLC, as the general partner of such partnership;
- as the act and deed of Health Quest Realty XXI, an Indiana limited partnership, by The Garatoni Holdings Management, LLC, as the general partner of such partnership;
- as the act and deed of Health Quest Realty XI, an Indiana general partnership, by its partners: (i) The Garatoni Holdings Management, LLC; (ii) Garatoni Holdings Limited Partnership II, by The Garatoni Holdings Management, LLC, as its general partner;
- as the act and deed of Garatoni Holdings Limited Partnership II, by The Garatoni Holdings Management, LLC, as its general partner.

Geraldine Roeder
 Geraldine Roeder, Notary Public
 Resident of St. Joseph County
 My commission expires: January 16, 2009

STATE OF KENTUCY)

) SS:

COUNTY OF Jefferson)

On this 5 day of October, 2007, personally appeared before me Douglas Curran as VP of Facilities for Kindred Healthcare Operating Inc., a Delaware corporation, who did state that he/she executed the foregoing instrument as the act and deed of said corporation.

Douglas J. Curran
 _____, Notary Public
 My commission expires: 08/25/08

This instrument was prepared by Charles M. Loeser, Attorney at Law, 315 West Jefferson Blvd., South Bend, IN 46601.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document.

Charles M. Loeser
 Charles M. Loeser