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Counsel to Debtors and Debtors in Possession

Counsel to the Initial Plan Sponsors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

Northwest Senior Housing Corporation, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Jointly Administered)

NOTICE OF EXHIBITS TO PLAN SUPPLEMENT

¹ The Debtors in the Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are Northwest Senior Housing Corporation (1278) and Senior Quality Lifestyles Corporation (2669). The Debtors' mailing address is 8523 Thackery Street, Dallas, Texas 75225.



PLEASE TAKE NOTICE that, on January 13, 2022, the Debtors and the Initial Plan Sponsors filed the *Notice of Filing of Plan Supplement* [Dkt. No. 1039] (the “Plan Supplement”).

PLEASE TAKE FURTHER NOTICE that an amended “Exhibit B” to the Plan Supplement (Residents Trust Agreement) is attached hereto as **Exhibit B-1**. A redline copy reflecting the changes to “Exhibit B” is attached hereto as **Exhibit B-2**

PLEASE TAKE FURTHER NOTICE that “Exhibit D” to the Plan Supplement (Form Rental Agreements for Current Residents) is attached hereto as **Exhibit D-1**, **Exhibit D-2**, and **Exhibit D-3**.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider Confirmation of the Plan and approval of the sale of substantially all of the Debtors’ assets pursuant to the terms of the Plan (the “Confirmation and Sale Hearing”) will commence on **FEBRUARY 21, 2023 AT 9:30 A.M. PREVAILING CENTRAL TIME** before the Honorable Michelle V. Larson, in the Bankruptcy Court located at 1100 Commerce St., 14th Floor, Courtroom #2 Dallas, TX 75242. The Confirmation and Sale Hearing will be conducted in a hybrid format. Thus, you may participate in-person or via Webex. If you wish to participate remotely, you may do so by video or telephone via the Court’s WebEx platform). **For WebEx Video Participation/Attendance:** Link: <https://us-courts.webex.com/meet/larson>. **For WebEx Telephonic Only Participation/Attendance:** Dial-In: 1.650.479.3207, Access code: 160 135 6015.

PLEASE TAKE FURTHER NOTICE that the deadline for filing objections to the Plan and the Sale is **FEBRUARY 14, 2023 AT 4:00 P.M. PREVAILING CENTRAL TIME** (the “Plan and Sale Objection Deadline”). All objections to the relief sought at the Confirmation and Sale Hearing *must*: (a) be in writing; (b) comply with the Bankruptcy Rules, the Local Rules, and

any applicable orders of the Court; (c) set forth the name of the objector and the nature and amount of any Claim or Interest asserted by the objector against or in the Debtors' Estates; (d) state, with particularity, the legal and factual bases for the objection and, if practicable, a proposed modification to the Plan that would resolve such objection; and (e) be filed with the Court (contemporaneously with a proof of service) and served upon the following parties so as to be **actually received** on or before the Plan and Sale Objection Deadline: (i) counsel for the Debtors, Polsinelli PC, 2950 N. Harwood, Suite 2100, Dallas, TX 75201, Attn: Trinitee G. Green and 600 3rd Avenue, 42nd Floor, New York, NY 10016, Attn: Jeremy R. Johnson; (ii) counsel for Lifespace Communities, Inc., Cooley LLP, 110 North Upper Wacker Drive, Suite 4200, Chicago, Illinois 60606, Attn: Eric. E. Walker; (iii) counsel for UMB Bank, N.A., Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111, Attn: Daniel Bleck, Eric Blythe, and Kaitlin Walsh; (iv) counsel for the Committee, Foley & Lardner, 2021 McKinney Avenue, Ste. 1600, Dallas, Texas 75201, Attn: Stephen A. McCartin, Thomas C. Scannell, and Mark C. Moore; (v) the Office of the United States Trustee, 1100 Commerce St, Room 976, Dallas, Texas 75242-1699, Attn: Lisa Lambert; and (vi) such other parties as the Court may order.

[Signature page follows.]

DATED: February 6, 2023

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Counsel to the Initial Plan Sponsors

EXHIBIT B-1

Residents Trust Agreement

RESIDENTS TRUST AGREEMENT

This RESIDENTS TRUST AGREEMENT (the “Trust Agreement”) is made and entered into as of _____, 2023, by and among (a) Northwest Senior Housing Corporation and Senior Quality Lifestyles Corporation, in their capacities as debtors and debtors in possession and on behalf of themselves and their respective chapter 11 estates (each a “Debtor” and collectively, the “Debtors”), and (b) _____, as trustee of the Residents Trust (the “Residents Trustee” or the “Trustee”), so long as such individual continues in office, and all other individuals who have been duly elected and qualify as trustee of the Residents Trust hereunder pursuant to Section 1.5 or Article VIII hereof. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan (as defined below).

BACKGROUND

A. On April 14, 2022, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”).

B. On December 19, 2022, the Plan Proponents filed their *Third Amended Plan of Reorganization of the Plan Sponsors dated December 19, 2022* (as amended, confirmed, and/or modified from time to time, including by the Confirmation Order, the “Plan”) and their *Third Amended Disclosure Statement in Support of the Third Amended Plan of Reorganization of the Plan Sponsors dated December 19, 2022* (as amended, confirmed, and/or modified from time to time, including by the Confirmation Order, the “Disclosure Statement”).

C. The Plan provides for the creation of a trust on the Effective Date to hold, manage, and administer the Residents Trust Assets and to distribute the proceeds thereof to the holders of Residents Trust Interests (the “Residents Trust Beneficiaries” or “Beneficiaries”) in accordance with the terms of this Trust Agreement, the Plan, the Lifespace Settlement Agreement attached to the Disclosure Statement, and the Confirmation Order.

D. The Residents Trust is being created on behalf of, and for the benefit of, the Residents Trust Beneficiaries, who are Participating Former Residents and Participating Current Residents of Edgemere that hold Allowed Class 5 and Class 6 Refund Claims under the Plan, and who shall hold beneficial interests in the Residents Trust (“Residents Trust Interests”).

E. The Residents Trust is organized for the sole purpose of collecting and distributing the Residents Trust Assets, and not to conduct a trade or business except to the extent reasonably necessary to, and consistent with, the purpose of the Residents Trust.

F. This Residents Trust is intended to qualify as a “liquidating trust” under the Internal Revenue Code of 1986, as amended (the “IRC”) and the regulations promulgated thereunder (the “Treasury Regulations”), specifically Treasury Regulations section 301.7701-4(d) and, as such, as a “grantor trust” for United States federal income tax purposes pursuant to Treasury Regulations Section 1.671-4(a), with the Residents Trust Beneficiaries treated as the grantors and owners of the Residents Trust.

TRUST AGREEMENT

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, the Debtors and the Trustee agree as follows:

ARTICLE I.

DECLARATION OF TRUST

1.1. Creation of Trust. As of the Effective Date of the Plan, the Debtors and the Trustee, pursuant to the Plan and the Confirmation Order, and in accordance with the applicable provisions of chapter 11 of the Bankruptcy Code, hereby constitute and create the Residents Trust, which shall bear the name “Edgemere Residents Trust.” In connection with the exercise of the Trustee’s power hereunder, the Trustee may use this name or such variation thereof as the Trustee sees fit. The Edgemere Residents Trust shall be governed by the Texas Trust Code as the same may be amended from time to time (the “Trust Code”).

1.2. Purpose of Residents Trust. The purpose of the Residents Trust is to implement the terms of the Plan on behalf, and for the benefit of, the Residents Trust Beneficiaries, and to serve as a mechanism for collecting the contributions (the “Lifespace Contributions”) from Lifespace Communities Inc. (“Lifespace”) required under the Plan and Lifespace Settlement and Contribution Agreement dated December 14, 2022 as amended (the “Lifespace Settlement Agreement”), and distributing the Lifespace Contributions and earnings thereon in accordance with Treasury Regulations section 301.7701-4(d), with no objective to continue or engage in conduct or a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Residents Trust.

1.3. Transfer of Residents Trust Assets. On the Effective Date, the Debtors shall transfer, for the sole benefit of the Residents Trust Beneficiaries, pursuant to Bankruptcy Code sections 1123(a)(5)(B) and 1123(b)(3)(B), and in accordance with the Plan and the Confirmation Order, all of the Debtors’ rights, title and interests in the Lifespace Settlement Agreement, as amended from time to time, (together with Lifespace Contributions, the “Residents Trust Assets”) to the Residents Trust, free and clear of any and all liens, claims, encumbrances and interests (legal, beneficial, or otherwise) of all other entities to the maximum extent contemplated by and permissible under Bankruptcy Code section 1141(c). In this regard, the Residents Trust Assets will be treated as transferred, for United States federal as well as state and local income tax purposes, in the manner set forth pursuant to Section 5.2 of this Trust Agreement. The transfer of the Residents Trust Assets shall be exempt from any stamp, real estate transfer, mortgage reporting, sale, use or other similar tax, pursuant to section 1146(a) of the Bankruptcy Code. Upon delivery of all Residents Trust Assets to the Residents Trust, the Debtors shall be discharged and released from all liability with respect to the delivery of such assets, and exculpated as provided in the Plan. The Residents Trust Assets and all other property held from time to time by the Residents Trust under this Trust Agreement and any earnings, including interest, on any of the foregoing are to be applied by the Trustee in accordance with the terms hereof, the Plan, and the Confirmation Order for the benefit of the Residents Trust Beneficiaries, and for no other party, subject to the further covenants, conditions, and terms hereinafter set forth. In the event of any conflict among this Trust

Agreement, the Plan and the Confirmation Order, the provisions of Section 9.6 of this Trust Agreement shall control.

1.4. Funding of Residents Trust

a) Residents Trust Operations. On the Effective Date, the Residents Trust shall be funded by an assignment of all of the Debtors' rights, title and interests in the Lifespace Settlement Agreement. The Lifespace Contributions thereunder and earnings thereon shall be used exclusively for the following purposes: (i) to maintain the value of the Residents Trust Assets; (ii) to pay the reasonable and necessary administrative expenses of the Residents Trust, including, but not limited to, (a) the Trustee fees, compensation and expenses, (b) the reasonable costs and expenses incurred or anticipated to be incurred by the Trustee (including reasonable fees, costs and expenses incurred or anticipated to be incurred by professionals retained by the Trustee), (c) the reasonable costs and expenses incurred or anticipated to be incurred by the Residents Trust Advisory Board and its members (including reasonable fees, costs and expenses incurred or anticipated to be incurred by professionals retained by the Residents Trust Advisory Board but excluding the fees, costs and expenses of professionals retained by Residents Trust Advisory Board members individually), (d) any taxes imposed on the Residents Trust in respect of the Residents Trust Assets, (e) the reasonable fees and expenses incurred or anticipated to be incurred in connection with, arising out of or related to the Residents Trust Assets and any litigation associated therewith, and (f) other costs and expenses contemplated by this Trust Agreement; and (iii) to make distributions to the Residents Trust Beneficiaries.

b) Reserve. Prior to any distributions to the Residents Trust Beneficiaries, the Trustee shall withhold funds for the payment of reasonable Residents Trust expenses and Life Care Subsidy payments.

1.5. Appointment and Acceptance of Trustee. As set forth in the Confirmation Order, the members of the Residents Trust Advisory Board hereby designate _____ to serve as the initial Trustee under the Plan. The Trustee accepts the Residents Trust created by this Trust Agreement and the grant, assignment, transfer, conveyance, and delivery by the Debtors of all of their respective right, title, and interest in the Residents Trust Assets, upon and subject to the terms and conditions set forth herein, in the Plan, and in the Confirmation Order, to the Trustee, on behalf, and for the benefit, of the Residents Trust Beneficiaries. The Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purpose of the Residents Trust within the limitations set forth herein, including the Treasury Regulations and the Trust Code, and shall for all purposes hereunder be acting in the capacity as Trustee, and not individually.

1.6. Collection of the Residents Trust Assets. The Trustee shall, in an expeditious but commercially reasonable manner and subject to the provisions of the Plan, the Confirmation Order, and the Lifespace Settlement Agreement, collect Lifespace Contributions and make timely distributions to Residents Trust Beneficiaries in an amount up to their Allowed Refund Claims in the Debtors bankruptcy proceedings in accordance with the terms hereof and the Plan and the Lifespace Settlement Agreement attached to the Disclosure Statement, and shall not unduly prolong the existence of the Residents Trust. The Trustee shall exercise reasonable business judgment and in the collection and distribution of the Residents Trust Assets. The Residents Trust

Advisory Board must approve any (i) sale, transfer, assignment, abandonment, or other disposition of Residents Trust Assets with an asserted value equal to or in excess of \$100,000; (ii) settlement or compromise of any claim of the Residents Trust; or (iii) settlement or compromise of an objection to a Class 5 and/or Class 6 Claim which would result in an Allowed Class 5 and/or Class 6 Claim equal to or in excess of \$100,000. The Trustee may incur any reasonable and necessary expense in connection with the collection and conversion of the Residents Trust Assets into Cash or in connection with the administration of the Residents Trust and, subject to the approval of the Residents Trust Advisory Board, such expenses shall be deducted from the Residents Trust Assets.

1.7. No Reversion to Debtors. In no event shall any part of the Residents Trust Assets revert to or be distributed to any Debtor or Reorganized Debtor.

1.8. Incidents of Ownership. The Residents Trust Beneficiaries shall be the sole beneficiaries of the Residents Trust and the Residents Trust Assets, and the Trustee shall retain only such incidents of ownership as are necessary to undertake the actions and transactions authorized herein, in the Plan, and in the Confirmation Order, including those powers set forth in Section 6.2 hereof.

ARTICLE II.

RESIDENTS TRUST BENEFICIARIES

2.1. Conflicting Claims. If any conflicting claims or demands are made or asserted with respect to a Class 5 or Class 6 Claim, or to a Residents Trust Interest or a distribution to a Residents Trust Beneficiary, the Trustee shall be entitled, at the direction and with the approval of the Residents Trust Advisory Board, to refuse to comply with any such conflicting claims or demands. In so refusing, the Trustee, at the direction and with the approval of the Residents Trust Advisory Board, may elect to make no payment or distribution with respect to the Residents Trust Interest subject to the claims or demands involved, or any part thereof, and the Trustee shall refer such conflicting claims or demands to the Bankruptcy Court, which shall have exclusive jurisdiction over resolution of such conflicting claims or demands. In so doing, the Trustee shall not be or become liable to any party for its refusal to comply with any of such conflicting claims or demands. The Trustee shall be entitled to refuse to act until either (i) the rights of the adverse claimants have been adjudicated by a Final Order of the Bankruptcy Court (or such other court of proper jurisdiction) or (ii) all differences have been resolved by a written agreement among all of such parties and the Trustee, which agreement shall (x) include a complete release of the Residents Trust and the Trustee, and (y) be subject to the approval of the Residents Trust Advisory Board if the proposed agreement results in a Class 5 or Class 6 Claim Allowed Claim equal to or in excess of \$100,000 (the occurrence of either (i) or (ii) of this Section 2.1 being referred to as a “Dispute Resolution”). Promptly after a Dispute Resolution is reached, the Trustee shall transfer the payments and distributions, in accordance with the terms of such Dispute Resolution, the Plan and this Trust Agreement.

2.2. Rights of Residents Trust Beneficiaries. Each Residents Trust Beneficiary shall be entitled to participate in the rights and benefits due to a Residents Trust Beneficiary hereunder according to the terms of its Residents Trust Interest. The Residents Trust Interest of a Residents Trust Beneficiary is hereby declared and shall be, in all respects, personal property. Except as

expressly provided hereunder, a Residents Trust Beneficiary shall have no title to, right to, possession of, management of or control of the Residents Trust or the Residents Trust Assets or to any right to call for a partition or division of such assets or to require an accounting. No surviving spouse, heir, or devisee of any deceased Residents Trust Beneficiary shall have any right of dower, homestead, or inheritance, or of partition, or any other right, statutory or otherwise, in the Residents Trust Assets, but the whole title to the Residents Trust Assets shall be vested in the Trustee and the sole interest of the Residents Trust Beneficiaries shall be the rights and benefits given to such person under this Trust Agreement and the Plan.

2.3. Evidence of Residents Trust Interest. Ownership of a Residents Trust Interest in the Residents Trust will be evidenced by the allowance of a Claim against the Debtors by a Participating Former Residents and Participating Current Resident pursuant to the terms of the Plan. Any Participating Former Resident and Participating Current Resident that is a holder of an Allowed Claim under Class 5 or Class 6 of the Plan shall hold a percentage in the Residents Trust Interest (as indicated on Appendix B) equal to the proportion of the underlying Allowed Claim's value to the total value of all Allowed Claims in Class 5 and Class 6 Claims under the Plan. A Residents Trust Beneficiary shall be deemed a "holder of record" (hereinafter "Holder") of such Residents Trust Beneficiary's Residents Trust Interest(s) for purposes of all applicable United States federal and state laws, rules, and regulations.

2.4. Transfers of Residents Trust Interests.

a) General. Residents Trust Interests shall not be transferable or assignable except by will, intestate succession, or operation of law.

b) Residents Trust Interests Registry. Any transfer or assignment of a Residents Trust Interest by will, intestate succession, or operation of law shall not create any rights in the assignee or transferee under this Trust Agreement unless and until such transfer or assignment of the respective interest is recorded in the registry maintained by the Trustee, which shall be completed as soon as practicable after transfer or assignment. Subject to Section 2.4(d), the entries in the Registry shall be conclusive evidence of ownership of a Residents Trust Interest absent manifest error, and the Residents Trust and the Trustee shall treat each person whose name is recorded in the registry pursuant to the terms hereof as the owner of Residents Trust Interests for all purposes of this Trust Agreement, notwithstanding notice to the contrary. The Residents Trust shall maintain, or cause the agent of the Residents Trust to maintain, a register (which may be electronic) setting forth the names and addresses of the Beneficiaries, and the amount of their Residents Trust Interests from time to time.

c) Registration. If the Trustee, upon advice of counsel, determines that any class of Residents Trust Interests may be subject to registration pursuant to section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Trustee shall pursue relief from such registration by obtaining either an exemptive order, a no-action letter, or an interpretive letter from the Securities and Exchange Commission or its staff or, absent its ability to achieve that objective or in lieu thereof, shall register such class pursuant to section 12 of such statute (it being understood and agreed that the Trustee with the approval of the Residents Trust Advisory Board shall be authorized, among other things, to register such class and to seek relief from one or more of the requirements then applicable subsequent to such registration and to de-register such

class). Any expenses that are associated with such application for relief and/or registration shall be deducted from the Residents Trust Assets.

d) Further Limitations on Transfer. Notwithstanding any other provision to the contrary, the Trustee may disregard any purported transfer or assignment of Residents Trust Interests by will, intestate succession, or operation of law if sufficient necessary information (as reasonably determined by the Trustee), including applicable tax-related information, is not provided by such purported transferee or assignee to the Trustee.

2.5. Limited Liability. No provision of this Trust Agreement, the Plan, or the Confirmation Order, and no mere enumeration herein of the rights or privileges of any Residents Trust Beneficiary, shall give rise to any liability of such Residents Trust Beneficiary solely in its capacity as such, whether such liability is asserted by any Debtor, by creditors, employees, or equity interest holders of any Debtor, or by any other Person. Residents Trust Beneficiaries are deemed to receive the Residents Trust Assets in accordance with the provisions of this Trust Agreement, the Plan, and the Confirmation Order in exchange for the Allowed Class 5 and Class 6 Refund Claims of Participating Former Residents and Participating Current Residents, without further obligation or liability of any kind, but subject to the provisions of this Trust Agreement and the Plan.

ARTICLE III.

DURATION AND TERMINATION OF RESIDENTS TRUST

3.1. Duration. The Residents Trust shall become effective upon the Effective Date of the Plan and shall have an initial term of eighteen (18) years from the Effective Date; provided, however, that, if warranted by the facts and circumstances, the Residents Trust Advisory Board may limit or extend the term of the Residents Trust.

3.2. Dissolution of the Residents Trust. The Trustee and the Residents Trust shall be discharged or dissolved earlier, as the case maybe, on the earlier to occur of (i) all of the Residents Trust Assets having been distributed pursuant to the Plan and this Trust Agreement, (ii) the Trustee having determined, with the approval of the Residents Trust Advisory Board, that the administration of any remaining Residents Trust Assets is not likely to yield sufficient additional Residents Trust proceeds to justify further pursuit, or (iii) conclusion of the Residents Trust as provided by Section 4.1.

3.3. Continuation of Residents Trust for Winding Up. After the dissolution of the Residents Trust and solely for the purpose of liquidating and winding up the affairs of the Residents Trust, the Trustee shall continue to act as such until its duties have been fully performed. Upon distribution of all the Residents Trust Assets, the Trustee shall retain the books, records, and files that shall have been delivered to or created by the Trustee. All such records and documents may be destroyed at any time following the date that is three (3) years after the final distribution of the Residents Trust Assets. Nothing herein shall be deemed to abridge any agreement(s) to which the Trustee may be party that expressly provides for further retention of such documents and records.

ARTICLE IV.

ADMINISTRATION OF RESIDENTS TRUST

4.1. Payment of Trustee Fees, Expenses, and Liabilities. Except as otherwise provided herein, the Trustee shall use proceeds from the Residents Trust Assets (i) to pay compensation to the Trustee as approved by the Residents Trust Advisory Board, (ii) to pay reasonable costs and expenses of the Residents Trust that are incurred (including any taxes imposed on the Residents Trust, the actual reasonable out-of-pocket fees and expenses incurred by Trustee professionals in connection with the administration and liquidation of the Residents Trust Assets, as provided in Section 6.7 herein, and the preservation of books and records of the Residents Trust); (iii) to satisfy other obligations or other liabilities incurred or assumed by the Residents Trust (or to which the Residents Trust Assets are otherwise subject) in accordance with the Plan, the Confirmation Order, or this Trust Agreement, including fees and costs incurred in connection with the collection protection, preservation, liquidating, and distribution of the Residents Trust Assets and the costs of investigating, prosecuting, resolving, or settling any litigation or cause of action; (iv) as reasonably necessary to meet contingent liabilities and to maintain the value of the Residents Trust Assets during collection and liquidation; and (v) to satisfy any other obligations of the Residents Trust expressly set forth in the Plan, this Trust Agreement, and the Confirmation Order.

4.2. Distributions.

a) Generally. Except as otherwise provided in the Plan or this Trust Agreement, the Trustee shall make distributions of Residents Trust Assets to the Residents Trust Beneficiaries qualified to receive distributions from the Residents Trust for (i) Tax Distributions (defined below), (ii) any Life Care Subsidy amounts (as defined in section 6 of the Lifespace Settlement Agreement attached to the Disclosure Statement), and (iii) in the amount of their respective Allowed Refund Claims (less any previous distributions to such resident of Life Care Subsidy amounts) when the Trustee, in its sole discretion, determines such distribution appropriate and required pursuant to the terms and provisions of the Plan, the Confirmation Order and this Trust Agreement, subject to the Trustee's duty to confer on such matters with the Residents Trust Advisory Board. The Trustee shall have discretion to determine when a Life Care Subsidy is appropriate and when a Refund Trigger Date has occurred pursuant to the purpose and spirit of the Lifespace Settlement Agreement and this Trust Agreement, subject to the Trustee's duty to confer on such matters with the Residents Trust Advisory Board. The Trustee may postpone any distribution if the Trustee determines that a distribution is impracticable under the circumstances, or the amount of such distribution would be too small to justify the administrative costs associated with making it. The Trustee shall not unduly prolong the duration of the Residents Trust.

b) Trust Interests; Allocation and Payment of Distributions. Each Residents Trust Beneficiary's (i) share of the Residents Trust Interests (including any Cash and other property to be received on account of any Residents Trust Interest) shall be owned by the Residents Trust Beneficiaries, and (ii) share of the Residents Trust Assets shall be allocated and distributed to the Residents Trust Beneficiaries, in each case in accordance with the Plan, the Confirmation Order and this Trust Agreement.

c) De Minimis Distributions. No Distribution shall be required to be made pursuant to the Plan and this Trust Agreement to any Residents Trust Beneficiary unless such Residents Trust Beneficiary is to receive in such Distribution at least \$500.00, or unless such Distribution is the final distribution to such Residents Trust Beneficiary pursuant to the Plan and this Trust Agreement. Any such distribution shall be retained by the Trustee and invested as provided in the Plan and this Trust Agreement. Any distribution not made to such Residents Trust Beneficiary, shall be held in trust for the relevant Residents Trust Beneficiary until the earlier of (x) the date the next distribution made to such Residents Trust Beneficiary; provided, however, that such subsequent Distribution, taken together with amounts retained hereby, equals at least \$500.00, or (y) is the final distribution to such Residents Trust Beneficiary.

4.3. Undeliverable Distributions. If the distribution to any Residents Trust Beneficiary is returned to the Trustee as undeliverable or is otherwise an Unclaimed Distribution, no further distributions shall be made to such Residents Trust Beneficiary unless and until the Trustee is notified in writing of such Residents Trust Beneficiary's then-current address, at which time all missed distributions shall be made to such Residents Trust Beneficiary without interest. The Trustee and the Residents Trust shall not be under any obligation to attempt to determine a Residents Trust Beneficiary's then-current address.

4.4. Treatment of Unclaimed Distributions. Any Residents Trust Beneficiary that does not assert a claim for an unclaimed distribution or negotiate a distribution within three (3) after an attempted distribution shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for an unclaimed distribution against the Debtors, the Trustee, the Residents Trust, and their respective agents, attorneys, representatives, employees or independent contractors, or any of its and their property. In such cases, any Cash otherwise reserved for unclaimed distributions shall become the property of the Residents Trust free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary and shall be distributed pursuant to the terms of this Trust Agreement. Nothing contained in the Plan or this Residents Trust Agreement shall require the Trustee to attempt to locate any Residents Trust Beneficiary; provided, however, that the Trustee, in its sole discretion, may publish notice of unclaimed distributions.

4.5. Remaining Residents Trust Assets Upon Dissolution of the Residents Trust. The Residents Trust Beneficiaries shall receive distributions in an amount up to, but not exceeding, the amount of their respective Allowed Refund Claims, with no interest thereon. All assets, if any, remaining in the Residents Trust after distributions to Residents Trust Beneficiaries as required under the Plan, the Confirmation Order, and this Trust Agreement may be, at the discretion of the Residents Trust Advisory Board, either (i) distributed to the then owner of the Edgemere Community to be used for the benefit of residents at Edgemere, or (ii) donated to any other charitable organization.

4.6. Setoffs of Life Care Subsidy Payments. Pursuant to the terms of the Plan, the Trustee may deduct and set off all amounts advanced to such Residents Trust Beneficiary as a Life Care Subsidy against any distribution to be made to a Residents Trust Beneficiary hereunder (before any distribution is made on account of such Residents Trust Interest by the Trustee).

4.7. Compliance with Laws. Any and all distributions of Residents Trust Assets shall be in compliance with applicable laws, including applicable federal and state tax and securities laws, except as otherwise set forth in this Trust Agreement.

4.8. Fiscal Year. Except for the first and last years of the Residents Trust, the fiscal year of the Residents Trust shall be the calendar year. For the first and last years of the Residents Trust, the fiscal year of the Residents Trust shall be such portion of the calendar year that the Residents Trust is in existence.

4.9. Books and Records. The Trustee shall retain and preserve the Debtors' books, records, and files that have been delivered to or created by the Trustee. Subject to Section 3.3 hereof, the Trustee shall maintain, in respect of the Residents Trust and the Residents Trust Beneficiaries and all other parties who are to receive distributions under this Trust Agreement, books and records relating to the assets and the income of the Residents Trust and the payment of expenses of, liabilities of, and claims against or assumed by, the Residents Trust and the Trustee, in such detail and for such period of time as may be necessary to enable it to make full and proper reports in respect thereof in accordance with the provisions of this Trust Agreement and applicable provisions of law, including to applicable tax, securities and other federal and state laws. Except as otherwise provided herein or in the Plan, nothing in this Trust Agreement requires the Trustee to file any accounting or seek approval of any court with respect to the administration of the Residents Trust, or as a condition for making any payment or distribution out of the Residents Trust Assets. The Trustee shall provide any member of the Residents Trust Advisory Board with access to such books and records during normal business hours as may be reasonably requested with five (5) days' advance notice. Residents Trust Beneficiaries shall have the right upon thirty (30) days' prior written notice delivered to the Trustee to inspect such books and records; provided, that, if so requested, all costs associated with such inspection shall be paid in advance by such requesting Residents Trust Beneficiary and such Residents Trust Beneficiary shall have entered into a confidentiality agreement reasonably satisfactory in form and substance to the Trustee.

4.10. Cash Payments. All distributions required to be made by the Trustee to the Residents Trust Beneficiaries shall be made in Cash denominated in United States dollars by checks drawn on a domestic bank selected by the Trustee or, at the option of the Trustee, by wire transfer from a domestic bank selected by the Trustee or as otherwise required or provided in applicable agreements; provided, however, that Cash payments to foreign holders of Residents Trust Interests may be made, at the option of the Trustee, in such funds as and by such means as are necessary or customary in a particular foreign jurisdiction.

4.11. Insurance. The Residents Trust may, to the extent deemed necessary or advisable by the Trustee, maintain customary insurance coverage for the protection of the Trustee and the members.

4.12. Reports.

a) The Trustee shall deliver reports to members of the Residents Trust Advisory Board not later than thirty (30) days following the end of each fiscal year. Such reports shall specify in reasonable detail (i) the status of any causes of action, claims, and litigation involving the Residents Trust or the Residents Trust Assets, including any settlements entered into

by the Residents Trust, (ii) the costs and expenses of the Residents Trust that are incurred (including any actual reasonable out-of-pocket fees and expenses incurred by Trustee professionals in connection with the administration and liquidation of the Residents Trust Assets during the preceding fiscal year), (iii) the amounts listed in clause (ii) incurred since the Effective Date, (iv) the amount of Cash and other assets received by the Residents Trust during the prior fiscal year, (v) the aggregate amount of Cash and other assets received by the Residents Trust since the Effective Date, (vi) the aggregate amount of distributions from the Residents Trust to the Residents Trust Beneficiaries since the Effective Date, and (vii) such other information as the Residents Trust Advisory Board may reasonably request from time to time. The Trustee shall also timely prepare, file, and distribute such additional statements, reports, and submission (A) as may be necessary to cause the Residents Trust and the Trustee to be in compliance with applicable law or (B) as may be otherwise reasonably requested from time to time by the Residents Trust Advisory Board.

ARTICLE V.

TAX MATTERS

5.1. Tax Treatment. For all United States federal income tax purposes, all parties (including, without limitation, the Debtors, the Trustee and the Residents Trust Beneficiaries) will treat the Residents Trust as a “liquidating trust” within the meaning of section 301.7701-4(d) of the Treasury Regulations.

5.2. Residents Trust Assets Treated as Owned by Residents Trust Beneficiaries. For all United States federal income tax purposes, all parties (including the Debtors, the Trustee, and the Residents Trust Beneficiaries) generally will be required to treat the transfer of the Residents Trust Assets to the Residents Trust as (1) a transfer of the Residents Trust Assets directly to the Residents Trust Beneficiaries and, to the extent Residents Trust Assets are allocable to Disputed Claims, to a Disputed Claims reserve, followed by (2) the transfer by such beneficiaries to the Residents Trust of the Residents Trust Assets in exchange for Residents Trust Interests. Accordingly, the Residents Trust Beneficiaries shall be treated for United States federal income tax purposes as the grantors and owners of their respective share of the Residents Trust Assets (other than such Residents Trust Assets as are allocable to the Disputed Claims Reserve, discussed below) and the earnings thereon. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

5.3. Tax Reporting.

a) The Trustee shall file (or cause to be filed) all Tax Returns for the Residents Trust treating the Residents Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this Article V. The Trustee also will annually send to each Residents Trust Beneficiary a separate statement regarding the receipts and expenditures of the Residents Trust as relevant for United States federal income tax purposes and will instruct all such Residents Trust Beneficiaries to use such information in preparing their United States federal income tax returns or to forward the appropriate information to such Residents Trust Beneficiary’s tax return preparer, with instructions to utilize such information in preparing their United States federal income tax returns. The Trustee shall also file (or cause to be filed) any other statement, return, or disclosure relating to the Residents Trust that is required by any governmental unit.

b) Taxable income and taxable losses shall be allocated to each Residents Trust Beneficiary in proportion to the amount of their unpaid Allowed Refund Claim as of December 31st of each taxable year divided by the total unpaid Allowed Refund Claims of all Residents Trust Beneficiaries as of December 31st of each taxable year. Within ninety (90) days after the last day of each calendar year during which this Trust Agreement remains in effect, to the extent of available funds, the Trustee shall distribute to each Residents Trust Beneficiary an amount equal to the product of (i) any net taxable income of the Residents Trust for the previous calendar year that is allocated to such Residents Trust Beneficiary as provided in Section __, multiplied by (ii) 37% (the “Tax Distributing”).

c) The Trustee shall be responsible for payment, out of the Residents Trust Assets, any taxes imposed on the Residents Trust or its assets.

d) The Trustee may request an expedited determination of taxes of the Residents Trust under section 505(b) of the Bankruptcy Code for all Tax Returns filed for, or on behalf of, the Residents Trust for all taxable periods through the dissolution of the Residents Trust.

5.4. Tax Withholdings by Trustee. The Trustee shall withhold and pay to the appropriate tax authority all amounts required to be withheld pursuant to the IRC or any provision of any foreign, state, or local tax law with respect to any payment or distribution to the Residents Trust Beneficiaries. All such amounts withheld and paid to the appropriate tax authority (or placed in escrow pending resolution of the need to withhold) shall be treated as amounts distributed to such Residents Trust Beneficiary for all purposes of the Trust Agreement. The Trustee shall be authorized to collect such tax information from the Residents Trust Beneficiaries (including without limitation, social security numbers or other tax identification numbers) as the Trustee deems necessary to effectuate the Plan, the Confirmation Order, and the Trust Agreement. In order to receive distributions under the Plan, all Residents Trust Beneficiaries shall be required to identify themselves to the Trustee and provide tax information and the specifics of their holdings, to the extent the Trustee deems appropriate in the manner and in accordance with the procedures from time to time established by the Trustee for these purposes. This identification requirement generally applies to all Residents Trust Beneficiaries, including those who hold their Claims in “street name.” The Trustee may refuse to make a distribution to any Residents Trust Beneficiary that fails to furnish such information in a timely fashion, and until such information is delivered may treat such Residents Trust Beneficiary’s Residents Trust Interests as disputed; provided, however, that, upon the delivery of such information by a Residents Trust Beneficiary, the Trustee shall make such distribution to which the Residents Trust Beneficiary is entitled, without additional interest occasioned by such Residents Trust Beneficiary’s delay in providing tax information; and, provided, further, that, if such information is not furnished to the Trustee within six (6) months of the original request to furnish such information, no further distributions shall be made to the Residents Trust Beneficiary; and, provided, further, that, if the Trustee fails to withhold in respect of amounts received or distributable with respect to any such Residents Trust Beneficiary and the Trustee is later held liable for the amount of such withholding, such Residents Trust Beneficiary shall reimburse the Trustee for such liability (to the extent such amounts were actually distributed to such Residents Trust Beneficiary).

ARTICLE VI.

POWERS AND LIMITATIONS ON THE TRUSTEE

6.1. Trustee. References herein to the Trustee shall refer to the individual serving as the Trustee solely in its capacity as trustee hereunder. Subject to Article VIII hereof, the Trustee shall hold office until the termination of the Residents Trust in accordance with the terms set forth herein.

6.2. Powers of the Trustee.

a) Pursuant to the terms of the Plan, the Confirmation Order, and this Trust Agreement, the Trustee shall have various powers, duties, and responsibilities concerning the collection of Residents Trust Assets, the prosecution of litigation claims to collect Residents Trust Assets, the resolution of disputed Class 5 and Class 6 Claims against the Debtors' Estates, the administration of the Residents Trust and the Residents Trust Assets, and to make distributions to the Residents Trust Beneficiaries in accordance with the Plan, the Confirmation Order, and this Trust Agreement.

b) The Trustee shall have only such rights, powers, and privileges expressly set forth in the Confirmation Order, the Plan, and this Trust Agreement and as otherwise provided by applicable law. Subject to the oversight and approvals by and of the Residents Trust Advisory Board when required herein, the Trustee shall be expressly authorized to undertake the following actions:

i. To exercise all power and authority that may be or could have been exercised, commence all proceedings that may be or could have been commenced and take all actions that may be or could have been taken by the Debtors or any trustee appointed for any Debtor to collect amounts owed by Lifespace under the Lifespace Settlement Agreement;

ii. To open and maintain bank and other deposit accounts, escrows and other accounts, calculate and make distributions of Residents Trust Assets as provided for or contemplated by the Plan, the Confirmation Order, and this Trust Agreement, and take other actions consistent with the Plan and the implementation thereof in the name of the Trustee, even in the event of the dissolution of the Debtors;

iii. To collect, sell, liquidate or otherwise dispose of all Residents Trust Assets pursuant to the Plan, subject to approval by the Residents Trust Advisory Board in the event that a particular Residents Trust Asset is valued at or in excess of \$100,000 and, to make distributions of Residents Trust Assets;

iv. Subject to the prior approval of the Residents Trust Advisory Board to borrow funds, and to also take all actions necessary to preserve and maximize the value of the Residents Trust Assets;

v. To object to any Class 5 or Class 6 Claims asserted in the Debtors bankruptcy proceedings (disputed or otherwise), and to defend, compromise and/or settle any Class 5 and Class 6 Claims prior to or following objection without the necessity of approval of the

Court, subject to approval by the Residents Trust Advisory Board if any such settlement or compromise results in an Allowed Class 5 and Class 6 Claim equal to or in excess of \$100,000;

vi. To make decisions, after consultation with and approval by the Residents Trust Advisory Board, regarding the retention or engagement of professionals, employees and consultants (generally, “Residents Trust Professionals”) by the Residents Trust and to pay, from the Residents Trust Assets, the charges incurred by the Residents Trust on or after the Effective Date for services of professionals in excess of \$20,000 [*See* Section 6.3(b)(ii)] upon approval of the Residents Trust Advisory Board, without application to the Court (nothing herein shall prohibit the retention of Foley & Lardner LLP or Ankura, former professionals retained by the Official Unsecured Creditors Committee (the “Committee”), as professionals for the Residents Trust);

vii. To determine, after consultation with the Residents Trust Advisory Board, when a Life Care Subsidy payment is appropriate and when a Refund Trigger Date has occurred or should be deemed to have occurred pursuant to the purpose and spirit of the Lifespace Settlement Agreement and this Agreement;

viii. To cause, on behalf of the Residents Trust, to prepare and file all necessary tax returns and all other appropriate or necessary documents related to municipal, State, Federal or other tax law;

ix. To invest Cash as permitted by a Final Order of the Court and in accordance with the investment and deposit guidelines set forth in this Trust Agreement;

x. To enter into any agreement or execute any instrument or document required by or consistent with the Plan and perform all of the obligations of the Trustee hereunder;

xi. To abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization approved by the Residents Trust Advisory Board, any Residents Trust Assets that the Trustee determines too impractical to distribute;

xii. To use Residents Trust Assets to purchase or create and maintain all appropriate insurance policies, bonds or other means of assurance and protection of the Residents Trust Assets and pay all reasonable insurance premiums and other costs he or she deems necessary or advisable to insure the acts and omissions of the Trustee, and if appropriate, the Residents Trust Advisory Board;

xiii. To implement and enforce all provisions of the Plan, subject to the advice of the Residents Trust Advisory Board;

xiv. To maintain appropriate books and records (including financial books and records) to govern the collection and distribution of the Residents Trust Assets, provided, however, that any abandonment or destruction of books and records shall require Residents Trust Advisory Board approval, unless otherwise provided herein;

xv. Subject to approval of the Residents Trust Advisory Board, to dissolve the Residents Trust if the Trustee determines, in reasonable reliance on such professionals

as it may retain, that the expense of administering the Residents Trust so as to make a final distribution to Trust Beneficiaries is likely to exceed the value of the remaining Residents Trust Assets; and

xvi. To do all other acts or things consistent with the provisions of the Plan that the Trustee deems reasonably necessary or desirable with respect to implementing the Plan.

c) Except as otherwise provided in this Trust Agreement, the Trustee will not be required to obtain the order or approval of the Bankruptcy Court, or any other court of competent jurisdiction in, or account to the Bankruptcy Court or any other court of competent jurisdiction for, the exercise of any right, power, or privilege conferred hereunder. Notwithstanding the foregoing, where the Trustee determines that it is necessary, appropriate, or desirable, the Trustee will have the right to submit to the Bankruptcy Court any question or questions regarding any specific action proposed to be taken by the Trustee with respect to this Trust Agreement, the Residents Trust, or the Residents Trust Assets, including the administration and distribution of Residents Trust Assets and the termination of the Residents Trust. Pursuant to the Plan, the Bankruptcy Court has retained jurisdiction for such purposes and may approve or disapprove any such proposed action upon motion by the Trustee.

6.3. Limitations on Trustee.

a) The Trustee shall, on behalf of the Residents Trust, hold the Residents Trust out as a trust in the process of collection and liquidation and not as an investment company. The Trustee shall be restricted to the liquidation of the Residents Trust Assets on behalf, and for the benefit, of the Residents Trust Beneficiaries and the distribution and application of the Residents Trust Assets for the purposes set forth in, and the conservation and protection of the Residents Trust Assets and the administration thereof in accordance with, the provisions of this Trust Agreement, the Plan, and the Confirmation Order. In no event shall the Trustee receive any property, make any distribution, satisfy or discharge any claims, expenses, charges, liabilities and obligations or otherwise take any action which would jeopardize the status of the Residents Trust as a “liquidating trust” for United States federal income tax purposes within the meaning of Treasury Regulations Section 301.7701-4(d). This limitation shall apply irrespective of whether the conduct of any such actions is deemed by the Trustee to be necessary or appropriate for the conservation and protection of the Trust Assets.

b) Notwithstanding anything in this Trust Agreement to the contrary, the Trustee shall submit to the Residents Trust Advisory Board for its approval the following matters and any other matters that expressly or reasonably require the approval of the Residents Trust Advisory Board pursuant to the other terms of this Trust Agreement:

- i. The retention or engagement of any Trustee professionals;
- ii. Any payment to the Trustee or any Trustee professionals for fees and expenses in excess of twenty thousand dollars (\$20,000.00);
- iii. Any settlement of any litigation or causes of action involving an amount in controversy equal to or in excess of \$100,000;

- iv. Any borrowing of funds;
 - v. Any incurrence of any cost, expense, or fee in excess of \$100,000;
- and
- vi. The dissolution of the Residents Trust.

The foregoing shall not limit the Trustee's ability to make determinations and take actions regarding compliance with tax withholding requirements (including remittances).

6.4. Establishment of Residents Trust Advisory Board.

a) The "Residents Trust Advisory Board" means the board appointed by the Committee in the Debtors' bankruptcy proceeding to exercise the duties set forth in this Trust Agreement, which duties shall be (i) to oversee the collection and distribution of the Residents Trust Assets by the Trustee in accordance with this Trust Agreement, the Plan, and the Confirmation Order, (ii) to approve (or withhold approval) of those matters submitted to it for approval in accordance with the terms of this Trust Agreement, and (iii) to remove and appoint any successor to the Trustee as provided for in this Trust Agreement.

b) The Residents Trust Advisory Board shall consist of three (3) members.

c) The authority of the members of the Residents Trust Advisory Board shall be effective as of the Effective Date and shall remain and continue in full force and effect until the Residents Trust is dissolved in accordance with Section 3.2 hereof. The service of the members of the Residents Trust Advisory Board shall be subject to the following:

i. the members of the Residents Trust Advisory Board shall serve until death or resignation pursuant to clause (ii) below, or removal pursuant to clause (iii) below;

ii. a member of the Residents Trust Advisory Board may resign at any time by providing a written notice of resignation to the remaining members of the Residents Trust Advisory Board. Such resignation shall be effective when a successor is appointed as provided herein;

iii. a member of the Residents Trust Advisory Board may be removed by unanimous vote of the other members for (a) fraud or willful misconduct in connection with the affairs of the Residents Trust or (b) cause, which shall include a breach of fiduciary duty other than as specified in the foregoing clause (a). Such removal shall be effective only upon the earlier of (a) acceptance of such removal by the member, or (b) an order of the Bankruptcy Court requiring such removal;

iv. in the event of a vacancy in a member's position (whether by removal, death, or resignation) the two (2) remaining members shall jointly select a successor member; if the remaining members cannot agree on a successor member, the Trustee shall appoint a successor member who is willing to serve on the Residents Trust Advisory Board; and

v. immediately upon appointment of any successor member of the Residents Trust Advisory Board, all rights, powers, duties, authority, and privileges of the predecessor member of the Residents Trust Advisory Board hereunder shall be vested in and undertaken by the successor member of the Residents Trust Advisory Board without any further act; and the successor member of the Residents Trust Advisory Board shall not be liable personally for any act or omission of the predecessor member of the Residents Trust Advisory Board.

vi. Notwithstanding anything in this Trust Agreement to the contrary, the Residents Trust Advisory Board shall not take any action which will cause the Residents Trust to fail to qualify as a “liquidating trust” and taxed as a grantor trust for United States federal income tax purposes.

vii. A quorum for meetings of the Residents Trust Advisory Board shall consist of a majority of the members of the Residents Trust Advisory Board then serving; provided, however, that, for purposes of determining whether a quorum is present at such a meeting, a member of the Residents Trust Advisory Board shall be deemed present if the member is attending in person, by telephone, or by proxy; provided, further, however, that to the extent practicable, reasonable notice of a meeting must be given to all members of the Residents Trust Advisory Board.

viii. Except as expressly provided herein, the affirmative vote of a majority of the members of the Residents Trust Advisory Board shall be the act of the Residents Trust Advisory Board with respect to any matter that requires the determination, consent, approval, or agreement of such board. Any or all of the members of the Residents Trust Advisory Board may participate in a regular or special meeting by, or conduct the meeting through the use of, conference telephone or similar communications equipment by means of which all persons participating in the meeting may hear each other, in which case any required notice of such meeting may generally describe the arrangements (rather than or in addition to the Plan) for the holding thereof. Any member of the Residents Trust Advisory Board participating in a meeting by this means is deemed to be present in person at the meeting. In all matters submitted to a vote of the Residents Trust Advisory Board, each Residents Trust Advisory Board member shall be entitled to cast one vote, which vote shall be cast personally by such Residents Trust Advisory Board member or by proxy. In a matter in which the Trustee cannot obtain direction or authority from the Residents Trust Advisory Board, the Trustee may file a motion requesting such direction or authority from the Bankruptcy Court; provided, however, that any member of the Residents Trust Advisory Board may oppose such motion.

ix. Any action required or permitted to be taken by the Residents Trust Advisory Board at a meeting may be taken without a meeting if the action is taken by unanimous written consent of the Residents Trust Advisory Board as evidenced by one or more written consents describing the action taken, signed by the Residents Trust Advisory Board and filed with the minutes or proceedings of the Residents Trust Advisory Board.

x. Any member of the Residents Trust Advisory Board shall be reimbursed by the Trustee from the Residents Trust Assets for its actual, reasonable out-of-pocket expenses incurred for serving on such board, such as travel costs etc. (but excluding the fees, costs, and expenses of professionals retained by Residents Trust Advisory Board members individually),

after submission of reasonably detailed receipts or invoices evidencing such expenses. Except as provided for in this Section 6.4, the members of the Residents Trust Advisory Board shall not be entitled to receive any other form of compensation for their services provided as such members. Except as provided for in this Section 6.4, the members of the Residents Trust Advisory Board shall not be entitled to receive any other form of compensation for their services provided as such members.

6.5. Resolution of Claims.

a) Unless otherwise provided in the Plan, from and after the Effective Date, the Trustee shall have authority to object to Class 5 and Class 6 Claims (in consultation with the Residents Trust Advisory Board) and to have the Bankruptcy Court determine the amount and treatment of any Class 5 and Class 6 Claim. Subject to Section 6.3 herein, from and after the Effective Date, the Trustee may settle or compromise any Disputed Class 5 and Class 6 Claim with or without approval of the Court.

b) Subject to Section 6.3 herein, the Trustee shall have the authority to retain counsel and other professionals in conjunction with the resolution of Claims pursuant to this Section 6.5. The reasonable fees and expenses of such counsel and professionals as approved by the Residents Trust Advisory Board shall be paid and deducted from the Residents Trust Assets.

6.6. Actions Taken on Other Than a Business Day. In the event that any payment or act under the Plan or this Trust Agreement is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

6.7. Agents, Employees, and Professionals.

a) Subject to approval by the Residents Trust Advisory Board, the Residents Trust may, but shall not be required to, from time to time enter into contracts with, consult with and retain Trustee Professionals deemed by the Trustee to have qualifications necessary or desirable to assist in the proper administration of the Residents Trust, on such terms as the Trustee deems appropriate.

b) After the Effective Date, Trustee Professionals shall be required to submit reasonably detailed invoices on a monthly basis, or as may otherwise be agreed by the Trustee, to the Trustee, including in such invoices a description of the work performed, who performed such work, and, if billing on an hourly basis, the hourly rate of such person, plus an itemized statement of expenses. Subject to the approval of the Residents Trust Advisory Board, the Trustee shall pay such invoices thirty (30) days after such invoices are received. In the event of any dispute concerning the entitlement to, or the reasonableness of any compensation and/or expenses of any Trustee Professionals, either the Trustee, with the approval of the Residents Trust Advisory Board, or the affected party may ask the Bankruptcy Court to resolve the dispute.

c) All payments to Trustee Professionals shall be paid out of the Residents Trust Assets.

6.8. Investment of Residents Trust Monies. All monies and other assets received by the Trustee as Residents Trust Assets (including the proceeds thereof as a result of investment in accordance with this Section 6.8) shall, until distributed or paid over as herein provided, be held in trust for the benefit of the Residents Trust Beneficiaries, and shall not be segregated from other Residents Trust Assets, unless and to the extent required by the Plan. The Trustee shall promptly invest any such monies (including any earnings thereon or proceeds thereof) in the manner set forth in this Section 6.8, but shall otherwise have no liability for interest or income on any monies received by the Residents Trust hereunder and held for distribution or payment to the Residents Trust Beneficiaries, except as such interest shall actually be received. Investment of any monies held by the Residents Trust shall be administered in accordance with the general duties and obligations hereunder. Unless otherwise approved by the Residents Trust Advisory Board, the right and power of the Trustee to invest the Residents Trust Assets, the proceeds thereof, or any income earned by the Residents Trust, shall be limited to the right and power to (i) invest such Residents Trust Assets (pending distributions in accordance with the Plan or this Trust Agreement) in short-term direct obligations of any agency or corporation which is or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof; or (ii) deposit such assets in demand deposits at any bank or trust company, which has, at the time of the deposit, a capital stock and surplus aggregating at least \$1,000,000,000 (collectively, the “Permissible Investments”); provided, however, that the scope of any such Permissible Investments shall be limited to include only those investments that a liquidating trust, within the meaning of Treasury Regulations section 301.7701-4(d), may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings (including but not limited to Revenue Procedure 82-58, Revenue Procedure 91-15, and Revenue Procedure 94-45), other IRS pronouncements or otherwise.

6.9. Termination. The duties, responsibilities, and powers of the Trustee and the Residents Trust Advisory Board shall terminate on the date the Residents Trust is wound up and dissolved in accordance with Texas law pursuant to Section 3.2 hereof, under applicable law and in accordance with this Trust Agreement and the Plan; provided, however, that Sections 7.2, 7.3, 7.4, 7.5, and 7.6 hereof shall survive such termination, dissolution, and entry.

ARTICLE VII.

CONCERNING THE TRUSTEE AND RESIDENTS TRUST ADVISORY BOARD

7.1. Reliance by the Trustee and the Members of the Residents Trust Advisory Board. Except as otherwise provided in this Trust Agreement, the Plan, or the Confirmation Order, the Trustee and the members of the Residents Trust Advisory Board may rely and shall be protected in acting upon any resolution, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document reasonably believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

7.2. Liability to Third Persons. The Trustee, the Trustee Professionals, and the members of the Residents Trust Advisory Board shall not be subject to any personal liability whatsoever, in tort, contract, or otherwise, to any person (including, in the case of the Trustee and members of the Residents Trust Advisory Board, to any Trustee Professionals retained by the Trustee in

accordance with this Trust Agreement) in connection with the Residents Trust Assets or the affairs of the Residents Trust and shall not be liable with respect to any action taken or omitted to be taken in good faith, except for actions and omissions determined by a Final Order of the Bankruptcy Court to be due to their respective gross negligence, intentional fraud, criminal conduct, or willful misconduct (“Indemnifiable Claims”), and all such Persons shall look solely to the Residents Trust Assets for satisfaction of claims of any nature arising in connection with affairs of the Residents Trust. Other than as set forth in the Plan or in the Confirmation Order, nothing in this Section 7.2 shall be deemed to release any Residents Trust Beneficiary from any actions or omissions occurring prior to the Effective Date.h

7.3. Nonliability of Trustee and Residents Trust Advisory Board for Acts of Others. Except as provided herein, nothing contained in this Trust Agreement, the Plan, or the Confirmation Order shall be deemed to be an assumption by the Trustee, the Residents Trust Advisory Board (or its members), or the Trustee Professionals of any of the liabilities, obligations, or duties of the Debtors or shall be deemed to be or contain a covenant or agreement by the Trustee to assume or accept any such liability, obligations, or duty. Any successor Trustee, or Residents Trust Advisory Board member may accept and rely upon any accounting made by or on behalf of any predecessor Trustee hereunder, and any statement of representation made as to the assets comprising the Residents Trust Assets or as to any other fact bearing upon the prior administration of the Residents Trust, so long as it has a good faith basis to do so. The Trustee, and the Residents Trust Advisory Board members shall not be liable for having accepted and relied in good faith upon any such accounting, statement, or representation if it is later proved to be incomplete, inaccurate, or untrue. The Trustee or any successor Trustee, and Residents Trust Advisory Board members shall not be liable for any act or omission of any predecessor Trustee, or Residents Trust Advisory Board member, nor have a duty to enforce any claims against any predecessor Trustee, or Residents Trust Advisory Board member on account of any such act or omission, unless directed to do so by the Residents Trust Advisory Board. No provision of this Trust Agreement shall require the Trustee to expend or risk his or her personal funds or otherwise incur any financial liability in the performance of his or her rights or powers hereunder if the Trustee has reasonable grounds to believe that the payment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to him or her.

7.4. Exculpation. As of the Effective Date, the Trustee, the Trustee professionals, and any member of the Residents Trust Advisory Board shall be and hereby are exculpated by all Persons, including Residents Trust Beneficiaries, and other parties-in-interest, from any and all claims, causes of action, and other assertions of liability arising out of or related to the discharge of their respective powers and duties conferred by the Plan, this Trust Agreement, or any order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan, or applicable law or otherwise, except for actions or omissions to act that are determined by Final Order of the Bankruptcy Court to have arisen out of their own respective intentional fraud, criminal conduct, gross negligence, or willful misconduct. No Residents Trust Beneficiary, or other party-in-interest shall have or be permitted to pursue any claim or cause of action against the Trustee, the Residents Trust, the employees, professionals, or representatives of either the Trustee or the Residents Trust (including the Trustee Professionals) or the members of the Residents Trust Advisory Board, for making payments in accordance with, or for implementing, the provisions of the Plan, the Confirmation Order, and this Trust Agreement in good faith. Any action taken or omitted to be taken with the express approval of the Bankruptcy Court or the Residents Trust Advisory Board

shall conclusively be deemed not to constitute gross negligence or willful misconduct; provided, however, that, notwithstanding any provision herein to the contrary, the Trustee shall not be obligated to comply with a direction of the Residents Trust Advisory Board, whether or not express, which would result in a change to the distribution provisions of this Trust Agreement and the Plan.

7.5. Duties of the Members of the Residents Trust Advisory Board. The members of the Residents Trust Advisory Board shall owe a fiduciary duty to Residents Trust Beneficiaries as a whole and not to any individual Residents Trust Beneficiary. Members of the Residents Trust Advisory Board shall owe the same duties to the Residents Trust Beneficiaries as the duties owed by members of a committee established by Section 1102(a) of the Bankruptcy Code to their constituents.

7.6. Indemnity. The Trustee, the employees of the Residents Trust, the members of the Residents Trust Advisory Board, and their respective agents, employees, officers, directors, professionals, attorneys, accountants, advisors, representatives, and principals, including the Trustee Professionals (collectively, the "Indemnified Parties") shall be indemnified by the Residents Trust solely from the Residents Trust Assets for any losses, claims, damages, liabilities, and expenses occurring after the Effective Date, including reasonable attorneys' fees, disbursements, and related expenses which the Indemnified Parties may incur or to which the Indemnified Parties may become subject in connection with any action, suit, proceeding, or investigation brought by or threatened against one or more of the Indemnified Parties on account of the acts or omissions in their capacity as, or on behalf of, the Trustee or a member of the Residents Trust Advisory Board; provided, however, that the Residents Trust shall not be liable to indemnify any Indemnified Party for any act or omission arising out of such Indemnified Party's respective, fraud or willful misconduct as determined by a Final Order of the Bankruptcy Court. Notwithstanding any provision herein to the contrary, the Indemnified Parties shall be entitled to obtain advances from the Residents Trust to cover their reasonable expenses of defending themselves in any action brought against them as a result of the acts or omissions, actual or alleged, of an Indemnified Party in its capacity as such, except for any actions or omissions arising from their own respective willful misconduct or fraud; provided, however, that the Indemnified Parties receiving such advances shall repay the amounts so advanced to the Residents Trust immediately upon the entry of a Final Order finding that such Indemnified Parties were not entitled to any indemnity under the provisions of this Section 7.6. The foregoing indemnity in respect of any Indemnified Party shall survive the termination of such Indemnified Party from the capacity for which they are indemnified.

7.7. Compensation and Expenses. Subject to the approval of the Residents Trust Advisory Board, the Trustee shall receive compensation for its services, to be paid out of the Residents Trust Assets. In addition, the Trustee shall be entitled, with the approval of the Residents Trust Advisory Board to reimburse itself from the Residents Trust Assets on a monthly basis for all reasonable out-of-pocket expenses actually incurred in the performance of duties in accordance with this Trust Agreement and the Plan.

ARTICLE VIII.

SUCCESSOR RESIDENTS TRUSTEE

8.1. Resignation. The Trustee may resign from the Residents Trust by giving at least sixty (60) days prior written notice thereof to each member of the Residents Trust Advisory Board. Such resignation shall become effective on the later to occur of (a) the date specified in such written notice, and (b) the effective date of the appointment of a successor Trustee in accordance with Section 8.4 hereof and such successor's acceptance of such appointment in accordance with Section 8.5 hereof.

8.2. Removal. At any time the Residents Trust Advisory Board may remove the Trustee, including any successor Trustee. The Trustee shall continue to serve until a successor Trustee is appointed. The Trustee shall be entitled to all accrued but unpaid fees, expenses, and other compensation, to the extent incurred, arising or relating to events occurring before his or her removal or resignation, and to any out-of-pocket expenses reasonably incurred in connection with the transfer of all powers and duties and all rights to any successor Trustee.

8.3. Effect of Resignation or Removal. The resignation, removal, incompetency, bankruptcy, or insolvency of the Trustee shall not operate to terminate the Residents Trust or to revoke any existing agency created pursuant to the terms of this Trust Agreement, the Plan, or the Confirmation Order or invalidate any action theretofore taken by the Trustee. All fees and expenses properly incurred by the Trustee prior to the resignation, incompetency, or removal of the Trustee shall be paid from the Residents Trust, unless such fees and expenses are disputed by (a) the Residents Trust Advisory Board or (b) the successor Trustee, in which case the Bankruptcy Court shall resolve the dispute and any disputed fees and expenses of the predecessor Trustee that are subsequently allowed by the Bankruptcy Court shall be paid from the Residents Trust Assets. In the event of the resignation or removal of the Trustee, such Trustee shall: (i) promptly execute and deliver such documents, instruments, and other writings as may be reasonably requested by the successor Trustee or directed by the Bankruptcy Court to effect the termination of such Trustee's capacity under this Trust Agreement; (ii) promptly deliver to the successor Trustee all documents, instruments, records, and other writings related to the Residents Trust as may be in the possession of such Trustee; and (iii) otherwise assist and cooperate in effecting the assumption of its obligations and functions by such successor Trustee.

8.4. Appointment of Successor. In the event of the death, resignation, removal, incompetency, bankruptcy, or insolvency of the Trustee, a vacancy shall be deemed to exist and a successor shall be appointed by a majority of the Residents Trust Advisory Board. In the event that a successor Trustee is not appointed within thirty (30) days after the date of such vacancy, the Bankruptcy Court, upon its own motion or the motion of a Residents Trust Beneficiary or any member of the Residents Trust Advisory Board, shall appoint a successor Trustee.

8.5. Acceptance of Appointment by Successor Trustee. Any successor Trustee appointed hereunder shall execute an instrument accepting its appointment and deliver such instruments to the Residents Trust Advisory Board. Thereupon, such successor Trustee shall, without any further act, become vested with all the duties, powers, rights, title, discretion, and privileges of its predecessor in the Residents Trust with like effect as if originally named Trustee

and shall be deemed appointed pursuant to Bankruptcy Code section 1123(b)(3)(B). The resigning or removed Trustee shall duly assign, transfer, and deliver to such successor Trustee all property and money held by such resigning or removed Trustee hereunder and shall, as reasonably requested by such successor Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Trustee upon the trusts herein expressed, all the liabilities, duties, powers, rights, title, discretion, and privileges of such resigning or removed Trustee.

ARTICLE IX.

MISCELLANEOUS PROVISIONS

9.1. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to rules governing the conflict of laws.

9.2. Jurisdiction. Subject to the proviso below, the parties agree that the Bankruptcy Court shall have exclusive jurisdiction over the Residents Trust and the Trustee, including the administration and activities of the Residents Trust and the Trustee, and, pursuant to the Plan, the Bankruptcy Court has retained such jurisdiction; provided, however, that notwithstanding the foregoing, the Trustee shall have power and authority to prosecute any Cause of Action in any court of competent jurisdiction (including the Bankruptcy Court).

9.3. Severability. In the event any provision of this Trust Agreement or the application thereof to any person or circumstances shall be determined by a final, non-appealable judgment or order to be invalid or unenforceable to any extent, the remainder of this Trust Agreement or the application of such provision to persons or circumstances or in jurisdictions other than those as to or in which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Trust Agreement shall be valid and enforceable to the full extent permitted by law.

9.4. Notices. Any notice or other communication required or permitted to be made under this Trust Agreement shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if delivered personally, by email, sent by nationally recognized overnight delivery service or mailed by first-class mail:

i. If to the Trustee:

ii. If to the Debtors: POLSINELLI PC Jeremy Johnson 600 3rd Avenue, 42nd Floor New York, New York 10016 jeremy.johnson@polsinelli.com; and Trinitee G. Green 2950 N. Harwood Street, Suite 2100 Dallas, Texas 75201, tggreen@polsinelli.com

iii. If to the members of the Residents Trust Advisory Board:

9.5. Headings. The headings contained in this Trust Agreement are solely for convenience and reference and shall not affect the meaning or interpretation of this Trust Agreement or of any term or provision hereof.

9.6. Relationship to the Plan. The terms of this Trust Agreement are intended to supplement the terms provided by the Plan and the Confirmation Order, and therefore this Trust Agreement incorporates the provisions of the Plan and the Confirmation Order (which may amend or supplement the Plan). To the extent that there is a conflict between the provisions of this Trust Agreement, the provisions of the Plan, or the Confirmation Order, each document shall have controlling effect in the following rank order: (1) this Trust Agreement, (2) the Confirmation Order, and (3) the Plan.

9.7. Entire Trust Agreement. This Trust Agreement (including the recitals and annex hereto), the Plan, and the Confirmation Order constitute the entire agreement by and among the parties and supersede all prior and contemporaneous agreements or understandings by and among the parties with respect to the subject matter hereof.

9.8. Cooperation. The Debtors shall turn over or otherwise make available to the Trustee at no cost to the Residents Trust or the Trustee, all books and records reasonably required by the Trustee to carry out its duties hereunder, and agree to otherwise reasonably cooperate with the Trustee in carrying out its duties hereunder, subject to the confidentiality provisions herein to preserve the confidential nature of the Debtors' books and records.

9.9. Amendment and Waiver. Any provision of this Trust Agreement may be amended or waived by the Trustee with the consent of all members of the Residents Trust Advisory Board provided, however, that no change may be made to this Residents Trust Agreement that would adversely affect the distributions to be made under this Residents Trust Agreement to any of the Residents Trust Beneficiaries, or adversely affect the United States federal income tax status of the Residents Trust as a "liquidating trust." Notwithstanding this Section 9.9, any amendment to this Trust Agreement shall not be inconsistent with the purpose and intention of the Residents Trust to liquidate in an expeditious but orderly manner the Residents Trust Assets in accordance with Treasury Regulations section 301.7701-4(d) and Section 1.2 hereof.

9.10. Confidentiality. The Trustee and its employees, members, agents, professionals, and advisors, including the Trustee Professionals, and each member of the Residents Trust Advisory Board (each a "Confidential Party" and, collectively, the "Confidential Parties") shall hold strictly confidential and not use for personal gain any material, non-public information of which they have become aware in their capacity as a Confidential Party, of or pertaining to any Debtor to which any of the Residents Trust Assets relates; provided, however, that such information may be disclosed if (a) it is now or in the future becomes generally available to the public other than as a result of a disclosure by the Confidential Parties; or (b) such disclosure is required of the Confidential Parties pursuant to legal process including subpoena or other court order or other applicable laws or regulations. In the event that any Confidential Party is requested to divulge confidential information pursuant to this clause (b), such Confidential Party shall promptly, in advance of making such disclosure, provide reasonable notice of such required disclosure to the Trustee (or the Residents Trust Advisory Board in the case the Trustee is the disclosing party) to allow sufficient time to object to or prevent such disclosure through judicial

or other means and shall cooperate reasonably with the Trustee (or the Residents Trust Advisory Board, as applicable) in making any such objection, including appearing in any judicial or administrative proceeding in support of any objection to such disclosure.

9.11. Meanings of Other Terms. Except where the context otherwise requires, words importing the masculine gender include the feminine and the neuter, if appropriate, words importing the singular number shall include the plural number and vice versa and words importing persons shall include firms, associations, corporations, and other entities. All references herein to Articles, Sections, and other subdivisions, unless referring specifically to the Plan or provisions of the Bankruptcy Code, the Bankruptcy Rules, or other law, statute, or regulation, refer to the corresponding Articles, Sections, and other subdivisions of this Trust Agreement, and the words herein and words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section, or subdivision of this Trust Agreement. The term “including” shall mean “including, without limitation.”

9.12. Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed in original, but such counterparts shall together constitute but one and the same instrument. A facsimile or portable document file (PDF) signature of any party shall be considered to have the same binding legal effect as an original signature.

9.13. Intention of Parties to Establish a Liquidation Trust. As stated above, this Trust Agreement is intended to create a “liquidating trust” for United States federal income tax purposes within the meaning of Treasury Regulations section 301.7701-4(d), and, to the extent provided by law, shall be governed and construed in all respects as such a trust and any ambiguity herein shall be construed consistent herewith and, if necessary, this Trust Agreement may be amended to comply with such United States federal income tax laws, which amendments may apply retroactively. This Trust Agreement is not intended to create and shall not be interpreted as creating a corporation, association, partnership or joint venture of any kind for United States federal income tax purposes or for any other purposes.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement or caused this Trust Agreement to be duly executed by their respective officers, representatives, or agents, effective as of the date first written above.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____
Name: _____
Title: _____

SENIOR QUALITY LIFESTYLES CORPORATION

By: _____
Name: _____
Title: _____

**RESIDENTS TRUST
TRUSTEE**

Name: _____

**INITIAL RESIDENTS
TRUST ADVISORY BOARD**

Name: _____

Name: _____

Name: _____

APPROVED BY:

LIFESPACE COMMUNITIES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT B-2

Redline of Residents Trust Agreement

RESIDENTS TRUST AGREEMENT

This RESIDENTS TRUST AGREEMENT (the “Trust Agreement”) is made and entered into as of _____, 2023, by and among (a) Northwest Senior Housing Corporation and Senior Quality Lifestyles Corporation, in their capacities as debtors and debtors in possession and on behalf of themselves and their respective chapter 11 estates (each a “Debtor” and collectively, the “Debtors”), and (b) _____, as trustee of the Residents Trust (the “Residents Trustee” or the “Trustee”), so long as such individual continues in office, and all other individuals who have been duly elected and qualify as trustee of the Residents Trust hereunder pursuant to Section 1.5 or Article VIII hereof. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan (as defined below).

BACKGROUND

A. On April 14, 2022, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”).

B. On December 19, 2022, the Plan Proponents filed their *Third Amended Plan of Reorganization of the Plan Sponsors dated December 19, 2022* (as amended, confirmed, and/or modified from time to time, including by the Confirmation Order, the “Plan”); and their Third Amended Disclosure Statement in Support of the Third Amended Plan of Reorganization of the Plan Sponsors dated December 19, 2022 (as amended, confirmed, and/or modified from time to time, including by the Confirmation Order, the “Disclosure Statement”)

C. The Plan provides for the creation of a trust on the Effective Date to hold, manage, and administer the Residents Trust Assets and to distribute the proceeds thereof to the holders of Residents Trust Interests (the “Residents Trust Beneficiaries” or “Beneficiaries”) in accordance with the terms of this Trust Agreement, the Plan ~~(and~~, the Litespace Settlement Agreement attached to the ~~Plan~~ Disclosure Statement, and the Confirmation Order.

D. The Residents Trust is being created on behalf of, and for the benefit of, the Residents Trust Beneficiaries, who are Participating Former Residents and Participating Current Residents of Edgemere that hold Allowed Class 5 and Class 6 Refund Claims under the Plan, and who shall hold beneficial interests in the Residents Trust (“Residents Trust Interests”).

E. The Residents Trust is organized for the sole purpose of collecting and distributing the Residents Trust Assets, and not to conduct a trade or business except to the extent reasonably necessary to, and consistent with, the purpose of the Residents Trust.

F. This Residents Trust is intended to qualify as a “liquidating trust” under the Internal Revenue Code of 1986, as amended (the “IRC”) and the regulations promulgated thereunder (the “Treasury Regulations”), specifically Treasury Regulations section 301.7701-4(d) and, as such, as a “grantor trust” for United States federal income tax purposes pursuant to Treasury Regulations Section 1.671-4(a), with the Residents Trust Beneficiaries treated as the grantors and owners of the Residents Trust.

TRUST AGREEMENT

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, the Debtors and the Trustee agree as follows:

ARTICLE I.

DECLARATION OF TRUST

1.1. Creation of Trust. As of the Effective Date of the Plan, the Debtors and the Trustee, pursuant to the Plan and the Confirmation Order, and in accordance with the applicable provisions of chapter 11 of the Bankruptcy Code, hereby constitute and create the Residents Trust, which shall bear the name “Edgemere Residents Trust.” In connection with the exercise of the Trustee’s power hereunder, the Trustee may use this name or such variation thereof as the Trustee sees fit. The Edgemere Residents Trust shall be governed by the Texas Trust Code as the same may be amended from time to time (the “Trust Code”).

1.2. Purpose of Residents Trust. The purpose of the Residents Trust is to implement the terms of the Plan on behalf, and for the benefit of, the Residents Trust Beneficiaries, and to serve as a mechanism for collecting the contributions (the “Lifespace Contributions”) from Lifespace Communities Inc. (“Lifespace”) (~~the “Lifespace Contributions”~~) required under the Plan and Lifespace Settlement and Contribution Agreement dated December 14, 2022 as amended (the “Lifespace Settlement Agreement”), and distributing the Lifespace Contributions and earnings thereon in accordance with Treasury Regulations section 301.7701-4(d), with no objective to continue or engage in conduct or a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Residents Trust.

1.3. Transfer of Residents Trust Assets. On the Effective Date, the Debtors shall transfer, for the sole benefit of the Residents Trust Beneficiaries, pursuant to Bankruptcy Code sections 1123(a)(5)(B) and 1123(b)(3)(B), and in accordance with the Plan and the Confirmation Order, all of the Debtors’ rights, title and interests in the Lifespace Settlement Agreement, as amended from time to time, (together with Lifespace Contributions, the “Residents Trust Assets”) to the Residents Trust, free and clear of any and all liens, claims, encumbrances and interests (legal, beneficial, or otherwise) of all other entities to the maximum extent contemplated by and permissible under Bankruptcy Code section 1141(c). In this regard, the Residents Trust Assets will be treated as transferred, for United States federal as well as state and local income tax purposes, in the manner set forth pursuant to Section 5.2 of this Trust Agreement. The transfer of the Residents Trust Assets shall be exempt from any stamp, real estate transfer, mortgage reporting, sale, use or other similar tax, pursuant to section 1146(a) of the Bankruptcy Code. Upon delivery of all Residents Trust Assets to the Residents Trust, the Debtors shall be discharged and released from all liability with respect to the delivery of such assets, and exculpated as provided in the Plan. The Residents Trust Assets and all other property held from time to time by the Residents Trust under this Trust Agreement and any earnings, including interest, on any of the foregoing are to be applied by the Trustee in accordance with the terms hereof, the Plan, and the Confirmation Order for the benefit of the Residents Trust Beneficiaries, and for no other party, subject to the further covenants, conditions, and terms hereinafter set forth. In the event of any conflict among this Trust

Agreement, the Plan and the Confirmation Order, the provisions of Section 9.6 of this Trust Agreement shall control.

1.4. Funding of Residents Trust

a) Residents Trust Operations. On the Effective Date, the Residents Trust shall be funded by an assignment of all of the Debtors' rights, title and interests in the Lifespace Settlement Agreement. The Lifespace Contributions thereunder and earnings thereon shall be used exclusively for the following purposes: (i) to maintain the value of the Residents Trust Assets; (ii) to pay the reasonable and necessary administrative expenses of the Residents Trust, including, but not limited to, (a) the Trustee fees, compensation and expenses, (b) the reasonable costs and expenses incurred or anticipated to be incurred by the Trustee (including reasonable fees, costs and expenses incurred or anticipated to be incurred by professionals retained by the Trustee), (c) the reasonable costs and expenses incurred or anticipated to be incurred by the Residents Trust Advisory Board and its members (including reasonable fees, costs and expenses incurred or anticipated to be incurred by professionals retained by the Residents Trust Advisory Board but excluding the fees, costs and expenses of professionals retained by Residents Trust Advisory Board members individually), (d) any taxes imposed on the Residents Trust in respect of the Residents Trust Assets, (e) the reasonable fees and expenses incurred or anticipated to be incurred in connection with, arising out of or related to the Residents Trust Assets and any litigation associated therewith, and (f) other costs and expenses contemplated by this Trust Agreement; and (iii) to make distributions to the Residents Trust Beneficiaries.

b) Reserve. Prior to any distributions to the Residents Trust Beneficiaries, the Trustee shall withhold funds for the payment of reasonable Residents Trust expenses and Life Care Subsidy payments.

1.5. Appointment and Acceptance of Trustee. As set forth in the Confirmation Order, the members of the Residents Trust Advisory Board hereby designate _____ to serve as the initial Trustee under the Plan. The Trustee accepts the Residents Trust created by this Trust Agreement and the grant, assignment, transfer, conveyance, and delivery by the Debtors of all of their respective right, title, and interest in the Residents Trust Assets, upon and subject to the terms and conditions set forth herein, in the Plan, and in the Confirmation Order, to the Trustee, on behalf, and for the benefit, of the Residents Trust Beneficiaries. The Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purpose of the Residents Trust within the limitations set forth herein, including the Treasury Regulations and the Trust Code, and shall for all purposes hereunder be acting in the capacity as Trustee, and not individually.

1.6. Collection of the Residents Trust Assets. The Trustee shall, in an expeditious but commercially reasonable manner and subject to the provisions of the Plan, the Confirmation Order, and the Lifespace Settlement Agreement, collect Lifespace Contributions and make timely distributions to Residents Trust Beneficiaries in an amount up to their Allowed Refund Claims in the Debtors bankruptcy proceedings in accordance with the terms hereof and the Plan (and the Lifespace Settlement Agreement attached to the [Plan](#)) [Disclosure Statement](#), and shall not unduly prolong the existence of the Residents Trust. The Trustee shall exercise reasonable business judgment and in the collection and distribution of the Residents Trust Assets. The Residents Trust

Advisory Board must approve any (i) sale, transfer, assignment, abandonment, or other disposition of Residents Trust Assets with an asserted value equal to or in excess of \$100,000; (ii) settlement or compromise of any claim of the Residents Trust; or (iii) settlement or compromise of an objection to a Class 5 and/or Class 6 Claim which would result in an Allowed Class 5 and/or Class 6 Claim equal to or in excess of \$100,000. The Trustee may incur any reasonable and necessary expense in connection with the collection and conversion of the Residents Trust Assets into Cash or in connection with the administration of the Residents Trust and, subject to the approval of the Residents Trust Advisory Board, such expenses shall be deducted from the Residents Trust Assets.

1.7. No Reversion to Debtors. In no event shall any part of the Residents Trust Assets revert to or be distributed to any Debtor or Reorganized Debtor.

1.8. Incidents of Ownership. The Residents Trust Beneficiaries shall be the sole beneficiaries of the Residents Trust and the Residents Trust Assets, and the Trustee shall retain only such incidents of ownership as are necessary to undertake the actions and transactions authorized herein, in the Plan, and in the Confirmation Order, including those powers set forth in Section 6.2 hereof.

ARTICLE II.

RESIDENTS TRUST BENEFICIARIES

2.1. Conflicting Claims. If any conflicting claims or demands are made or asserted with respect to a Class 5 or Class 6 Claim, or to a Residents Trust Interest or a distribution to a Residents Trust Beneficiary, the Trustee shall be entitled, at the direction and with the approval of the Residents Trust Advisory Board, to refuse to comply with any such conflicting claims or demands. In so refusing, the Trustee, at the direction and with the approval of the Residents Trust Advisory Board, may elect to make no payment or distribution with respect to the Residents Trust Interest subject to the claims or demands involved, or any part thereof, and the Trustee shall refer such conflicting claims or demands to the Bankruptcy Court, which shall have exclusive jurisdiction over resolution of such conflicting claims or demands. In so doing, the Trustee shall not be or become liable to any party for its refusal to comply with any of such conflicting claims or demands. The Trustee shall be entitled to refuse to act until either (i) the rights of the adverse claimants have been adjudicated by a Final Order of the Bankruptcy Court (or such other court of proper jurisdiction) or (ii) all differences have been resolved by a written agreement among all of such parties and the Trustee, which agreement shall (x) include a complete release of the Residents Trust and the Trustee, and (y) be subject to the approval of the Residents Trust Advisory Board if the proposed agreement results in a Class 5 or Class 6 Claim Allowed Claim equal to or in excess of \$100,000 (the occurrence of either (i) or (ii) of this Section 2.1 being referred to as a “Dispute Resolution”). Promptly after a Dispute Resolution is reached, the Trustee shall transfer the payments and distributions, in accordance with the terms of such Dispute Resolution, the Plan and this Trust Agreement.

2.2. Rights of Residents Trust Beneficiaries. Each Residents Trust Beneficiary shall be entitled to participate in the rights and benefits due to a Residents Trust Beneficiary hereunder according to the terms of its Residents Trust Interest. The Residents Trust Interest of a Residents Trust Beneficiary is hereby declared and shall be, in all respects, personal property. Except as

expressly provided hereunder, a Residents Trust Beneficiary shall have no title to, right to, possession of, management of or control of the Residents Trust or the Residents Trust Assets or to any right to call for a partition or division of such assets or to require an accounting. No surviving spouse, heir, or devisee of any deceased Residents Trust Beneficiary shall have any right of dower, homestead, or inheritance, or of partition, or any other right, statutory or otherwise, in the Residents Trust Assets, but the whole title to the Residents Trust Assets shall be vested in the Trustee and the sole interest of the Residents Trust Beneficiaries shall be the rights and benefits given to such person under this Trust Agreement and the Plan.

2.3. Evidence of Residents Trust Interest. Ownership of a Residents Trust Interest in the Residents Trust will be evidenced by the allowance of a Claim against the Debtors by a Participating Former Residents and Participating Current Resident pursuant to the terms of the Plan. Any Participating Former Resident and Participating Current Resident that is a holder of an Allowed Claim under Class 5 or Class 6 of the Plan shall hold a percentage in the Residents Trust Interest (as indicated on Appendix B) equal to the proportion of the underlying Allowed Claim's value to the total value of all Allowed Claims in Class 5 and Class 6 Claims under the Plan. A Residents Trust Beneficiary shall be deemed a "holder of record" (hereinafter "Holder") of such Residents Trust Beneficiary's Residents Trust Interest(s) for purposes of all applicable United States federal and state laws, rules, and regulations.

2.4. Transfers of Residents Trust Interests.

a) General. Residents Trust Interests shall not be transferable or assignable except by will, intestate succession, or operation of law.

b) Residents Trust Interests Registry. Any transfer or assignment of a Residents Trust Interest by will, intestate succession, or operation of law shall not create any rights in the assignee or transferee under this Trust Agreement unless and until such transfer or assignment of the respective interest is recorded in the registry maintained by the Trustee, which shall be completed as soon as practicable after transfer or assignment. Subject to Section 2.4(d), the entries in the Registry shall be conclusive evidence of ownership of a Residents Trust Interest absent manifest error, and the Residents Trust and the Trustee shall treat each person whose name is recorded in the registry pursuant to the terms hereof as the owner of Residents Trust Interests for all purposes of this Trust Agreement, notwithstanding notice to the contrary. The Residents Trust shall maintain, or cause the agent of the Residents Trust to maintain, a register (which may be electronic) setting forth the names and addresses of the ~~Trustee~~-Beneficiaries, and the amount of their Residents Trust Interests from time to time.

c) Registration. If the Trustee, upon advice of counsel, determines that any class of Residents Trust Interests may be subject to registration pursuant to section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Trustee shall pursue relief from such registration by obtaining either an exemptive order, a no-action letter, or an interpretive letter from the Securities and Exchange Commission or its staff or, absent its ability to achieve that objective or in lieu thereof, shall register such class pursuant to section 12 of such statute (it being understood and agreed that the Trustee with the approval of the Residents Trust Advisory Board shall be authorized, among other things, to register such class and to seek relief from one or more of the requirements then applicable subsequent to such registration and to de-register such

class). Any expenses that are associated with such application for relief and/or registration shall be deducted from the Residents Trust Assets.

d) Further Limitations on Transfer. Notwithstanding any other provision to the contrary, the Trustee may disregard any purported transfer or assignment of Residents Trust Interests by will, intestate succession, or operation of law if sufficient necessary information (as reasonably determined by the Trustee), including applicable tax-related information, is not provided by such purported transferee or assignee to the Trustee.

2.5. Limited Liability. No provision of this Trust Agreement, the Plan, or the Confirmation Order, and no mere enumeration herein of the rights or privileges of any Residents Trust Beneficiary, shall give rise to any liability of such Residents Trust Beneficiary solely in its capacity as such, whether such liability is asserted by any Debtor, by creditors, employees, or equity interest holders of any Debtor, or by any other Person. Residents Trust Beneficiaries are deemed to receive the Residents Trust Assets in accordance with the provisions of this Trust Agreement, the Plan, and the Confirmation Order in exchange for the Allowed Class 5 and Class 6 Refund Claims of Participating Former Residents and Participating Current Residents, without further obligation or liability of any kind, but subject to the provisions of this Trust Agreement and the Plan.

ARTICLE III.

DURATION AND TERMINATION OF RESIDENTS TRUST

3.1. Duration. The Residents Trust shall become effective upon the Effective Date of the Plan and shall have an initial term of eighteen (18) years from the Effective Date; provided, however, that, if warranted by the facts and circumstances, the Residents Trust Advisory Board may limit or extend the term of the Residents Trust.

3.2. Dissolution of the Residents Trust. The Trustee and the Residents Trust shall be discharged or dissolved earlier, as the case maybe, on the earlier to occur of (i) all of the Residents Trust Assets having been distributed pursuant to the Plan and this Trust Agreement, (ii) the Trustee having determined, with the approval of the Residents Trust Advisory Board, that the administration of any remaining Residents Trust Assets is not likely to yield sufficient additional Residents Trust proceeds to justify further pursuit, or (iii) conclusion of the Residents Trust as provided by Section 4.1.

3.3. Continuation of Residents Trust for Winding Up. After the dissolution of the Residents Trust and solely for the purpose of liquidating and winding up the affairs of the Residents Trust, the Trustee shall continue to act as such until its duties have been fully performed. Upon distribution of all the Residents Trust Assets, the Trustee shall retain the books, records, and files that shall have been delivered to or created by the Trustee. All such records and documents may be destroyed at any time following the date that is three (3) years after the final distribution of the Residents Trust Assets. Nothing herein shall be deemed to abridge any agreement(s) to which the Trustee may be party that expressly provides for further retention of such documents and records.

ARTICLE IV.

ADMINISTRATION OF RESIDENTS TRUST

4.1. Payment of Trustee Fees, Expenses, and Liabilities. Except as otherwise provided herein, the Trustee shall use proceeds from the Residents Trust Assets (i) to pay compensation to the Trustee as approved by the Residents Trust Advisory Board, (ii) to pay reasonable costs and expenses of the Residents Trust that are incurred (including any taxes imposed on the Residents Trust, the actual reasonable out-of-pocket fees and expenses incurred by Trustee professionals in connection with the administration and liquidation of the Residents Trust Assets, as provided in Section 6.7 herein, and the preservation of books and records of the Residents Trust); (iii) to satisfy other obligations or other liabilities incurred or assumed by the Residents Trust (or to which the Residents Trust Assets are otherwise subject) in accordance with the Plan, the Confirmation Order, or this Trust Agreement, including fees and costs incurred in connection with the collection protection, preservation, liquidating, and distribution of the Residents Trust Assets and the costs of investigating, prosecuting, resolving, or settling any litigation or cause of action; (iv) as reasonably necessary to meet contingent liabilities and to maintain the value of the Residents Trust Assets during collection and liquidation; and (v) to satisfy any other obligations of the Residents Trust expressly set forth in the Plan, this Trust Agreement, and the Confirmation Order.

4.2. Distributions.

a) Generally. Except as otherwise provided in the Plan or this Trust Agreement, the Trustee shall make distributions of Residents Trust Assets to the Residents Trust Beneficiaries qualified to receive distributions from the Residents Trust for (i) Tax Distributions (defined below), (ii) any Life Care Subsidy amounts (as defined in section 6(e) of the Lifespace Settlement Agreement attached to the Plan Disclosure Statement), and (iii) in the amount of their respective Allowed Refund Claims (less any previous distributions to such resident of Life Care Subsidy amounts) when the Trustee, in its sole discretion, determines such distribution appropriate and required pursuant to the terms and provisions of the Plan, the Confirmation Order and this Trust Agreement, subject to the Trustee's duty to confer on such matters with the Residents Trust Advisory Board. The Trustee shall have discretion to determine when a Life Care Subsidy is appropriate and when a Refund Trigger Date has occurred pursuant to the purpose and spirit of the Lifespace Settlement Agreement and this Trust Agreement, subject to the Trustee's duty to confer on such matters with the Residents Trust Advisory Board. The Trustee may postpone any distribution if the Trustee determines that a distribution is impracticable under the circumstances, or the amount of such distribution would be too small to justify the administrative costs associated with making it. The Trustee shall not unduly prolong the duration of the Residents Trust.

b) Trust Interests; Allocation and Payment of Distributions. Each Residents Trust Beneficiary's (i) share of the Residents Trust Interests (including any Cash and other property to be received on account of any Residents Trust Interest) shall be owned by the Residents Trust Beneficiaries, and (ii) share of the Residents Trust Assets shall be allocated and distributed to the Residents Trust Beneficiaries, in each case in accordance with the Plan, the Confirmation Order and this Trust Agreement.

c) De Minimis Distributions. No Distribution shall be required to be made pursuant to the Plan and this Trust Agreement to any Residents Trust Beneficiary unless such Residents Trust Beneficiary is to receive in such Distribution at least \$500.00, or unless such Distribution is the final distribution to such Residents Trust Beneficiary pursuant to the Plan and this Trust Agreement. Any such distribution shall be retained by the Trustee and invested as provided in the Plan and this Trust Agreement. Any distribution not made to such Residents Trust Beneficiary, shall be held in trust for the relevant Residents Trust Beneficiary until the earlier of (x) the date the next distribution made to such Residents Trust Beneficiary; provided, however, that such subsequent Distribution, taken together with amounts retained hereby, equals at least \$500.00, or (y) is the final distribution to such Residents Trust Beneficiary.

4.3. Undeliverable Distributions. If the distribution to any Residents Trust Beneficiary is returned to the Trustee as undeliverable or is otherwise an Unclaimed Distribution, no further ~~Distributions~~[distributions](#) shall be made to such Residents Trust Beneficiary unless and until the Trustee is notified in writing of such Residents Trust Beneficiary's then-current address, at which time all missed distributions shall be made to such Residents Trust Beneficiary without interest. The Trustee and the Residents Trust shall not be under any obligation to attempt to determine a Residents Trust Beneficiary's then-current address.

4.4. Treatment of Unclaimed Distributions. Any Residents Trust Beneficiary that does not assert a claim for an unclaimed distribution or negotiate a distribution within three (3) after an attempted distribution shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for an unclaimed distribution against the Debtors, the Trustee, the Residents Trust, and their respective agents, attorneys, representatives, employees or independent contractors, or any of its and their property. In such cases, any Cash otherwise reserved for unclaimed distributions shall become the property of the Residents Trust free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary and shall be distributed pursuant to the terms of this [Trust](#) Agreement. Nothing contained in the Plan or this Residents Trust Agreement shall require the Trustee to attempt to locate any Residents Trust Beneficiary; provided, however, that the Trustee, in its sole discretion, may publish notice of unclaimed distributions.

4.5. Remaining Residents Trust Assets Upon Dissolution of the Residents Trust. The Residents Trust Beneficiaries shall receive distributions in an amount up to, but not exceeding, the amount of their respective Allowed Refund Claims, with no interest thereon. All assets, if any, remaining in the Residents Trust after distributions to Residents Trust Beneficiaries as required under the Plan, the Confirmation Order, and this [Trust](#) Agreement may be, at the discretion of the Residents Trust Advisory Board, either (i) distributed to the then owner of the Edgemere Community to be used for the benefit of residents at Edgemere, or (ii) donated to any other charitable organization.

4.6. Setoffs of Life Care Subsidy Payments. Pursuant to the terms of the Plan, the Trustee may deduct and set off all amounts advanced to such Residents Trust Beneficiary as a Life Care Subsidy against any distribution to be made to a Residents Trust Beneficiary hereunder (before any distribution is made on account of such Residents Trust Interest by the Trustee).

4.7. Compliance with Laws. Any and all distributions of Residents Trust Assets shall be in compliance with applicable laws, including applicable federal and state tax and securities laws, except as otherwise set forth in this Trust Agreement.

4.8. Fiscal Year. Except for the first and last years of the Residents Trust, the fiscal year of the Residents Trust shall be the calendar year. For the first and last years of the Residents Trust, the fiscal year of the Residents Trust shall be such portion of the calendar year that the Residents Trust is in existence.

4.9. Books and Records. The Trustee shall retain and preserve the Debtors' books, records, and files that have been delivered to or created by the Trustee. Subject to Section 3.3 hereof, the Trustee shall maintain, in respect of the Residents Trust and the Residents Trust Beneficiaries and all other parties who are to receive distributions under this Trust Agreement, books and records relating to the assets and the income of the Residents Trust and the payment of expenses of, liabilities of, and claims against or assumed by, the Residents Trust and the Trustee, in such detail and for such period of time as may be necessary to enable it to make full and proper reports in respect thereof in accordance with the provisions of this Trust Agreement and applicable provisions of law, including to applicable tax, securities and other federal and state laws. Except as otherwise provided herein or in the Plan, nothing in this Trust Agreement requires the Trustee to file any accounting or seek approval of any court with respect to the administration of the Residents Trust, or as a condition for making any payment or distribution out of the Residents Trust Assets. The Trustee shall provide any member of the Residents Trust Advisory Board with access to such books and records during normal business hours as may be reasonably requested with five (5) days' advance notice. Residents Trust Beneficiaries shall have the right upon thirty (30) days' prior written notice delivered to the Trustee to inspect such books and records; provided, that, if so requested, all costs associated with such inspection shall be paid in advance by such requesting Residents Trust Beneficiary and such Residents Trust Beneficiary shall have entered into a confidentiality agreement reasonably satisfactory in form and substance to the Trustee.

4.10. Cash Payments. All distributions required to be made by the Trustee to the Residents Trust Beneficiaries shall be made in Cash denominated in United States dollars by checks drawn on a domestic bank selected by the Trustee or, at the option of the Trustee, by wire transfer from a domestic bank selected by the Trustee or as otherwise required or provided in applicable agreements; provided, however, that Cash payments to foreign holders of Residents Trust Interests may be made, at the option of the Trustee, in such funds as and by such means as are necessary or customary in a particular foreign jurisdiction.

4.11. Insurance. The Residents Trust may, to the extent deemed necessary or advisable by the Trustee, maintain customary insurance coverage for the protection of the Trustee and the members.

4.12. Reports.

a) The Trustee shall deliver reports to members of the Residents Trust Advisory Board not later than thirty (30) days following the end of each fiscal year. Such reports shall specify in reasonable detail (i) the status of any causes of action, claims, and litigation involving the Residents Trust or the Residents Trust Assets, including any settlements entered into

by the Residents Trust, (ii) the costs and expenses of the Residents Trust that are incurred (including any actual reasonable out-of-pocket fees and expenses incurred by Trustee professionals in connection with the administration and liquidation of the Residents Trust Assets during the preceding fiscal year), (iii) the amounts listed in clause (ii) incurred since the Effective Date, (iv) the amount of Cash and other assets received by the Residents Trust during the prior fiscal year, (v) the aggregate amount of Cash and other assets received by the Residents Trust since the Effective Date, (vi) the aggregate amount of distributions from the Residents Trust to the Residents Trust Beneficiaries since the Effective Date, and (vii) such other information as the Residents Trust Advisory Board may reasonably request from time to time. The Trustee shall also timely prepare, file, and distribute such additional statements, reports, and submission (A) as may be necessary to cause the Residents Trust and the Trustee to be in compliance with applicable law or (B) as may be otherwise reasonably requested from time to time by the Residents Trust Advisory Board.

ARTICLE V.

TAX MATTERS

5.1. Tax Treatment. For all United States federal income tax purposes, all parties (including, without limitation, the Debtors, the Trustee and the Residents Trust Beneficiaries) will treat the Residents Trust as a “liquidating trust” within the meaning of section 301.7701-4(d) of the Treasury Regulations.

5.2. Residents Trust Assets Treated as Owned by Residents Trust Beneficiaries. For all United States federal income tax purposes, all parties (including the Debtors, the Trustee, and the Residents Trust Beneficiaries) generally will be required to treat the transfer of the Residents Trust Assets to the Residents Trust as (1) a transfer of the Residents Trust Assets directly to the Residents Trust Beneficiaries and, to the extent Residents Trust Assets are allocable to Disputed Claims, to a Disputed Claims reserve, followed by (2) the transfer by such beneficiaries to the Residents Trust of the Residents Trust Assets in exchange for Residents Trust Interests. Accordingly, the Residents Trust Beneficiaries shall be treated for United States federal income tax purposes as the grantors and owners of their respective share of the Residents Trust Assets (other than such Residents Trust Assets as are allocable to the Disputed Claims Reserve, discussed below) and the earnings thereon. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

5.3. Tax Reporting.

a) The Trustee shall file (or cause to be filed) all Tax Returns for the Residents Trust treating the Residents Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this Article V. The Trustee also will annually send to each Residents Trust Beneficiary a separate statement regarding the receipts and expenditures of the Residents Trust as relevant for United States federal income tax purposes and will instruct all such Residents Trust Beneficiaries to use such information in preparing their United States federal income tax returns or to forward the appropriate information to such Residents Trust Beneficiary’s tax return preparer, with instructions to utilize such information in preparing their United States federal income tax returns. The Trustee shall also file (or cause to be filed) any other statement, return, or disclosure relating to the Residents Trust that is required by any governmental unit.

b) Taxable income and taxable losses shall be allocated to each Residents Trust Beneficiary in proportion to the amount of their unpaid Allowed Refund Claim as of December 31st of each taxable year divided by the total unpaid Allowed Refund Claims of all Residents Trust Beneficiaries as of December 31st of each taxable year. Within ninety (90) days after the last day of each calendar year during which this Trust Agreement remains in effect, to the extendextent of available funds, the Trustee shall distribute to each Residents Trust Beneficiary an amount equal to the product of (i) any net taxable income of the Residents Trust for the previous calendar year that is allocated to such Residents Trust Beneficiary as provided in Section __, multiplied by (ii) 37% (the "Tax Distributing").

c) The Trustee shall be responsible for payment, out of the Residents Trust Assets, any taxes imposed on the Residents Trust or its assets.

d) The Trustee may request an expedited determination of taxes of the Residents Trust under section 505(b) of the Bankruptcy Code for all Tax Returns filed for, or on behalf of, the Residents Trust for all taxable periods through the dissolution of the Residents Trust.

5.4. Tax Withholdings by Trustee. The Trustee shall withhold and pay to the appropriate tax authority all amounts required to be withheld pursuant to the IRC or any provision of any foreign, state, or local tax law with respect to any payment or distribution to the Residents Trust Beneficiaries. All such amounts withheld and paid to the appropriate tax authority (or placed in escrow pending resolution of the need to withhold) shall be treated as amounts distributed to such Residents Trust Beneficiary for all purposes of the Trust Agreement. The Trustee shall be authorized to collect such tax information from the Residents Trust Beneficiaries (including without limitation, social security numbers or other tax identification numbers) as the Trustee deems necessary to effectuate the Plan, the Confirmation Order, and the Trust Agreement. In order to receive distributions under the Plan, all Residents Trust Beneficiaries shall be required to identify themselves to the Trustee and provide tax information and the specifics of their holdings, to the extent the Trustee deems appropriate in the manner and in accordance with the procedures from time to time established by the Trustee for these purposes. This identification requirement generally applies to all Residents Trust Beneficiaries, including those who hold their Claims in "street name." The Trustee may refuse to make a distribution to any Residents Trust Beneficiary that fails to furnish such information in a timely fashion, and until such information is delivered may treat such Residents Trust Beneficiary's Residents Trust Interests as disputed; provided, however, that, upon the delivery of such information by a Residents Trust Beneficiary, the Trustee shall make such distribution to which the Residents Trust Beneficiary is entitled, without additional interest occasioned by such Residents Trust Beneficiary's delay in providing tax information; and, provided, further, that, if such information is not furnished to the Trustee within six (6) months of the original request to furnish such information, no further distributions shall be made to the Residents Trust Beneficiary; and, provided, further, that, if the Trustee fails to withhold in respect of amounts received or distributable with respect to any such Residents Trust Beneficiary and the Trustee is later held liable for the amount of such withholding, such Residents Trust Beneficiary shall reimburse the Trustee for such liability (to the extent such amounts were actually distributed to such Residents Trust Beneficiary).

ARTICLE VI.

POWERS AND LIMITATIONS ON THE TRUSTEE

6.1. Trustee. References herein to the Trustee shall refer to the individual serving as the Trustee solely in its capacity as trustee hereunder. Subject to Article VIII hereof, the Trustee shall hold office until the termination of the Residents Trust in accordance with the terms set forth herein.

6.2. Powers of the Trustee.

a) Pursuant to the terms of the Plan, the Confirmation Order, and this Trust Agreement, the Trustee shall have various powers, duties, and responsibilities concerning the collection of Residents Trust Assets, the prosecution of litigation claims to collect Residents Trust Assets, the resolution of disputed Class 5 and Class 6 ~~claims~~Claims against the Debtors' Estates, the administration of the Residents Trust and the Residents Trust Assets, and to make ~~Distributions~~distributions to the Residents Trust Beneficiaries in accordance with the Plan, the Confirmation Order, and this Trust Agreement.

b) The Trustee shall have only such rights, powers, and privileges expressly set forth in the Confirmation Order, the Plan, and this Trust Agreement and as otherwise provided by applicable law. Subject to the oversight and approvals by and of the Residents Trust Advisory Board when required herein, the Trustee shall be expressly authorized to undertake the following actions:

i. To exercise all power and authority that may be or could have been exercised, commence all proceedings that may be or could have been commenced and take all actions that may be or could have been taken by the Debtors or any trustee appointed for any Debtor to collect amounts owed by Lifespace under the Lifespace Settlement Agreement;

ii. To open and maintain bank and other deposit accounts, escrows and other accounts, calculate and make distributions of Residents Trust Assets as provided for or contemplated by the Plan, the Confirmation Order, and this Trust Agreement, and take other actions consistent with the Plan and the implementation thereof in the name of the Trustee, even in the event of the dissolution of the Debtors;

iii. To collect, sell, liquidate or otherwise dispose of all Residents Trust Assets pursuant to the Plan, subject to approval by the Residents Trust Advisory Board in the event that a particular Residents Trust Asset is valued at or in excess of \$100,000 and, to make distributions of Residents Trust Assets;

iv. Subject to the prior approval of the Residents Trust Advisory Board to borrow funds, and to also take all actions necessary to preserve and maximize the value of the Residents Trust Assets;

v. To object to any Class 5 or Class 6 Claims asserted in the Debtors bankruptcy proceedings (disputed or otherwise), and to defend, compromise and/or settle any Class 5 and Class 6 Claims prior to or following objection without the necessity of approval of the

Court, subject to approval by the Residents Trust Advisory Board if any such settlement or compromise results in an Allowed Class 5 and Class 6 Claim equal to or in excess of \$100,000;

vi. To make decisions, after consultation with and approval by the Residents Trust Advisory Board, regarding the retention or engagement of professionals, employees and consultants (generally, “Residents Trust Professionals”) by the Residents Trust and to pay, from the Residents Trust Assets, the charges incurred by the Residents Trust on or after the Effective Date for services of professionals in excess of \$20,000 [See Section 6.3(b)(ii)] upon approval of the Residents Trust Advisory Board, without application to the Court (nothing herein shall prohibit the retention of Foley & Lardner LLP or Ankura, former professionals retained by the Official ~~Unsecure~~Unsecured Creditors Committee (the “Committee”), as professionals for the Residents Trust);

vii. To determine, after consultation with the Residents Trust Advisory Board, ~~whether~~when a Life Care Subsidy payment is appropriate and when a Refund Trigger Date has occurred or should be deemed to have occurred ~~in unique and unforeseen circumstances~~pursuant to the purpose and spirit of the Lifespace Settlement Agreement and this Agreement;

viii. To cause, on behalf of the Residents Trust, to prepare and file all necessary tax returns and all other appropriate or necessary documents related to municipal, State, Federal or other tax law;

ix. To invest Cash ~~in accordance with section 345 of the Bankruptcy Code or as otherwise~~as permitted by a Final Order of the Court ~~as deemed appropriate by the Trustee~~and in accordance with the investment and deposit guidelines set forth in this Trust Agreement;

x. To enter into any agreement or execute any instrument or document required by or consistent with the Plan and perform all of the obligations of the Trustee hereunder;

xi. To abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization approved by the Residents Trust Advisory Board, any Residents Trust Assets that the Trustee determines too impractical to distribute; ~~provided, however, that Court approval, upon notice and a hearing, shall be required for any abandonment or donation of assets with a value of ten thousand dollars (\$10,000) or more~~;

xii. To use Residents Trust Assets to purchase or create and maintain all appropriate insurance policies, bonds or other means of assurance and protection of the Residents Trust Assets and pay all reasonable insurance premiums and other costs he or she deems necessary or advisable to insure the acts and omissions of the Trustee, and if appropriate, the Residents Trust Advisory Board;

xiii. To implement and enforce all provisions of the Plan, subject to the advice of the Residents Trust Advisory Board;

xiv. To maintain appropriate books and records (including financial books and records) to govern the collection and distribution of the Residents Trust Assets,

provided, however, that any abandonment or destruction of books and records shall require Residents Trust Advisory Board approval, unless otherwise provided herein;

xv. Subject to approval of the Residents Trust Advisory Board, to dissolve the Residents Trust if the Trustee determines, in reasonable reliance on such professionals as it may retain, that the expense of administering the Residents Trust so as to make a final distribution to Trust Beneficiaries is likely to exceed the value of the remaining Residents Trust Assets; and

xvi. To do all other acts or things consistent with the provisions of the Plan that the Trustee deems reasonably necessary or desirable with respect to implementing the Plan.

c) Except as otherwise provided in this Trust Agreement, the Trustee will not be required to obtain the order or approval of the Bankruptcy Court, or any other court of competent jurisdiction in, or account to the Bankruptcy Court or any other court of competent jurisdiction for, the exercise of any right, power, or privilege conferred hereunder. Notwithstanding the foregoing, where the Trustee determines that it is necessary, appropriate, or desirable, the Trustee will have the right to submit to the Bankruptcy Court any question or questions regarding any specific action proposed to be taken by the Trustee with respect to this Trust Agreement, the Residents Trust, or the Residents Trust Assets, including the administration and distribution of Residents Trust Assets and the termination of the Residents Trust. Pursuant to the Plan, the Bankruptcy Court has retained jurisdiction for such purposes and may approve or disapprove any such proposed action upon motion by the Trustee.

6.3. Limitations on Trustee.

a) The Trustee shall, on behalf of the Residents Trust, hold the Residents Trust out as a trust in the process of collection and liquidation and not as an investment company. The Trustee shall be restricted to the liquidation of the Residents Trust Assets on behalf, and for the benefit, of the Residents Trust Beneficiaries and the distribution and application of the Residents Trust Assets for the purposes set forth in, and the conservation and protection of the Residents Trust Assets and the administration thereof in accordance with, the provisions of this Trust Agreement, the Plan, and the Confirmation Order. In no event shall the Trustee receive any property, make any distribution, satisfy or discharge any claims, expenses, charges, liabilities and obligations or otherwise take any action which would jeopardize the status of the Residents Trust as a "liquidating trust" for United States federal income tax purposes within the meaning of Treasury Regulations Section 301.7701-4(d). This limitation shall apply irrespective of whether the conduct of any such actions is deemed by the Trustee to be necessary or appropriate for the conservation and protection of the Trust Assets.

b) Notwithstanding anything in this Trust Agreement to the contrary, the Trustee shall submit to the Residents Trust Advisory Board for its approval the following matters and any other matters that expressly or reasonably require the approval of the Residents Trust Advisory Board pursuant to the other terms of this Trust Agreement:

i. The retention or engagement of any Trustee professionals;

- ii. Any payment to the Trustee or any Trustee professionals for fees and expenses in excess of twenty thousand dollars (\$20,000.00);
 - iii. Any settlement of any litigation or causes of action involving an amount in controversy equal to or in excess of \$100,000;
 - iv. Any borrowing of funds;
 - v. Any incurrence of any cost, expense, or fee in excess of \$100,000;
- and
- vi. The dissolution of the Residents Trust.

The foregoing shall not limit the Trustee's ability to make determinations and take actions regarding compliance with tax withholding requirements (including remittances).

6.4. Establishment of Residents Trust Advisory Board.

a) The "Residents Trust Advisory Board" means the board appointed by the ~~Official Unsecured Creditors'~~ Committee in the Debtors' bankruptcy proceeding to exercise the duties set forth in this Trust Agreement, which duties shall be (i) to oversee the collection and distribution of the Residents Trust Assets by the Trustee in accordance with this Trust Agreement, the Plan, and the Confirmation Order, (ii) to approve (or withhold approval) of those matters submitted to it for approval in accordance with the terms of this Trust Agreement, and (iii) to remove and appoint any successor to the Trustee as provided for in this Trust Agreement.

b) The Residents Trust Advisory Board shall consist of three (3) members.

c) The authority of the members of the Residents Trust Advisory Board shall be effective as of the Effective Date and shall remain and continue in full force and effect until the Residents Trust is dissolved in accordance with Section 3.2 hereof. The service of the members of the Residents Trust Advisory Board shall be subject to the following:

i. the members of the Residents Trust Advisory Board shall serve until death or resignation pursuant to clause (ii) below, or removal pursuant to clause (iii) below;

ii. a member of the Residents Trust Advisory Board may resign at any time by providing a written notice of resignation to the remaining members of the Residents Trust Advisory Board. Such resignation shall be effective when a successor is appointed as provided herein;

iii. a member of the Residents Trust Advisory Board may be removed by unanimous vote of the other members for (a) fraud or willful misconduct in connection with the affairs of the Residents Trust or (b) cause, which shall include a breach of fiduciary duty other than as specified in the foregoing clause (a). Such removal shall be effective only upon the earlier of (a) acceptance of such removal by the member, or (b) an order of the Bankruptcy Court requiring such removal;

iv. in the event of a vacancy in a member's position (whether by removal, death, or resignation) the two (2) remaining members shall jointly select a successor member; if the remaining members cannot agree on a successor member, the Trustee shall appoint a successor member who is willing to serve on the Residents Trust Advisory Board; and

v. immediately upon appointment of any successor member of the Residents Trust Advisory Board, all rights, powers, duties, authority, and privileges of the predecessor member of the Residents Trust Advisory Board hereunder shall be vested in and undertaken by the successor member of the Residents Trust Advisory Board without any further act; and the successor member of the Residents Trust Advisory Board shall not be liable personally for any act or omission of the predecessor member of the Residents Trust Advisory Board.

vi. Notwithstanding anything in this Trust Agreement to the contrary, the Residents Trust Advisory Board shall not take any action which will cause the Residents Trust to fail to qualify as a "liquidating trust" and taxed as a grantor trust for United States federal income tax purposes.

vii. A quorum for meetings of the Residents Trust Advisory Board shall consist of a majority of the members of the Residents Trust Advisory Board then serving; provided, however, that, for purposes of determining whether a quorum is present at such a meeting, a member of the Residents Trust Advisory Board shall be deemed present if ~~a representative of~~ the member is attending in person, by telephone, or by proxy; provided, further, however, that to the extent practicable, reasonable notice of a meeting must be given to all members of the Residents Trust Advisory Board.

viii. Except as expressly provided herein, the affirmative vote of a majority of the members of the Residents Trust Advisory Board shall be the act of the Residents Trust Advisory Board with respect to any matter that requires the determination, consent, approval, or agreement of such board. Any or all of the members of the Residents Trust Advisory Board may participate in a regular or special meeting by, or conduct the meeting through the use of, conference telephone or similar communications equipment by means of which all persons participating in the meeting may hear each other, in which case any required notice of such meeting may generally describe the arrangements (rather than or in addition to the Plan) for the holding thereof. Any member of the Residents Trust Advisory Board participating in a meeting by this means is deemed to be present in person at the meeting. In all matters submitted to a vote of the Residents Trust Advisory Board, each Residents Trust Advisory Board member shall be entitled to cast one vote, which vote shall be cast personally by such Residents Trust Advisory Board member or by proxy. In a matter in which the Trustee cannot obtain direction or authority from the Residents Trust Advisory Board, the Trustee may file a motion requesting such direction or authority from the Bankruptcy Court; provided, however, that any member of the Residents Trust Advisory Board may oppose such motion.

ix. Any action required or permitted to be taken by the Residents Trust Advisory Board at a meeting may be taken without a meeting if the action is taken by unanimous written consent of the Residents Trust Advisory Board as evidenced by one or more written consents describing the action taken, signed by the Residents Trust Advisory Board and filed with the minutes or proceedings of the Residents Trust Advisory Board.

x. Any member of the Residents Trust Advisory Board shall be reimbursed by the Trustee from the Residents Trust Assets for its actual, reasonable out-of-pocket expenses incurred for serving on such board, such as travel costs etc. (but excluding the fees, costs, and expenses of professionals retained by Residents Trust Advisory Board members individually), after submission of reasonably detailed receipts or invoices evidencing such expenses. Except as provided for in this Section 6.4, the members of the Residents Trust Advisory Board shall not be entitled to receive any other form of compensation for their services provided as such members. Except as provided for in this Section 6.4, the members of the Residents Trust Advisory Board shall not be entitled to receive any other form of compensation for their services provided as such members.

6.5. Resolution of Claims.

a) Unless otherwise provided in the Plan, from and after the Effective Date, the Trustee shall have authority to object to Class 5 and Class 6 Claims (in consultation with the Residents Trust Advisory Board) and to have the Bankruptcy Court determine the amount and treatment of any Class 5 and Class 6 Claim. Subject to Section 6.3 herein, from and after the Effective Date, the Trustee may settle or compromise any Disputed Class 5 and Class 6 Claim with or without approval of the Court.

b) Subject to Section 6.3 herein, the Trustee shall have the authority to retain counsel and other professionals in conjunction with the resolution of Claims pursuant to this Section 6.5. The reasonable fees and expenses of such counsel and professionals as approved by the Residents Trust Advisory Board shall be paid and deducted from the Residents Trust Assets.

6.6. Actions Taken on Other Than a Business Day. In the event that any payment or act under the Plan or this Trust Agreement is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

6.7. Agents, Employees, and Professionals.

a) Subject to approval by the Residents Trust Advisory Board, the Residents Trust may, but shall not be required to, from time to time enter into contracts with, consult with and retain Trustee Professionals deemed by the Trustee to have qualifications necessary or desirable to assist in the proper administration of the Residents Trust, on such terms as he Trustee deems appropriate.

b) After the Effective Date, Trustee Professionals shall be required to submit reasonably detailed invoices on a monthly basis, or as may otherwise be agreed by the Trustee, to the Trustee, including in such invoices a description of the work performed, who performed such work, and, if billing on an hourly basis, the hourly rate of such person, plus an itemized statement of expenses. Subject to the approval of the Residents Trust Advisory Board, the Trustee shall pay such invoices thirty (30) days after such invoices are received. In the event of any dispute concerning the entitlement to, or the reasonableness of any compensation and/or expenses of any

Trustee Professionals, either the Trustee, with the approval of the Residents Trust Advisory Board, or the affected party may ask the Bankruptcy Court to resolve the dispute.

c) All payments to Trustee Professionals shall be paid out of the Residents Trust Assets.

6.8. Investment of Residents Trust Monies. All monies and other assets received by the Trustee as Residents Trust Assets (including the proceeds thereof as a result of investment in accordance with this Section 6.8) shall, until distributed or paid over as herein provided, be held in trust for the benefit of the Residents Trust Beneficiaries, and shall not be segregated from other Residents Trust Assets, unless and to the extent required by the Plan. The Trustee shall promptly invest any such monies (including any earnings thereon or proceeds thereof) ~~as permitted by section 345 of the Bankruptcy Code,~~ in the manner set forth in this Section 6.8, but shall otherwise have no liability for interest or income on any monies received by the Residents Trust hereunder and held for distribution or payment to the Residents Trust Beneficiaries, except as such interest shall actually be received. Investment of any monies held by the Residents Trust shall be administered in accordance with the general duties and obligations hereunder. Unless otherwise approved by the Residents Trust Advisory Board, the right and power of the Trustee to invest the Residents Trust Assets, the proceeds thereof, or any income earned by the Residents Trust, shall be limited to the right and power to (i) invest such Residents Trust Assets (pending distributions in accordance with the Plan or this Trust Agreement) in short-term direct obligations of any agency or corporation which is or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof; or (ii) deposit such assets in demand deposits at any bank or trust company, which has, at the time of the deposit, a capital stock and surplus aggregating at least \$1,000,000,000 (collectively, the “Permissible Investments”); provided, however, that the scope of any such Permissible Investments shall be limited to include only those investments that a liquidating trust, within the meaning of Treasury Regulations section 301.7701-4(d), may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings (including but not limited to Revenue Procedure 82-58, Revenue Procedure 91-15, and Revenue Procedure 94-45), other IRS pronouncements or otherwise.

6.9. Termination. The duties, responsibilities, and powers of the Trustee and the Residents Trust Advisory Board shall terminate on the date the Residents Trust is wound up and dissolved in accordance with Texas law pursuant to Section 3.2 hereof, under applicable law and in accordance with this Trust Agreement and the Plan; provided, however, that Sections 7.2, 7.3, 7.4, 7.5, and 7.6 hereof shall survive such termination, dissolution, and entry.

ARTICLE VII.

CONCERNING THE TRUSTEE AND RESIDENTS TRUST ADVISORY BOARD

7.1. Reliance by the Trustee and the Members of the Residents Trust Advisory Board. Except as otherwise provided in this Trust Agreement, the Plan, or the Confirmation Order, the Trustee and the members of the Residents Trust Advisory Board may rely and shall be protected in acting upon any resolution, statement, instrument, opinion, report, notice, request, consent,

order, or other paper or document reasonably believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

7.2. Liability to Third Persons. The Trustee, the Trustee Professionals, and the members of the Residents Trust Advisory Board shall not be subject to any personal liability whatsoever, in tort, contract, or otherwise, to any person (including, in the case of the Trustee and members of the Residents Trust Advisory Board, to any Trustee Professionals retained by the Trustee in accordance with this Trust Agreement) in connection with the Residents Trust Assets or the affairs of the Residents Trust and shall not be liable with respect to any action taken or omitted to be taken in good faith, except for actions and omissions determined by a Final Order of the Bankruptcy Court to be due to their respective gross negligence, intentional fraud, criminal conduct, or willful misconduct (“Indemnifiable Claims”), and all such Persons shall look solely to the Residents Trust Assets for satisfaction of claims of any nature arising in connection with affairs of the Residents Trust. Other than as set forth in the Plan or in the Confirmation Order, nothing in this Section 7.2 shall be deemed to release any Residents Trust Beneficiary from any actions or omissions occurring prior to the Effective Date.h

7.3. Nonliability of Trustee and Residents Trust Advisory Board for Acts of Others. Except as provided herein, nothing contained in this Trust Agreement, the Plan, or the Confirmation Order shall be deemed to be an assumption by the Trustee, the Residents Trust Advisory Board (or its members), or the Trustee Professionals of any of the liabilities, obligations, or duties of the Debtors or shall be deemed to be or contain a covenant or agreement by the Trustee to assume or accept any such liability, obligations, or duty. Any successor Trustee, or Residents Trust Advisory Board member may accept and rely upon any accounting made by or on behalf of any predecessor Trustee hereunder, and any statement of representation made as to the assets comprising the Residents Trust Assets or as to any other fact bearing upon the prior administration of the Residents Trust, so long as it has a good faith basis to do so. The Trustee, and the Residents Trust Advisory Board members shall not be liable for having accepted and relied in good faith upon any such accounting, statement, or representation if it is later proved to be incomplete, inaccurate, or untrue. The Trustee or any successor Trustee, and Residents Trust Advisory Board members shall not be liable for any act or omission of any predecessor Trustee, or Residents Trust Advisory Board member, nor have a duty to enforce any claims against any predecessor Trustee, or Residents Trust Advisory Board member on account of any such act or omission, unless directed to do so by the Residents Trust Advisory Board. No provision of this Trust Agreement shall require the Trustee to expend or risk his or her personal funds or otherwise incur any financial liability in the performance of his or her rights or powers hereunder if the Trustee has reasonable grounds to believe that the payment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to him or her.

7.4. Exculpation. As of the Effective Date, the Trustee, the Trustee professionals, and any member of the Residents Trust Advisory Board shall be and hereby are exculpated by all Persons, including Residents Trust Beneficiaries, and other parties-in-interest, from any and all claims, causes of action, and other assertions of liability arising out of or related to the discharge of their respective powers and duties conferred by the Plan, this Trust Agreement, or any order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan, or applicable law or otherwise, except for actions or omissions to act that are determined by Final Order of the Bankruptcy Court to have arisen out of their own respective intentional fraud, criminal conduct,

gross negligence, or willful misconduct. No Residents Trust Beneficiary, or other party-in-interest shall have or be permitted to pursue any claim or cause of action against the Trustee, the Residents Trust, the employees, professionals, or representatives of either the Trustee or the Residents Trust (including the Trustee Professionals) or the members of the Residents Trust Advisory Board, for making payments in accordance with, or for implementing, the provisions of the Plan, the Confirmation Order, and this Trust Agreement in good faith. Any action taken or omitted to be taken with the express approval of the Bankruptcy Court or the Residents Trust Advisory Board shall conclusively be deemed not to constitute gross negligence or willful misconduct; provided, however, that, notwithstanding any provision herein to the contrary, the Trustee shall not be obligated to comply with a direction of the Residents Trust Advisory Board, whether or not express, which would result in a change to the distribution provisions of this Trust Agreement and the Plan.

7.5. Duties of the Members of the Residents Trust Advisory Board. The members of the Residents Trust Advisory Board shall owe a fiduciary duty to Residents Trust Beneficiaries as a whole and not to any individual Residents Trust Beneficiary. Members of the Residents Trust Advisory Board shall owe the same duties to the Residents Trust Beneficiaries as the duties owed by members of a committee established by Section 1102(a) of the Bankruptcy Code to their constituents.

7.6. Indemnity. The Trustee, the employees of the Residents Trust, the members of the Residents Trust Advisory Board, and their respective agents, employees, officers, directors, professionals, attorneys, accountants, advisors, representatives, and principals, including the Trustee Professionals (collectively, the "Indemnified Parties") shall be indemnified by the Residents Trust solely from the Residents Trust Assets for any losses, claims, damages, liabilities, and expenses occurring after the Effective Date, including reasonable attorneys' fees, disbursements, and related expenses which the Indemnified Parties may incur or to which the Indemnified Parties may become subject in connection with any action, suit, proceeding, or investigation brought by or threatened against one or more of the Indemnified Parties on account of the acts or omissions in their capacity as, or on behalf of, the Trustee or a member of the Residents Trust Advisory Board; provided, however, that the Residents Trust shall not be liable to indemnify any Indemnified Party for any act or omission arising out of such Indemnified Party's respective, fraud or willful misconduct as determined by a Final Order of the Bankruptcy Court. Notwithstanding any provision herein to the contrary, the Indemnified Parties shall be entitled to obtain advances from the Residents Trust to cover their reasonable expenses of defending themselves in any action brought against them as a result of the acts or omissions, actual or alleged, of an Indemnified Party in its capacity as such, except for any actions or omissions arising from their own respective willful misconduct or fraud; provided, however, that the Indemnified Parties receiving such advances shall repay the amounts so advanced to the Residents Trust immediately upon the entry of a Final Order finding that such Indemnified Parties were not entitled to any indemnity under the provisions of this Section 7.6. The foregoing indemnity in respect of any Indemnified Party shall survive the termination of such Indemnified Party from the capacity for which they are indemnified.

7.7. Compensation and Expenses. Subject to the approval of the Residents Trust Advisory Board, the Trustee shall receive compensation for its services, to be paid out of the Residents Trust Assets. In addition, the Trustee shall be entitled, with the approval of the Residents

Trust Advisory Board to reimburse itself from the Residents Trust Assets on a monthly basis for all reasonable out-of-pocket expenses actually incurred in the performance of duties in accordance with this Trust Agreement and the Plan.

ARTICLE VIII.

SUCCESSOR RESIDENTS TRUSTEE

8.1. Resignation. The Trustee may resign from the Residents Trust by giving at least sixty (60) days prior written notice thereof to each member of the Residents Trust Advisory Board. Such resignation shall become effective on the later to occur of (a) the date specified in such written notice, and (b) the effective date of the appointment of a successor Trustee in accordance with Section 8.4 hereof and such successor's acceptance of such appointment in accordance with Section 8.5 hereof.

8.2. Removal. At any time ~~upon the request of~~ the Residents Trust Advisory Board ~~through a motion filed in the Bankruptcy Court, the Bankruptcy Court~~ may remove the Trustee, including any successor Trustee, ~~for cause. For purposes of this Section 8.2, "cause" shall mean: (a) an act of fraud, embezzlement, or theft in connection with the Trustee's duties or in the course of her employment in such capacity, (b) the intentional wrongful damage to the Residents Trust Assets, (c) the intentional wrongful disclosure of confidential information of the Residents Trust resulting in material harm to the Residents Trust, or (d) gross negligence by the Trustee in connection with the performance of his or her duties under this Residents Trust Agreement. Unless the Bankruptcy Court orders immediate removal, the~~ The Trustee shall continue to serve until a successor Trustee is appointed, ~~and such appointment becomes effective, in accordance with Section 8.2 hereof. If the Trustee is removed for cause, such Trustee shall not be entitled to any accrued but unpaid fees, expenses or other compensation under this Residents Trust Agreement or otherwise. If the Trustee is unwilling or unable to serve for any other reason whatsoever other than for "cause," subject to a final accounting, such Trustee.~~ The Trustee shall be entitled to all accrued but unpaid fees, expenses, and other compensation, to the extent incurred, arising or relating to events occurring before his or her removal or resignation, and to any out-of-pocket expenses reasonably incurred in connection with the transfer of all powers and duties and all rights to any successor Trustee.

8.3. Effect of Resignation or Removal. The resignation, removal, incompetency, bankruptcy, or insolvency of the Trustee shall not operate to terminate the Residents Trust or to revoke any existing agency created pursuant to the terms of this Trust Agreement, the Plan, or the Confirmation Order or invalidate any action theretofore taken by the Trustee. All fees and expenses properly incurred by the Trustee prior to the resignation, incompetency, or removal of the Trustee shall be paid from the Residents Trust, unless such fees and expenses are disputed by (a) the Residents Trust Advisory Board or (b) the successor Trustee, in which case the Bankruptcy Court shall resolve the dispute and any disputed fees and expenses of the predecessor Trustee that are subsequently allowed by the Bankruptcy Court shall be paid from the Residents Trust Assets. In the event of the resignation or removal of the Trustee, such Trustee shall: (i) promptly execute and deliver such documents, instruments, and other writings as may be reasonably requested by the successor Trustee or directed by the Bankruptcy Court to effect the termination of such Trustee's

capacity under this Trust Agreement; (ii) promptly deliver to the successor Trustee all documents, instruments, records, and other writings related to the Residents Trust as may be in the possession of such Trustee; and (iii) otherwise assist and cooperate in effecting the assumption of its obligations and functions by such successor Trustee.

8.4. Appointment of Successor. In the event of the death, resignation, removal, incompetency, bankruptcy, or insolvency of the Trustee, a vacancy shall be deemed to exist and a successor shall be appointed by a majority of the Residents Trust Advisory Board. In the event that a successor Trustee is not appointed within thirty (30) days after the date of such vacancy, the Bankruptcy Court, upon its own motion or the motion of a Residents Trust Beneficiary or any member of the Residents Trust Advisory Board, shall appoint a successor Trustee.

8.5. Acceptance of Appointment by Successor Trustee. Any successor Trustee appointed hereunder shall execute an instrument accepting its appointment and ~~shall deliver one counterpart thereof to the Bankruptcy Court for filing and~~ such instruments to the Residents Trust Advisory Board ~~and, in case of the Trustee's resignation, to the resigning Trustee.~~ Thereupon, such successor Trustee shall, without any further act, become vested with all the duties, powers, rights, title, discretion, and privileges of its predecessor in the Residents Trust with like effect as if originally named Trustee and shall be deemed appointed pursuant to Bankruptcy Code section 1123(b)(3)(B). The resigning or removed Trustee shall duly assign, transfer, and deliver to such successor Trustee all property and money held by such resigning or removed Trustee hereunder and shall, as ~~directed by the Bankruptcy Court or~~ reasonably requested by such successor Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Trustee upon the trusts herein expressed, all the liabilities, duties, powers, rights, title, discretion, and privileges of such resigning or removed Trustee.

ARTICLE IX.

MISCELLANEOUS PROVISIONS

9.1. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to rules governing the conflict of laws.

9.2. Jurisdiction. Subject to the proviso below, the parties agree that the Bankruptcy Court shall have exclusive jurisdiction over the Residents Trust and the Trustee, including the administration and activities of the Residents Trust and the Trustee, and, pursuant to the Plan, the Bankruptcy Court has retained such jurisdiction; provided, however, that notwithstanding the foregoing, the Trustee shall have power and authority to prosecute any Cause of Action in any court of competent jurisdiction (including the Bankruptcy Court).

9.3. Severability. In the event any provision of this Trust Agreement or the application thereof to any person or circumstances shall be determined by a final, non-appealable judgment or order to be invalid or unenforceable to any extent, the remainder of this Trust Agreement or the application of such provision to persons or circumstances or in jurisdictions other than those as to or in which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Trust Agreement shall be valid and enforceable to the full extent permitted by law.

9.4. Notices. Any notice or other communication required or permitted to be made under this Trust Agreement shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if delivered personally, by email, ~~facsimile~~, sent by nationally recognized overnight delivery service or mailed by first-class mail:

i. If to the Trustee:

ii. If to the Debtors: [POL SINELLI PC Jeremy Johnson 600 3rd Avenue, 42nd Floor New York, New York 10016 jeremy.johnson@polsinelli.com](mailto:jeremy.johnson@polsinelli.com); and [Trinitee G. Green 2950 N. Harwood Street, Suite 2100 Dallas, Texas 75201, tggreen@polsinelli.com](mailto:tggreen@polsinelli.com)

iii. If to the members of the Residents Trust Advisory Board:

9.5. Headings. The headings contained in this Trust Agreement are solely for convenience and reference and shall not affect the meaning or interpretation of this Trust Agreement or of any term or provision hereof.

9.6. Relationship to the Plan. The terms of this Trust Agreement are intended to supplement the terms provided by the Plan and the Confirmation Order, and therefore this Trust Agreement incorporates the provisions of the Plan and the Confirmation Order (which may amend or supplement the Plan). To the extent that there is a conflict between the provisions of this Trust Agreement, the provisions of the Plan, or the Confirmation Order, each document shall have controlling effect in the following rank order: (1) this Trust Agreement, (2) the Confirmation Order, and (3) the Plan.

9.7. Entire Trust Agreement. This Trust Agreement (including the recitals and annex hereto), the Plan, and the Confirmation Order constitute the entire agreement by and among the parties and supersede all prior and contemporaneous agreements or understandings by and among the parties with respect to the subject matter hereof.

9.8. Cooperation. The Debtors shall turn over or otherwise make available to the Trustee at no cost to the Residents Trust or the Trustee, all books and records reasonably required by the Trustee to carry out its duties hereunder, and agree to otherwise reasonably cooperate with the Trustee in carrying out its duties hereunder, subject to the confidentiality provisions herein to preserve the confidential nature of the Debtors' books and records.

9.9. Amendment and Waiver. Any provision of this Trust Agreement may be amended or waived by the Trustee with the consent of all members of the Residents Trust Advisory Board provided, however, that no change may be made to this Residents Trust Agreement that would adversely affect the distributions to be made under this Residents Trust Agreement to any of the Residents Trust Beneficiaries, or adversely affect the United States federal income tax status of the Residents Trust as a "liquidating trust." Notwithstanding this Section 9.9, any amendment to this Trust Agreement shall not be inconsistent with the purpose and intention of the Residents Trust to liquidate in an expeditious but orderly manner the Residents Trust Assets in accordance with Treasury Regulations section 301.7701-4(d) and Section 1.2 hereof.

9.10. Confidentiality. The Trustee and its employees, members, agents, professionals, and advisors, including the Trustee Professionals, and each member of the Residents Trust Advisory Board (each a “Confidential Party” and, collectively, the “Confidential Parties”) shall hold strictly confidential and not use for personal gain any material, non-public information of which they have become aware in their capacity as a Confidential Party, of or pertaining to any Debtor to which any of the Residents Trust Assets relates; provided, however, that such information may be disclosed if (a) it is now or in the future becomes generally available to the public other than as a result of a disclosure by the Confidential Parties; or (b) such disclosure is required of the Confidential Parties pursuant to legal process including subpoena or other court order or other applicable laws or regulations. In the event that any Confidential Party is requested to divulge confidential information pursuant to this clause (b), such Confidential Party shall promptly, in advance of making such disclosure, provide reasonable notice of such required disclosure to the Trustee (or the Residents Trust Advisory Board in the case the Trustee is the disclosing party) to allow sufficient time to object to or prevent such disclosure through judicial or other means and shall cooperate reasonably with the Trustee (or the Residents Trust Advisory Board, as applicable) in making any such objection, including appearing in any judicial or administrative proceeding in support of any objection to such disclosure.

9.11. Meanings of Other Terms. Except where the context otherwise requires, words importing the masculine gender include the feminine and the neuter, if appropriate, words importing the singular number shall include the plural number and vice versa and words importing persons shall include firms, associations, corporations, and other entities. All references herein to Articles, Sections, and other subdivisions, unless referring specifically to the Plan or provisions of the Bankruptcy Code, the Bankruptcy Rules, or other law, statute, or regulation, refer to the corresponding Articles, Sections, and other subdivisions of this Trust Agreement, and the words herein and words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section, or subdivision of this Trust Agreement. The term “including” shall mean “including, without limitation.”

9.12. Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed in original, but such counterparts shall together constitute but one and the same instrument. A facsimile or portable document file (PDF) signature of any party shall be considered to have the same binding legal effect as an original signature.

9.13. Intention of Parties to Establish a Liquidation Trust. ~~This~~As stated above, this Trust Agreement is intended to create a “liquidating trust” for United States federal income tax purposes within the meaning of Treasury Regulations section 301.7701-4(d), and, to the extent provided by law, shall be governed and construed in all respects as such a trust and any ambiguity herein shall be construed consistent herewith and, if necessary, this Trust Agreement may be amended to comply with such United States federal income tax laws, which amendments may apply retroactively. This Trust Agreement is not intended to create and shall not be interpreted as creating a corporation, association, partnership or joint venture of any kind for United States federal income tax purposes or for any other purposes.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement or caused this Trust Agreement to be duly executed by their respective officers, representatives, or agents, effective as of the date first written above.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____
Name: _____
Title: _____

SENIOR QUALITY LIFESTYLES CORPORATION

By: _____
Name: _____
Title: _____

RESIDENTS TRUST
TRUSTEE

Name: _____

INITIAL RESIDENTS
TRUST ADVISORY BOARD

Name: _____

Name: _____

Name: _____

APPROVED BY:

LIFESPACE COMMUNITIES, INC.

By: _____

Name: _____

Title: _____

| Summary report: | |
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| Litera® Change-Pro for Word 10.14.0.46 Document comparison done on 2/6/2023 11:42:20 AM | |
| Style name: Default Style | |
| Intelligent Table Comparison: Active | |
| Original DMS: nd://4878-7882-9640/8/Edgemere - Residents Trust Agreement.docx | |
| Modified DMS: nd://4878-7882-9640/10/Edgemere - Residents Trust Agreement.docx | |
| Changes: | |
| Add | 37 |
| Delete | 37 |
| Move From | 0 |
| Move To | 0 |
| Table Insert | 0 |
| Table Delete | 0 |
| Table moves to | 0 |
| Table moves from | 0 |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 0 |
| Embedded Excel | 0 |
| Format changes | 0 |
| Total Changes: | 74 |

Exhibit D-1

Form of Independent Living Rental Agreement for Current Residents¹

¹ The attached form of agreement is in substantially final form as of the date hereof. Bay 9 Holdings LLC reserves the right to make modifications to the agreement as it determines necessary and appropriate in its sole discretion.

EDGEMERE

RESIDENTIAL OCCUPANCY AND SERVICES AGREEMENT (“Agreement”)

We welcome you to the Edgemere Community and are glad you have decided to become a Resident. Edgemere seeks to provide quality residential housing for retirement age men and women along with an array of personal services and amenities outlined in this Agreement. Subject to the conditions outlined in this Agreement we agree to make available to you an unfurnished independent living unit in Edgemere and provide you with general services and amenities outlined in this Agreement.

1.1 DEFINED TERMS:

- a. Community: Bay 9 Holdings LLC with its business mailing address of 811 E. 17th Avenue, Denver, CO 80218 (“Owner”) which owns and operates Edgemere in Dallas, Texas (the “Community”) or;
- b. Property: Owner’s real property, and improvements, located at 8523 Thackery Street, Dallas, Texas 75225 (“Property”);
- c. Resident(s): _____, and _____, who is/are either 55 years of age and older or 62 years of age and older (“You”, “Your” or “Residents”);
- d. Date of Agreement: _____, 20__ (“Owner Signing Date”);
- e. Term: Month to Month Basis; beginning on: _____, 20__ (“Effective Date”) and automatically renewing on a monthly basis until termination under this Agreement (“End of Term”);
- f. Residence Number: _____ (“Residence”, or “Premises”)
Residence Style: _____;
- g. Occupancy and Services Monthly Fee:
\$ _____ Single Resident
\$ _____ 2nd Resident/Occupant
\$ _____ Monthly Pet Fee (if applicable)
\$ _____ Total (“Monthly Fee”);
- h. One-time Payment of Community Service Fee: \$____ (“Community Service Fee”) due and payable on the Owner Signing Date;¹

¹ It is expected at this time that Community Services envisioned by this agreement will not be substantially dissimilar to those offered current residents of the Community.

- i. One-time Payment of Pet Fee: \$ _____ (“Initial Pet Fee”) due and payable on the Owner Signing Date;²
- j. Late Fee: \$25.00, on all payments, due on the 1st, but not made until the 5th of the month, plus \$5/day thereafter, until date of payment (“Late Fee”);
- k. Returned Check Charge: \$50.00 (“Check Charge”);
- l. Liability Insurance: Fully paid and effective Liability Insurance of at least \$50,000, per occurrence coverage, provided by and covering each Resident(s), which also names Owner as an additional insured party (“Liability Insurance”);
- m. Occupancy and Services: Occupancy of Residence, provision of Community Services (defined in Agreement), parking up to one vehicle per Resident(s) on Property, and access to common areas of Property, (“Occupancy and Services”);
- n. Rules and Regulations: In accordance with fair housing regulations, all Owner’s rules and regulations, in Resident Handbook or otherwise provided to Resident including, without limit, as relating to the Occupancy and Services, the safety, quiet enjoyment, health and welfare of residents or third persons and entities entering on Property (“Rules and Regulations”);
- o. Agreement Renewal: Resident(s)’ execution of Agreement Renewal Addendum to Agreement, payment to Owner of all sums then due, and acceptance and execution of Agreement Renewal Addendum by Owner (“Agreement Renewal”);
- p. Renewal Term: The Term of any Agreement Renewal (“Renewal Term”);
- q. Default: Occurrence of any event of Default under this Agreement (“Default”);
- r. Termination: The effective date of any termination of this Agreement, in accordance with the Agreement, and if applicable, the current Agreement Renewal (“Termination Date”);
- s. Move Out: The date of completion of i) removal of all Resident(s) contents in Residence and vehicles, from Property, with Owner’s consent; ii) return of all keys and Owner property; iii) satisfaction of all financial obligations under this Agreement, and iii) Owner walk through inspection. (“Move Out”);
- t. Prorating: Monthly Fees hereunder, and under any Agreement Renewal, and Holdover Fees will be due, payable, and charged based on a thirty (30) day month;
- u. Holdover Fee: As permitted by law, 125% of Monthly Fee in effect at End of Term, or end of Renewal Term (“Holdover Fee”).

² The one-time, non-refundable fees are intended to apply to new residents to the Community after completion of the sale. Existing residents continuing as residents in the Community after sale may have certain one-time charges adjusted in the discretion of the Executive Director if it is determined such a resident has previously paid such charges for Owner’s benefit.

2.1. DEFINED TERMS AND ADDENDUMS INCORPORATED. The Defined Terms above and all current Addendums hereto, together with all subsequent Addendums hereto signed by Resident(s) and Owner are incorporated here in full.

3.1. RESIDENT PAYMENTS AND DELIVERIES, PRIOR TO OWNER SIGNING DATE. Prior to Owner Signing Date, Resident(s) agree(s) to:

1. Review and sign this Agreement, and all Addendums; and
2. Pay in good funds to Owner the Community Service Fee, the Pet Fee (if applicable), plus the pro rata Monthly Fee, from the Effective Date to the last day of such month;
3. Take reasonable steps to ensure the Liability Insurance in the amount of \$50,000 is effective and proof of same is delivered to Owner no later than five (5) business days after Owner Signing Date.

3.2. CONDITION OF PREMISES. YOU HAVE THE RIGHT TO INSPECT THE PREMISES PRIOR TO SIGNING THIS AGREEMENT AND YOU AGREE TO CONDUCT WHATEVER INSPECTION OF THE PREMISES YOU FEEL IS NECESSARY. YOU AGREE THAT YOUR TAKING POSSESSION OF THE PREMISES EVIDENCES THE FACT THAT THE PREMISES, INCLUDING APPLIANCES, FURNISHINGS AND FIXTURES ARE IN CLEAN, SAFE, SANITARY AND GOOD WORKING CONDITION. OWNER MAKES NO WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, AND RELIES UPON THE FACT THAT YOU HAVE INSPECTED THE PREMISES. EXCEPT AS SPECIFICALLY DESCRIBED AND SET FORTH IN THIS AGREEMENT, OWNER HAS NOT AUTHORIZED ANYONE TO MAKE ANY WARRANTY OR REPRESENTATION TO YOU ON OWNER'S BEHALF REGARDING THIS AGREEMENT OR THE PREMISES AND YOU AGREE THAT YOU ENTER INTO THIS AGREEMENT SOLELY BASED ON THE TERMS OF THIS AGREEMENT AND THAT YOU HAVE NEITHER RECEIVED NOR RELIED ON ANY STATEMENT, WARRANTY, OR REPRESENTATION THAT IS NOT FOUND IN THIS AGREEMENT. You will return the Premises to the Owner in the same condition as when You moved in subject to normal wear and tear. You agree to make no alteration to the Premises (including painting, wallpapering, stickers, etc.) without first obtaining the prior written consent of the Owner. Owner may condition such consent in any manner or may refuse to consent. You may be required to pay for any expenses incurred by Owner related to returning the Premises to its original condition. EXCEPT FOR NORMAL WEAR AND TEAR ON THE PREMISES, YOU WILL BE RESPONSIBLE FOR, AND WILL REIMBURSE OWNER FOR, ANY DAMAGES OR LOSS, ON THE PREMISES, PROPERTY, OR ELSEWHERE, CAUSED BY THE NEGLIGENCE, CARELESSNESS, ABUSE OR INTENTIONAL CONDUCT OF YOU, YOUR FAMILY, BUSINESS GUESTS, GUESTS, OR PETS.

4.1. OWNER SIGNING DATE. On Owner Signing Date, this Agreement is effective and binding on Resident(s), and Owner, all of whom agree to this Agreement.

5.1. OCCUPANCY AND SERVICES. Owner agrees to provide Resident(s) Occupancy and Services, from the Effective Date to the latter of Termination Date, or Move Out date, and Resident(s), agrees to pay for same, in accordance with the terms hereof.

5.2. MONTHLY FEES. Resident(s) agrees to pay the Monthly Fee to Owner from the Effective Date to the end of such month, and thereafter, on or before the 1st day of the following month, and of every month, thereafter, through the End of Term. The Monthly Fee may be increased by Owner thirty (30) days after Owner's notice to You of such an increase. We reserve the right to assess Resident(s) a Late Fee if any Monthly Fee or Holdover Fee is received by Owner after the 5th of the month; and will pay Owner the Check Charge on any returned check, within five (5) business days of Owners notice to You of any returned check. All: i) Monthly Fee and Holdover Fee charges; ii) Special charges, on other services, requested by You, and charged per the Community's then current fee schedule; and iii) those incurred by You, as Your obligation, under the Rules and Regulations, are agreed to be sums due under this Agreement, by its terms, and by those required in the Resident Handbook, which is incorporated herein. All payments are to be payable to Owner and delivered to its directed representative. At the End of Term, or of any Renewal Term, Resident will pay the Holdover Fee to Owner pro rata for the remaining partial month thereafter, and on or before the 1st day of every month thereafter, until either: i) Agreement Renewal, or ii) the latter of the Termination Date, or Move Out date.

6.1. COMMUNITY SERVICES. For the Community Service Fee, and the Monthly Fee, Owner agrees to provide each Resident with Community Services, to include, without limitation, and as further defined and described in the Resident Handbook, the following categories: Food Service, Housekeeping, Transportation, Utilities, Security and Emergency Alert Services, Community Room access, and Activities including Wellness Programing and other Social and Recreational Programs (each as capitalized term as defined in the Resident Handbook and collectively referred to as "Community Services").³

6.2. COMMUNITY SERVICE FEE. The Community Service Fee ("Fee") is a nonrefundable, one-time fee payable prior to Owner Signing Date and is agreed to be a charge to defray costs incident to the Community Services. You agree and understand the Community Service Fee is not a prepayment, deposit or security deposit, and it may not be applied or offset to any other sums due Owner.⁴

7.1. PETS AND PET FEE. Pet fish are permitted in the Residence, but aquariums are limited to ten gallons. One pet dog or cat is permitted per Residence, not to exceed 25 pounds, and subject to Resident(s) first paying Owner the one-time Pet Fee. No other pet is permitted in the Residence, without Owner's prior written consent, and thereafter, on payment of the Pet Fee. As Owner replaces the carpet pad and blinds on Move Out of any Residence with a pet occupant, the Pet Fee is not refundable. It is not a deposit, nor offset to any other damage claim.

8.1. USE OF PREMISES AND TRANSFER. The Residence is to be used as a principal residence, and no business or other use is permitted to occur. If a Transfer to another Residence is requested by Resident(s), such is subject to Owner's prior written approval, and thereupon, it

³ Owner and Manager expect to actively solicit current resident input into the Resident Handbook and the available services offered and to be offered to the Community after the sale to Owner is completed.

⁴ See footnote 2.

automatically terminates this Agreement, or current Agreement Renewal, and a new Agreement, together with all initial charges in Section 3.1(2) above will again be required to be paid.

9.1. **SECURITY DEPOSIT.** The Agreement does not require payment by Resident(s) to Owner of an initial security deposit, but should same be required to secure uncured payment or performance obligations under this Agreement, in excess of \$1,500, Owner reserves the right to require payment of Resident within thirty (30) days of written request of a deposit, not to exceed \$5,000, and such Security Deposit will be subject, thereafter, to Owner and Resident(s)' rights and obligations under the state laws where Property is located.

10.1. **FAIR HOUSING. We are committed to the principles of fair housing.** In accordance with fair housing laws, we will make reasonable accommodations to our policies, practices, procedures, and services. We will also allow reasonable modifications to allow disabled persons the same rights and access to the Community as all others. Persons requesting accommodation may be required to sign, or have signed, an Addendum outlining the accommodation provided and any restoration requirements.

10.2. **THIRD-PARTY PROVIDERS.** You have the right to contract with outside providers of personal services, but You agree that, as a condition of their entry to the Property and Your Residence, Owner may require they meet all liability and workers' compensation requirements Owner requires of vendors entering on Property, and that they meet Owner's rules for their access, sign in, place of service provision and their conduct on the Property; and You agree to not permit their entry on Property unless such requirements are met. You are the only person allowed a copy of Your Residence key, and all guests must enter through the main entrance and sign in. Further, You agree to indemnify and hold Owner, its managers, agents, and their employees harmless from all claims and liabilities arising from Your use of a third-party provider.

10.3. **NONDISCRIMINATION.** The Community will be operated on a non-discriminatory basis and will provide the facilities and services described in this Agreement to individuals regardless of race, color, sex, sexual orientation, gender identity, age, religion, creed, disability, marital status, or national origin, and in compliance with applicable federal and state laws.

11.1. **RULES AND REGULATIONS.** You, Your family, Your guests, third party providers and contractors must comply with all Rules and Regulations adopted by Owner, whether now in effect, or as later adopted or modified by Owner. All rule changes will be effective immediately, on posting or delivery to You. All such Rules and Regulations including, without limit, in the Resident Handbook, or separately published are and will become a part of this Agreement and incorporated herein. All fines, costs and damages incurred by Owner due to any violation of any Rule or Regulation by You, Your family, Your guests, third party providers and contractors will be borne by You to be immediately paid on demand, without waiver of Owner's right to pursue and recover from any other person for such damages and losses. Failure to comply with such Rules and Regulations may result in immediate termination of this Agreement

11.2. **LIABILITY INSURANCE.** By no later than five (5) business days after the Owner Signing Date, and continuing thereafter, continuously to Move Out Date, Resident will pay for and maintain in force Liability Insurance, and will provide Owner with proof thereof.

12.1. OWNER'S RIGHT OF ENTRY, ACCESS AND INTERRUPTION. Owner may enter the Premises during reasonable hours in order to inspect, make repairs, provide general or preventive maintenance, replace filters, leave any notices, or for any other reasonable business purpose while You are present in the Premises. If You are not present at the Premises, then Owner will have the same right to make such entries, by duplicate or master key, but will leave written notice of, and the reason for any such entry made. You agree that if, in Owner's opinion, there exists an emergency, or if Owner is requested by police, fire or other governmental authorities, Owner may enter without notice at any time. You understand and agree that all utility services and use or access to common facilities or programs, whether provided by Owner or by You, may be subject to interruption or temporary termination for the purpose of repairs, alterations or improvements to the Premises, surrounding buildings and common areas, or for emergency reasons. Any such interruption or temporary termination of utility services or such access will not constitute a default by Owner, and Owner is not liable for the interruption or termination, nor any resulting or consequential claims or damages.

13.1. YOUR COVENANTS. You covenant and agree that You will do none of the following things without the prior written consent of the Owner.

- a. Assign this Agreement, underlet, or sublet the Premises, or any part thereof, or suffer or permit any other person to occupy same, or any part thereof;
- b. Fail or refuse to fully cooperate with Owner's staff and management;
- c. Suffer or permit any alienation of this Agreement, either voluntary or by operation of law;
- d. Make any alterations, improvement or additions to the demised Premises (all alterations, improvements or additions will remain at or upon the Premises at the expiration or sooner termination of this Agreement and become the property of the Owner, unless the Owner, prior to the termination of this Agreement, will have given fifteen (15) days written notice to You to remove the same, in which event, You will remove such alterations, improvements and additions and restore the Premises to the same good order and condition now existing);
- e. Use, have or keep anything at the Premises that, in Owner's opinion and reasonable discretion, is harmful to the Premises, may be disturbing to any other tenant(s) or Owner, or violates Owner's Rules and Regulations;
- f. Suffer or permit any act, matter or thing objectionable to the fire insurance companies insuring the Premises whereby the fire insurance or any other insurance on the Premises, or any part thereof, or on the building of which the Premises may be a part, now in force or hereinafter to be placed, will become void or suspended, or whereby the same will be rated as a more hazardous risk than at the date of execution of this Agreement or carry or have any flammable or explosive matter of any kind in and about the demised Premises; or
- g. Abandon or desert said Premises during the term of the Agreement.

Any failure of Owner to insist upon strict and/or prompt performance of the foregoing, or any other terms, covenants and conditions of this Agreement or any of them, and/or the acceptance of such performance thereafter will not constitute or be construed as a waiver or relinquishment of Owner's right to thereafter enforce the same strictly according to the tenor hereof in the event of a continuing or subsequent default on Your part.

14.1 EVENTS OF DEFAULT. The following events will constitute events of Your Default under this Agreement:

- a. Failure to timely pay any sums due under the Agreement, or any other charges, costs, damages, or sums due and owing by You to Owner pursuant to any terms of this Agreement.
- b. Failure to comply with or to perform any of Your obligations under any part of this Agreement or Your violation of this Agreement or any of the Rules and Regulations adopted by Owner.
- c. Your abandonment of the Premises. Abandonment is hereby agreed to mean Your absence from the Premises for five (5) consecutive days without notifying Owner, and with Monthly Fee or Holdover Fee unpaid.

15.1 OWNER'S REMEDIES. Upon the occurrence of any event of default by You, Owner may exercise, at his option, all or any of the following remedies:

- a. Terminate Your right to possession of the Premises by giving You: i) ten (10) days' notice in person, or by mail, to vacate the Premises in the event of nonpayment of any sum on the due date hereunder; or ii) thirty (30) days' notice on any other breach of this Agreement; and, whereupon on the expiration of any such foregoing notice period, the Termination Date occurs.
- b. Sue for possession of the Premises and/or collection of past due and accelerated sums, any property damage and all other sums due pursuant to this Agreement, and other expenses incurred by Owner, including attorneys' fees and court costs incurred in attempting to regain possession of the Premises and any other attorneys' fees and court costs incurred by Owner;
- c. Report all damages and unpaid sums owed by You to a credit bureau or credit reporting agency;
- d. Pursue any other remedy allowed by law.

15.2 All remedies of Owner are cumulative and may be pursued by Owner concurrently or successively. If Owner exercises one remedy, it will not operate as a waiver of any other remedy available to Owner. Owner may accept payments of fees or other sums due after Owner has given notice to vacate or has filed any lawsuit for damages or eviction, and acceptance of such fees will not waive nor diminish Owner's rights to pursue any or all remedies. Past or present delay in or enforcement of any provision of this Agreement will not constitute a waiver under any circumstances, nor will it constitute any impairment or waiver by Owner to insist and enforce subsequent timely and strict compliance thereof.

15.3 Any notice required to be given to You will be deemed to have been received by You if placed in a preaddressed envelope, postage prepaid and addressed to the Premises, and mailed, or by delivering such to You, in person, or by leaving said notice inside the Premises.

16.1 REPAIRS.

a. YOU MUST PROMPTLY NOTIFY OWNER OF WATER LEAKS, ELECTRICAL PROBLEMS, MALFUNCTIONING LIGHTS, BROKEN OR MISSING LOCKS OR LATCHES AND ANY OTHER CONDITION THAT POSES A HAZARD TO PROPERTY, HEALTH, OR SAFETY, AS WELL AS THE NEED FOR ANY OTHER REPAIRS OR REPLACEMENTS.

b. All repairs, restorations, and replacements in or about the Premises including the fixtures and appliances, if furnished by Owner, will be made by Owner. You agree not to make any such repairs, replacements, or alterations except with Owner's prior written approval. The cost of repairs, restorations and replacement will be paid for by Owner if rendered necessary by normal wear and tear or by the element. OTHERWISE, IF SUCH REPAIRS, RESTORATIONS AND REPLACEMENTS ARE RENDERED NECESSARY BY THE NEGLIGENCE, CARELESSNESS, ACCIDENT, ABUSE OR INTENTIONAL CONDUCT OF YOU, YOUR FAMILY, YOUR GUESTS, YOUR THIRD-PARTY PROVIDERS, OR CONTRACTORS, THEN ALL SUCH COSTS WILL BE PAID FOR BY YOU. You agree to promptly reimburse Owner for all such costs.

17.1. OWNER'S DEFAULT. Owner will exercise due diligence to make all repairs subject to Your duty to provide proper notice and to pay all costs required of You, under this Agreement, or otherwise.

17.2. Prior to Your right to declare a default of Owner and exercise any remedy, under this Agreement, You must first do the following:

- a. Pay all sums due hereunder in full.
- b. Give Owner written notice of any alleged default or violation and thereafter, subject to the availability of labor, materials and utilities to Owner, Owner will have thirty (30) days to cure such default, and if such default cannot be cured in thirty (30) days, and provided Owner will have undertaken reasonable steps to begin curing such default, Owner may continue its efforts through 120 days after the date of Your notice, but, if, after You have complied with these Paragraphs 17.2(a) and 17.2(b), Owner has not cured or taken reasonable steps to cure, then You may terminate this Agreement by giving written notice to Owner.

18.1 LIMITATION ON OWNER'S LIABILITY. Owner is not liable to You, Your family, Your guests, Your third-party providers, or contractors, for any injury, damage, or loss whatsoever, unless directly caused by Owner's gross negligence or intentional acts. OWNER IS NOT LIABLE FOR INJURY, DAMAGE OR LOSS TO ANY PERSON OR PROPERTY CAUSED BY ANY OTHER PERSON OR ENTITY, INCLUDING, BUT NOT LIMITED TO, LOSS FROM THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME. Owner does not warrant, guarantee or insure Your personal safety or the safety of Your family or guests or

their respective belongings. YOU SHOULD ALWAYS BE AWARE OF YOUR RESPONSIBILITY FOR YOUR SAFETY AND THE SAFETY OF YOUR FAMILY, GUESTS, AND THEIR RESPECTIVE BELONGINGS. Owner makes no representations that any effort on Owner's part will increase security or decrease the likelihood of assault, theft, or illegal entry. You agree that Owner will not be responsible for any loss or damage to You, Your family, or guests, or to any other persons or their belongings as a result of the criminal acts of third parties. Owner is not liable for injury, damage or loss to any person or property on account of fire, flood, water leak, rain, snow, hail, ice, smoke, lightning, wind, explosion, and interruption of utilities or any other occurrence or act of God. You waive and relinquish all right to proceed against Owner except to the extent of Owner's net equity in the property of which the Premises are a part. Any pools, saunas, exercise rooms, exercise programs, storerooms, laundry rooms, lounge rooms, dining room, craft rooms, mail areas and other improvements are to be used by You solely at Your own risk.

18.2 INDEMNIFICATION OF OWNER. YOU AGREE TO INDEMNIFY, DEFEND AND HOLD OWNER AND OWNER'S OFFICERS, DIRECTORS, AGENTS, EMPLOYEES AND REPRESENTATIVES HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, DEMANDS, EXPENSES, FEES, FINES, PENALTIES, SUITS, PROCEEDINGS, ACTIONS AND CAUSES OF ACTIONS OF ANY AND EVERY KIND AND NATURE (INCLUDING, BUT NOT LIMITED TO, LEGAL AND INVESTIGATIVE COSTS AND ALL OTHER REASONABLE COSTS, EXPENSES AND LIABILITIES FROM THE FIRST NOTICE THAT ANY CLAIM OR DEMAND IS TO BE MADE OR MAY BE MADE) CAUSED IN WHOLE OR IN PART BY OR RESULTING FROM ANY ACT, OMISSION OR NEGLIGENCE OF YOU, YOUR FAMILY, YOUR GUESTS, YOUR THIRD PARTY PROVIDERS, OR CONTRACTORS. THE PROVISIONS OF THIS PARAGRAPH WILL SURVIVE THE TERMINATION OF THIS AGREEMENT WITH RESPECT TO ANY CLAIM ARISING BEFORE SUCH TERMINATION.

18.3 YOU MUST SECURE YOUR OWN INSURANCE TO PROTECT YOU AGAINST ANY OF THE ABOVE- DESCRIBED LOSSES. By Your execution of this Agreement and taking possession, You agree to release and hold harmless Owner for all such injury, damage, or loss, whether to Your person or property, as set forth herein, and agree to obtain Your own insurance for loss of personal property and/or personal injury. In connection with each of the foregoing releases of liability and limitations of Owner's liability, You agree and will indemnify and hold Owner harmless there from, including defense costs, if any such released claim or liability is brought by You, Your family, Your guests or person or entity claiming thereunder. You have the right to inspect the Premises prior to signing this Agreement, and You agree that all locks, latches, windows, and doors are sufficient and acceptable. Any requests for installation, re-keying or changing existing locks or other security devices must be made by You in writing and, unless required by law, will be installed at Your expense, and solely, at Owner's option.

IF A RESIDENT THROUGH THEIR NEGLIGENCE, OR ACCIDENT CAUSES DAMAGE TO THEIR RESIDENCE, AND/OR ANY OTHER RESIDENCES AND/OR COMMON AREAS IN THE SURROUNDING PERIMETER, THE RESIDENT WILL BE HELD LIABLE, AND THE RESIDENT IS OBLIGATED TO PAY FOR ALL DAMAGES TO SAID PREMISES.

18.4 SMOKE DETECTORS AND SECURITY DEVICES. Owner is under no duty to provide or install smoke detectors or security devices except as such duty is imposed on Owner by statutory law. Smoke detectors, if any, which are furnished by Owner will be initially inspected by Owner and provided to You in good working order with working batteries. You must give Owner written notice of any malfunction or need for repairs, replacement, or inspection thereof, and You agree to ensure the testing of smoke detectors and assure their proper working order no less than every thirty (30) days.

19.1 MONTH TO MONTH BASIS AND RIGHT OF EITHER PARTY TO TERMINATION, OF AGREEMENT, WITHOUT CAUSE AND MOVE OUT. It is hereby agreed that Owner may terminate this Agreement by giving Resident written notice thereof at least thirty (30) days prior to the Termination Date. It is further agreed that Resident(s) may terminate this Agreement by giving the other party written notice thereof at least thirty (30) days prior to the Termination Date. Unless agreed in writing, by Owner, no earlier than after thirty (30) days from the date of Your Notice, You may vacate and Your obligations to pay will continue, accrue and be owing through the latter of Termination Date or the day You Move Out from the Premises.

19.2 TERMINATION BASED ON NEED. In the event that You are unable to meet the conditions of tenancy, alone or with the assistance of others, or You provide sufficient written evidence of same, this Agreement may be terminated fifteen (15) days after all required documentation is received and acknowledged by Owner.

19.3 TERMINATION ON DEATH. In the event of Your death, this Agreement will be subject to termination as follows:

1. If You are the only occupant of the Premises, Termination Date will be automatically the later of the date that: (a) Owner receives written notice of Your death, or (b) as of the date that Your property is moved out of the Premises. Your estate remains liable to pay all sums incurred through the Termination Date.

2. If another Resident occupies the Premises with You, this Agreement, with all obligations, continues and all sums to continue to be owed by Your estate and such other Resident. In this case, this Agreement may be terminated on sixty (60) days written notice according to the above provisions of 19.1.

20.1 MULTIPLE RESIDENTS. You means each and every Resident of the Premises, and each Resident is jointly and severally obligated to all terms of this Agreement. Each Resident is jointly and severally liable for any sum due and owing to Owner and for any loss, damage or injury suffered by Owner.

Violations of this Agreement, or the Rules and Regulations by You, or any family member, third party provider, contractor, or guest will constitute and be deemed a violation by You, all family members, and guests. Notice to You, a Co-Resident, any Resident, third party provider, family member, or guest will constitute and be deemed notice to You, all Residents, family members, and guests.

21.1 DELAY OF PRIOR OCCUPANTS. Owner is not liable for any delay in occupancy of the Residence on account of, but not limited to, construction, cleaning or prior or the current occupant's holding over. In such case, however, this Agreement will continue in force but be subject to an abatement of Your obligation to pay sums due during any such delay of occupancy, and, further, the term hereof will not be extended by such abatement unless agreed in writing by You and Owner.

22.1 PARKING. Unauthorized parking may be terminated by Owner at any time by removing parked vehicles or property at the expense of anyone claiming or owning same. Owner will not be held responsible for loss or damage to any vehicle or to any of Your personal property left therein, whether such loss or damage arises as a result of fire, collision, theft or otherwise.

23.1 GUESTS. You may have guests overnight in the Residence, but if You desire to have guests overnight for more than seven (7) days in any one month, You must obtain the Executive Director's prior written consent. Guest(s) must also abide by rules and policies of the Community applicable to Residents including, without limitation, procedures for entry and exit. This limitation shall not apply to private duty aids. You are responsible for the charges incurred by and actions of any guest. No more than two (2) overnight guests may be present in Your Residence without our prior written consent. No guests are permitted overnight in Your Residence if You are not present unless You obtain written approval from the Executive Director. You may not charge guests for the use of the Residence. Your guests shall abide by our Rules and Regulations. When visiting the Community, guests have the right to park only in the area designated by the Executive Director. You may bring guests to the dining room to the extent space is available, with Community residents having first preference. Your guests will be charged a guest meal fee. Guest meal charges may be added to Your statement. If Your guests become disruptive to our operations and/or are verbally or physically abusive to staff, residents, or others, we may request that they leave the Community until their behavior is under control or may place limitations upon the location and time of their visitation. You understand that, where circumstances warrant, we may exclude such individuals from the Community.

24.1 MISCELLANEOUS. This Agreement and its Addendums constitutes the entire agreement between You and Owner. Neither You, Owner nor Your representatives may waive, amend, modify, or terminate this Agreement, in any part, except in a writing signed by Owner and You, the party to be charged. Time is of the essence with respect to Your obligations under this Agreement. All notices provided to be given herein will be in writing. VERBAL NOTICE WILL BE INSUFFICIENT. Any notice to Owner by you under this Agreement shall be given in writing and mailed or delivered to Owner at the administrative office or at such other address we may designate in writing. Any notice to you by us will be given in writing and mailed or deliver to your Residence or at such other address as you may designate to us in writing. This Agreement will be interpreted according to the laws of the State of Texas without regard to conflict of law principles. No other persons or entities other than Owner and You have any rights or obligations under this Agreement. This Agreement has been executed on behalf of Owner by its duly authorized agent and no officer, director, agent or employee of Owner shall have any personal liability hereunder to you under any circumstances. Failure or delay of any party to exercise any right, power, or privilege under this Agreement will not operate as a waiver of such right, power, or privilege.

25.1 THIS AGREEMENT MAY BE SIGNED IN MULTIPLE ORIGINAL COUNTERPARTS. IT IS A LEGALLY BINDING CONTRACT. YOU SHOULD READ IT IN ITS ENTIRETY PRIOR TO SIGNING BELOW. BY YOUR SIGNATURE BELOW, YOU HAVE ACKNOWLEDGED THAT YOU HAVE READ AND UNDERSTOOD ALL OF THE PROVISIONS AND CONSENT THERETO. THIS AGREEMENT IS SUBJECT TO THE LAWS OF THE STATE IN WHICH YOU RESIDE.

EXECUTED the day aforementioned in multiple original counterparts.

RESIDENT(S): _____ COMMUNITY, and OWNER: BAY 9 HOLDINGS LLC

Signature: _____ By: _____

Date: _____ Name: _____

Signature: _____ Title: _____

Date: _____ Date: _____

UNCONDITIONAL GUARANTY OF PAYMENT

In consideration of Owner accepting the foregoing Agreement with one or more of the above-named Residents, the undersigned guarantor(s) unconditionally agree(s) to promptly pay to Owner and discharge, when due, all charges, costs, fees, damages and other sums due or to become due hereunder by Resident(s), You under this Agreement, to the Owner, immediately on demand of Owner, without grace or prior notice thereof, of any kind, save and except Owner's written statement to the undersigned guarantor(s) that such sums are owed and have not been timely paid by Resident(s).

GUARANTOR(S):

By: _____

Name: _____

Address: _____

Telephone No.: _____

By: _____

Name: _____

Address: _____

Telephone No.: _____

Exhibit D-2

Form of Assisted Living Rental Agreement for Current Residents¹

¹ The attached form of agreement is in substantially final form as of the date hereof. Bay 9 Holdings LLC reserves the right to make modifications to the agreement as it determines necessary and appropriate in its sole discretion.

EDGEMERE

ASSISTED LIVING RESIDENT AGREEMENT

This Assisted Living Resident Agreement (the “Agreement”) dated _____, 20____, is made by and between Bay 9 Holdings LLC, a Delaware limited liability company, having a business mailing address of 811 E. 17th Avenue, Denver, CO 80218 (“Owner”), the owner of Edgemere in Dallas, Texas (“Community”), located at 8502 Edgemere, Dallas, Texas 75225 (“Property”) and _____ (referred to singly or together, if applicable, as “Resident”). In consideration of the Owner’s acceptance of you as a resident at the Community, _____ agrees to act as the financial responsible party as described in Section 18 below (“Financially Responsible Party”) and _____ agrees to act as the resident’s representative as described in Section 19 below (“Resident’s Representative”), accepting their respective rights and obligations as set forth in this Agreement. Owner has engaged Long Hill at Edgemere, LLC (“Manager”) to act as manager of the Community. Owner, Resident, Financially Responsible Party and Resident’s Representative are collectively referred to herein as the “Parties,” or individually as a “Party.”

1. TERM

This Agreement shall become effective on _____, 20____ (the “Effective Date”) and shall have a term of twelve (12) months (the “Initial Term”), unless earlier terminated as provided below. Following the end of the Initial Term, this Agreement shall automatically renew for additional twelve (12) month terms (each a “Renewal Term” and, collectively with the Initial Term, the “Term”), provided that (a) Resident is not in default under this Agreement and (b) neither Party sends a written notice of termination as provided below.

2. ACCOMMODATIONS

A. Your Residence. Resident will reside in Residence Number _____ at the Community (the “Residence”). Resident may furnish the Residence with Resident’s own furniture. Resident understands that this Community, including the Residence, is non-smoking and tobacco-free. Smoking, vaping, use of smokeless tobacco and chewing tobacco are not allowed on the grounds or in the Community.

B. Common Areas. Resident can use the general-purpose rooms of the Community, such as lounges, library, activity, and meeting rooms, as applicable and pursuant to the policies of the Community.

C. Second Resident/Occupancy. If a second Resident resides in the Residence, and one Resident vacates the Residence (whether voluntarily or involuntarily) during the Term of this Agreement, the second occupant fee described in Section 5 shall no longer be charged as of the date the second resident vacates the Residence (“Second Resident Move Out Date”). Beginning

on the Second Resident Move Out Date, Resident's Monthly Fee shall be escalated to the then-current Monthly Fee for the Residence.

D. Personal Residence. Resident agrees to occupy the Residence only as a personal residence and will not use the Residence for any unlawful purpose. No one other than the Resident(s) is permitted to live at the Residence. This restriction does not apply to Private Duty Assistants (defined below). Resident will not create or allow in Resident's Residence a nuisance or a condition that is a potential fire, safety, or health hazard. Resident will not store or possess at the Community or the Residence any explosives, firearms, noxious chemicals, or hazardous substances. Resident will be the only occupant(s) of the Residence.

E. Maintenance and Alterations. Resident agrees to maintain the Residence in a clean, sanitary, and orderly condition. When Resident vacates the Residence, the Residence shall be in as good condition as on the Effective Date, excluding normal wear and tear to the Residence. Resident can decorate the Residence as Resident wishes provided that Resident complies with the rules of the Community. The Owner must give prior written approval for any changes or alterations to the Residence that require the assistance of electricians, contractors or similar professionals; and Resident will be responsible for restoring the original décor when Resident vacates the Residence. If Resident fails to restore the Residence to its condition on the Effective Date, normal wear and tear excluded, Resident shall be responsible for the costs of such restoration, as described in Section 15.G. Any alterations or improvements shall become the Property of the Owner. You may not change any lock or add any lock or locking device to the Residence.

F. Liability for Damage. Resident agrees to reimburse the Owner for any loss of or damage to the Community's real or personal property, inside or outside of the Residence, caused by Resident, their guests, or their Private Duty Assistant (defined below).

G. Move to New Residence/Transfer. If Resident wishes to change residences within the Community and the Community's Executive Director approves Resident's request for a residence change/transfer, Resident shall pay a relocation fee as determined by the Executive Director at the time of the residence change/transfer request. Resident will be responsible to arrange for Resident's move and to handle related expenses.

H. Absences from the Community and Bed Hold Policy. Except as otherwise set forth herein, if Resident is temporarily absent from the Community, Resident will continue to be responsible for the Monthly Fee, Plan Fee, and other charges due under this Agreement. Should Resident's absence from the Community exceed fourteen (14) days, Resident will not be responsible to pay the Plan Fee beyond the fourteenth day.

I. Authorized Electronic Monitoring. This Community allows Authorized Electronic Monitoring. In accordance with the State mandate, a sign is posted at the front door advising and warning of possible monitoring in residences. Each Resident will receive a copy of the policy as well as an Acknowledgement Form (See **Exhibit M**) which must be signed by the Resident/Responsible Party, and the Owner. This form will be kept in the resident's file.

J. Fair Housing. Owner is committed to the principles of fair housing. In accordance with fair housing laws, Owner will make reasonable accommodations to the Community's

policies, practices, procedures, and services. Owner also will allow reasonable modifications to allow disabled persons the same rights and access to the Community as all others. Persons requesting accommodation may be required to sign an addendum to this Agreement outlining the accommodation provided and any restoration requirements.

3. SERVICES.

A. Services. **Exhibit A** to this Agreement details the basic services provided at the Community as part of Resident's Monthly Fee. **Exhibit B** to this Agreement describes additional services that Resident may request for an additional fee. Wellness Services are described in Section 4 below and in **Exhibit B-1**.

B. Meals. The Community will make available three (3) nutritionally well-balanced meals per day. Basic modified diets will be available to Resident if prescribed by Resident's physician as a medical necessity, or if otherwise requested by Resident, at no additional charge if the Community is able to provide the requested diet. Resident may invite guests to any meal for an extra charge, but the Community requests twenty-four (**24**) hours' advance notice. Snacks will be available between meals and in the evening before bedtime.

C. Activities. The Community will provide planned activities, opportunities for Community participation, and fitness programs, subject to Resident's physical ability to participate. Participation in some exercise or fitness programs may require a liability waiver. An additional charge may apply to activities outside of the Community.

D. Transportation. As part of Resident's Monthly Fee, the Community will provide regularly scheduled transportation services or arrange for Resident's transportation to planned social events, local attractions, shopping destinations and Resident's medical, dental, nursing, or mental health appointments within parameters outlined in **Exhibit E**. The Community's staff can provide Resident with schedules and destinations for the regular transportation service. If the Community makes other transportation arrangements available to Resident, Resident will be charged an extra fee as set forth in **Exhibit B**. If a family member or other responsible person does not arrange to accompany Resident in such instances when it is needed, we will provide an escort if available, and Resident will be charged an extra fee set forth in **Exhibit B**. All other transportation is Resident's responsibility.

E. Emergency Evacuation. In the event of a mandatory emergency evacuation, Resident has the option of being evacuated by the Community's Staff, or being evacuated by Resident's Family. The Executive Director will endeavor to follow the Emergency Evacuation Form (**Exhibit H**) in your Resident File provided, however, in certain emergency situations the Executive Director may determine a Resident's Family may not be available to evacuate the Resident, and, in such a case Resident agrees Resident will be evacuated by the Community's Staff. In the event that Resident is evacuated by the Community's Staff, Resident will be charged a fee, per each occurrence, as set forth on your Evacuation Form in your Resident Admission paperwork.

F. Maintenance. The Community shall maintain in good order and repair all plumbing, toilet facilities and other fixtures installed for the general supply of hot and cold water, and HVAC.

G. Laundry and Housekeeping Services. The Community will provide the laundry and housekeeping services set forth in **Exhibit A**. The Resident/Responsible Party is responsible for providing laundry detergent for cleaning the resident's laundry. Additional laundry and housekeeping services are offered for an extra charge as set forth in **Exhibit B**.

H. Personal Supplies. Resident shall provide, or purchase from Community your own supplies for personal care and hygiene.

I. Parking. If Resident owns a car and maintains a current valid driver's license, registration and insurance, the Community will provide Resident (subject to availability) with the use of a parking space to accommodate a standard size vehicle. The Owner assumes no responsibility for loss or damage to the vehicle or its contents, parked on Community property, however caused. All Resident vehicles must remain in good working order at all times during the Term of this Agreement.

J. Notification of Third Parties. In the event that the Resident requires emergency services or experiences a significant change in condition, the Community will attempt to contact the Resident's Representative and/or Financially Responsible Party timely, using best efforts. The Resident is responsible for ensuring that the Community has current telephone numbers for the individuals to be notified. The Resident's Representative and/or Financially Responsible Party will also be contacted in the event that this Agreement is being terminated.

K. Pet Fee and Monthly Charge. \$ [TBD]A _____ ("Pet Fee"); \$ _____ ("Monthly Charge") See **Exhibit I**;

L. Motorized Wheelchairs, Scooters and/or Carts ("Motorized Vehicles") See **Exhibit J**.

M. Nondiscrimination. The Community will be operated on a non-discriminatory basis and will provide the facilities and services described in this Agreement to individuals regardless of race, color, sex, sexual orientation, gender identity, age, religion, creed, disability, marital status, or national origin, and in compliance with federal and state fair housing laws.

4. WELLNESS SERVICES

A. Required Initial Medical Evaluation. The Resident shall provide to Community a medical assessment completed by a physician, no earlier than thirty (30) days prior to the Effective Date of the Agreement. The Resident shall undergo an initial assessment by the Community prior to admission to the Community and Resident or your Resident's Representative shall acknowledge the information contained in this assessment. The Resident agrees to have a TB test upon admission to the Community.

B. Resident Service Plan. A service plan will be developed based on the medical assessment completed by the Resident's physician and the comprehensive assessment completed

by the Community. The Resident's service plan will be developed with the Resident and/or any individual the Resident designates with the Community staff within fourteen (14) days of admission. The service plan will outline the services the Resident is to receive. The service plan will be reviewed annually. Whenever the Resident experiences a significant change in condition, the service plan will be revised and updated accordingly. The Resident may examine his/her service plan at any scheduled time. The Resident or Resident's Representative must approve and sign the service plan.

C. Assistance with Activities of Daily Living. The Community will provide to the Resident the assisted living services agreed upon and described in **Exhibits A, B and C**. The Community will conduct an initial assessment, and an annual assessment of the Resident. If at any time the Community or the Resident's physician determines that the Resident requires more services than are currently being provided pursuant to **Exhibit C**, the Resident agrees to immediately increase the **Exhibit C** services to meet his/her needs as determined by the Community or the Resident's physician. If the Community determines that it cannot provide to the Resident the services to meet his/her needs, Resident agrees to transfer to an appropriate care setting in accordance with Section 9.G below.

D. Observation. The staff, in the ordinary course of their daily interaction by Resident, shall periodically observe Resident's health condition, activities and diet, in order to identify changes in Resident's health and Resident's physical, mental, and emotional functioning. Resident will **not** be under constant observation or supervision.

E. Arranging for Outside Services. The staff will assist Resident in making needed appointments with professionals offering medical, dental, nursing, or mental health services and with accessing Community resources and transferring to outside facilities as needed and prescribed by Resident's physician. Transportation services outside the parameters outlined in **Exhibit E** may incur an extra fee as set forth in **Exhibit B**.

F. Medications. The staff will provide Resident help and/or supervision with Resident's medications as set forth in **Exhibit C**. If the Community determines that applicable state law prohibits it from providing to the Resident the amount of help and/or supervision with medications that Resident needs, Resident agrees to transfer to an appropriate care setting in accordance with Section 9.G below.

G. Resident Records. The Community maintains certain records on each of its residents that may contain medical and other personal information. The Resident has the right to review their record or to authorize, in writing, members of their family to review their record. All resident information and records are confidential and, unless legally required, are not released without your written consent or the written consent of your authorized legal representative. The Resident's right to refuse release of personal and medical records does not apply when the Resident is transferred to another health care facility or record release is required by law or third-party payment contract.

H. Medical or Other Emergency. In the event of an emergency, Resident shall contact the staff and, if appropriate, the staff will summon emergency service personnel to assist Resident. If the situation is not deemed an emergency by the staff, the staff has the discretion to

instead contact the Resident's Financially Responsible Party, Resident Representative and/or Resident's physician as appropriate. Where the staff judges a situation to be a possible emergency (and Resident does not agree or the staff determines the Resident to be unresponsive), the staff has the right (but not the obligation) to take whatever steps are necessary to meet Resident's emergency medical needs, including summoning emergency service personnel. Any costs incurred, even if the staff ordered the emergency medical services, will be the sole responsibility of the Resident and the Resident's Financially Responsible Party.

I. Excluded Services. The Owner has no express or implied duty to provide services not listed in **Exhibits A, B or C** (the "Contractual Services"). The Owner shall not be responsible for furnishing or paying for any supplies or services not expressly included in this Agreement, including, without limitation, services which could be a Medicare benefit, hospital services, physicians' services, nursing services, skilled nursing facility services, Private Duty Assistants (defined below), third party contractors, Sitters, medications, personal supplies, toiletries, vitamins, eyeglasses, eye examinations, hearing aids, ear examinations, dental work, dental examinations, dental or orthopedic appliances, laboratory tests, x-ray services, rehabilitative services, or any other care or equipment beyond the Community's routine levels of staffing and equipment (the "Excluded Services"). Residents have the right to receive the services covered by this Agreement and the Excluded Services from service providers with which the Owner does not have a contractual agreement. The Owner is no way liable for any issues associated with Excluded Services or any other services provided by another provider engaged by Resident or Resident's Representative.

5. MONTHLY FEE.

Resident agrees to pay in advance on the first (1st) day of each month during the Term the amount of _____ (\$_____) (the "Monthly Fee"). When there are charges for less than one (1) full month, the Monthly Fee will be prorated based on the number of days in the given month. **The Community anticipates that the Monthly Fee will be adjusted annually, but reserves the right to adjust the Monthly Fee upon thirty (30) days prior written notice to Resident.** The fees resulting from **Exhibit B** services are due on the first (1st) day of the immediately succeeding month after such services are performed; the Owner will provide Resident with a statement of fees owed each month.

If there is a second Resident residing in the Residence, Resident agrees to pay on the first (1st) day of each month during the Term the amount of _____ Dollars (\$_____) for a second occupant fee. The Monthly Fee will be adjusted pursuant to Section 2.C if the second Resident no longer resides in the Residence.

A Service Charge of fifty dollars (**\$50.00**) is collected on each check returned unpaid by the bank upon which it was drawn. The Service Charge on unpaid returned check(s) is subject to change in accordance with state law. A returned check, draft, or order against a closed account or an account with insufficient fund (NSF) written to the Owner may be in violation of civil law and/or criminal law.

6. WELLNESS SERVICES FEE.

Resident agrees to pay in advance on the first (1st) day of each month during the Term the Plan Fee (as defined below) associated with the services provided to Resident as set forth in **Exhibit C**. Resident's initial plan fee (the "Plan Fee") shall be: _____ Dollars (\$ _____). Medication and care management services provided to Resident are reviewed by Community staff on an ongoing basis to ensure we continually meet Resident's care needs. A change of condition may warrant an increase or decrease in service. If Resident increases or decreases the services they receive, the Plan Fee shall be adjusted **immediately**, and Resident will either pay or receive the pro rata adjustment for that month. Thereafter, the new rate will be due on the first day of the month. The Community may modify the cost of the services set forth in **Exhibit C** to this Agreement upon advance notice to Resident.

7. PAYMENT AND LATE CHARGES.

Your stay at the Community will be paid for by [_____]. If a third party pays your bills, their non-payment of any amounts due pursuant to this Agreement shall not relieve Resident of any obligation to pay such amounts. If the Monthly Fee, Plan Fee, or any other amount due under this Agreement is not paid on the fifth of the month, the Owner will charge Resident One Hundred (**\$100.00**) to cover administrative expenses, plus interest at the lesser of one and one-half percent (1 ½%) per month or the maximum legal rate allowed by law. Failure to make timely payments may result in the Owner terminating this Agreement. *Medicare and Medicaid do not pay for assisted living services provided at the Community.*

8. COMMUNITY SERVICE FEE.

Resident shall pay a **non-refundable** Community Service Fee of \$ _____ Dollars, which is paid to the Owner concurrently with the execution of this Agreement, and which covers administrative costs regarding your application and other administrative fees.

9. ASSISTED LIVING

A. Admission/Retention Criteria. The criteria applied by the Community for the admission, transfer and discharge of assisted living residents have been provided to Resident.

B. Resident Admission Information. Upon admission, Resident agrees to provide all pertinent identifying information to Community as required by Texas law.

C. Licensing. The Community is licensed as an Assisted Living Facility governed by the State of Texas. The State of Texas conducts an annual, unannounced, on-site visit of the Community to determine compliance with applicable licensure requirements and standards. Additional unannounced onsite visits may be conducted without prior notice to the Community. During on-site reviews, State representatives may observe staff and residents in the common areas of the Assisted Living Section of the Community, communicate privately with any resident who consents, and inspect the resident's clinical and administrative records without the resident's consent.

D. Assisted Living. The Community consists of residences for seniors who are capable of living on their own, provided they have assistance with certain activities of daily living (“Assisted Living”). The Community is not licensed to provide 24-hour skilled nursing care or care for serious psychiatric disorders and is not intended as a substitute for a nursing home. The Community has no duty to provide, or obtain for the Resident, nursing, or health care services other than what is agreed to in **Exhibits A, B and C**. Resident agrees that the Community has no duty (except as may be required under applicable law) to assess, diagnose, examine, or treat any medical, psychological or health care condition that Resident might have or develop.

E. Release and Assumption of Risk. With the freedom and independence of Assisted Living come certain risks of personal injury, such as falls or broken bones. Resident knowingly and voluntarily agrees to assume all risks related to or arising from living in the Community, which Resident understands is not a facility that offers a higher level of care. Resident agrees to waive, release, indemnify, defend, and hold harmless the Owner, its Manager, and their employees and affiliates from and against all liability, loss, costs (including attorneys’ fees) or claims pertaining to or arising from their failure to obtain or furnish services beyond the Contractual Services.

F. Injury by Others. Resident agrees that the Owner, its Manager, and their employees and affiliates are not responsible or liable for injury or loss sustained by Resident as a result of the act or omission of other residents, guests, their Sitter, or their Private Duty Assistant (defined below).

G. Transfer to Meet Care Needs. If at any time, the Community’s staff or a physician determines that the Community cannot meet the Resident’s needs, this Agreement will be terminated and Resident agrees to transfer to another facility that is appropriate for their needs (See Sections 15.A and 15.C below). The criteria used by the Community for the health or safety discharge of assisted living residents as set forth on **Exhibit D**. Upon determination by the Community that the Resident needs services beyond those provided by the Community, the Resident (together with the Resident’s Representative and Financially Responsible Party) shall be notified that the Agreement is terminated, and the Resident shall be transferred to an appropriate care setting. The Community shall assist the Financially Responsible Party or Resident’s Representative with discharge planning and referrals.

10. PRIVATE DUTY ASSISTANTS/SITTERS

A. Services from Third Parties. All third party contractors, outside caregivers, companions, private duty aides and other personnel (collectively “Private Duty Assistants”) and non-medical caregivers (“Sitters”) employed or engaged by Resident to render services to Resident at the Community can do so only if both Resident and the Private Duty Assistants and/or Sitters comply with the Community’s policy on Third Party Contractors (as defined in the Resident Handbook) and complete forms and agreements referenced therein. All Private Duty Assistants must at a minimum be a Certified Nursing Assistant hired through an agency. Resident and/or Resident’s family may choose an individual to serve as a Sitter. All contracts or other arrangements for the services of a Private Duty Assistant and/or a Sitter must be executed by the Resident or the Resident’s Representative. Resident or Resident’s Representative must provide the Community with the name and contact information of the Sitter, and the Sitter may be asked

to sign the Community's Authorized Electronic Monitoring Acknowledgment Form. The Private Duty Assistant needs the prior permission of the Community to provide services to the Resident, which may be revoked by the Community in its sole discretion. It is Resident's responsibility to ensure that their Private Duty Assistant and/or Sitter complies with the Community's Rules and Regulations, Resident Handbook, and general policies, together with any specific policies and rules governing Private Duty Assistants and Sitters. Resident hereby authorizes and directs that all of the Private Duty Assistant's and/or Sitter's records, care plans and notes regarding the Resident will be released to the Community upon request.

B. Injury Caused by Private Duty Assistant. The Resident is responsible for all injury or damage caused by a Private Duty Assistant and/or Sitter, including injury to the Resident. The Owner has no responsibility for the care (or lack thereof) provided by the Private Duty Assistant and/or Sitter. The Resident hereby indemnifies, holds harmless and releases the Owner, its Manager, and their employees and affiliates from and against all liability, loss, costs (including attorneys' fees) or claims pertaining to or arising from the acts or omissions of the Private Duty Assistant and/or Sitter.

11. PETS AND PET FEE.

Pet fish are permitted in the Residence, but aquariums are limited to ten gallons. **One pet dog or cat is permitted per Residence, not to exceed 25 pounds, and subject to Resident(s) first paying Owner the non-refundable, one-time Pet Fee.** There is a monthly charge for a pet. No other pet is permitted in the Residence, without Owner's prior written consent, and thereafter, on payment of the Pet Fee. As Owner, on Move Out of any residence with a pet occupant, replaces the carpet, pad and blinds, the Pet Fee is non-refundable, and such is agreed to be a non-refundable charge to defray the cost to Owner of these Residence replacements; and is not a deposit, nor offset to any other damage claim (See **Exhibit I**).

12. MOTORIZED WHEELCHAIR AND/OR SCOOTER.

Resident may operate a motorized wheelchair, motorized scooter and/or motorized cart ("Motorized Vehicle") at the Community, subject to the conditions and restrictions set forth in the Community's Rules and Regulations, the Resident Handbook, the Community's Motorized Vehicle Policy and with the Executive Director's prior written approval. Resident hereby agrees to operate their Motorized Vehicle in a safe manner and to pay for any damage to the Owner's property or the property of others caused as a result of the use or operation of their Motorized Vehicle. Resident agrees to indemnify, defend and hold harmless the Owner, Manager and their respective owners, against any and all damages and injuries to person and property resulting from the operation of the Motorized Vehicle, INCLUDING, WITHOUT LIMITATION, TO THE EXTENT ARISING OUT OF THE NEGLIGENCE (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF OWNER, ITS OFFICERS, DIRECTORS, PARTNERS, MEMBERS, SHAREHOLDERS, REPRESENTATIVES, INVITEES AND LENDERS). The Community's Motorized Vehicle Policy is a written instrument to be entered into and applicable only in the event that the Executive Director grants such prior written approval to your operation of a Motorized Vehicle at the Community. (See **Exhibit J**).

13. ACCESS TO YOUR RESIDENCE.

The staff may enter your Residence for any reasonable purpose, but not limited to, performing housekeeping, maintenance and other services described in this Agreement. The Community will attempt to notify Resident in advance that a staff member will enter your Residence for non-routine events. Resident agrees to allow the Community to show the Residence during reasonable hours to prospective residents within the last thirty (30) days of the Term.

14. YOUR RIGHTS AND RESPONSIBILITIES.

A. Rules, Regulations and Resident Handbook. Resident agrees to abide by the Community's Rules, Regulations and Resident Handbook as they now exist and as amended. A copy of the Community's Rules and Regulations, and the Resident Handbook have been provided to the Resident.

Resident, Resident's guests, and any Sitter or Private Duty Assistant shall conduct themselves pursuant to the Community's Rules and Regulations, the Resident Handbook, general policies, together with any specific policies and rules governing Private Duty Assistants and Sitters and in a manner that is peaceful and harmonious, and will not engage in conduct that interferes with or jeopardizes the health, safety, or peaceful lodging of the residents, staff, and others at the Community.

B. Loss/Theft and Insurance. Resident is responsible for providing at their own expense insurance to protect Resident and Resident's personal belongings against loss or injury. Resident is required to procure insurance including health, life, disability, property, renter's and, if applicable, motor vehicle insurance for Resident's own protection. The Owner shall not be responsible for the loss of any property belonging to Resident due to theft or any other reason unless such loss is caused by the Community's staff.

C. Resident's Liability to Others. Resident accepts sole responsibility for any loss, injury, or damage to others, to themselves, the Residence, the Community, and the Community caused by or resulting from, in whole or in part, their own acts or omissions or those of their guests and Private Duty Assistant. Resident agrees to indemnify, defend, and hold harmless the Owner, its Manager, and their employees and affiliates from and against all liability, loss, costs (including attorneys' fees) or claims pertaining to or arising from such loss, injury, or damage.

D. Admission Information. Resident represents that the information set forth on their application forms, health history and medical report, personal interview, and emergency information records, as applicable, is true and correct. Any substantive inaccurate statement made by Resident, including their age, finances, resources, and health history may render this Agreement voidable and/or immediately terminated at the option of the Community. Resident agrees to submit updated copies of the above forms upon request from the Community, when required by state regulations or when Resident becomes aware of a change in their medical condition.

The Resident has been advised and received a copy of Texas' statutory Resident Rights which are attached as **Exhibit D**, and posted in the Community. The Community shall not deprive

Residents of any rights, benefits, or privileges guaranteed by law, the Constitution of the State of Texas, or the Constitution of the United States solely on account of his or her status as a resident.

E. Complaint Resolution Procedure. Resident has been provided with a copy of the Community's complaint resolution procedures as set out in the Resident Handbook. All Residents are encouraged to exercise their rights as a resident and citizen. Grievances, and recommendations for changes in policies and services, may be voiced to Community staff or outside representatives without interference, discrimination, reprisal, coercion, or restraint. Residents are encouraged to bring their concerns to the Executive Director. The following Parties are also available to assist the Resident with resolution of complaints:

Edgemere
Attention: Executive Director
8502 Edgemere
Dallas, TX 75225

Texas Health and Human Services Commission
Complaint and Incident Intake
Mail Code E-249
P.O. Box 149030-78714
Austin, TX 78751
Phone: 1-800-458-9858
Fax: 1-512-438-5827

F. Resident's Copy of the Agreement. Resident will be given a duplicate original of this Agreement.

G. Notice of Absences. When Resident is going to be temporarily absent from the Community, Resident agrees to give prior written notice to the Community's staff. Resident agrees to let the Community know their general whereabouts at all times.

15. TERMINATION OF AGREEMENT.

A. Termination by Resident. Resident may terminate this Agreement for any reason by giving the Community at least thirty (30) days prior written notice of termination. Resident will continue to be responsible for their Monthly Fee, Plan Fee, and any other fees payable under this Agreement until the notice period has expired or until Resident has vacated their Residence as described below, whichever is later. If the physician certifies that Resident requires an emergency relocation to a higher level of care than provided at the Community, Resident may terminate this Agreement by giving the Community written notice of termination, together with a copy of the certification and the Agreement will be terminated on the date that Resident's Residence is vacated as described below. Resident may have special statutory rights, which may eliminate the requirement for prior written notice to terminate this Agreement early, in certain situations involving family violence or a military deployment or transfer.

B. Termination by Owner for Failure to Pay. Owner may terminate this Agreement upon thirty (30) days prior written notice if: (i) Resident or your Financially Responsible Party

fails to pay the Monthly Fee, Plan Fee, or other fees payable under this Agreement or comply with the requirement of any financial assistance policy that may result in residency termination, or, (ii) in the case of successor Financially Responsible Party or a successor Resident's Representative, a failure to comply with the provisions of Sections 18 and 19 below. Resident and Resident's Financially Responsible Party will continue to be responsible for the Monthly Fee, Plan Fee, and any other fees payable under this Agreement until Resident has vacated their Residence as described below.

C. Owner's Termination for Health or Safety Reasons. Except as provided below, based upon the discharge criteria set forth on **Exhibit D**, the Owner may terminate this Agreement upon thirty (30) days written notice. In the event of an emergency, notice shall be made as soon as practicable. Resident and Resident's Financially Responsible Party will continue to be responsible for the Monthly Fee, Plan Fee, and any other fees payable until Resident has vacated their Residence as described below.

D. Termination by Mutual Agreement. The Agreement may be terminated immediately at any time upon written agreement of the Parties.

E. Termination by Resident's Estate. This Agreement shall terminate on the date that Resident's Residence is vacated as described in Section 15.F below.

F. Vacating the Residence. Resident and Resident's Financially Responsible Party shall remain liable for the Monthly Fee and Plan Fee, and their Residence shall not be considered vacated, until all of Resident's property is removed from the Residence. If Resident's property is not removed from the Residence upon termination of the Agreement, the Owner may, upon fourteen (14) days advance written notice (i) remove Resident's property from Resident's Residence and charge for the actual costs of moving and storage or (ii) dispose of Resident's property in accordance with state law.

G. Refund of Prepaid Amounts. Amounts that Resident has prepaid will be returned to Resident pro rata within thirty (30) days following Resident's vacating the Residence (whether by transfer, discharge or death) minus all sums owing to the Owner, including (i) unpaid Monthly Fee, Plan Fees, and other charges that Resident owes to the Owner under this Agreement; (ii) the costs of repairing any of the Community's property that was damaged by Resident, their guests, or their Private Duty Assistant and/or Sitter, or that are incurred in restoring the original décor of the Residence (See Section 2.E above); and (iii) any expense incurred by the Owner to remove and/or store any of Resident's property that was not removed. Any such deductions shall be made in accordance with applicable law. If the amount Resident owes to the Owner exceeds the sum of the prepaid amounts, the Owner will bill Resident for the difference. If the Community discontinues operation, any advance payment for services not received shall be refunded to the resident or the resident's guardian within ten (10) days of the closure, whether or not such refund is requested, provided such refund payment is permitted under applicable law.

H. Holding Over. If either Resident or the Owner gives notice of termination and Resident remains in the Residence after the notice period, then Resident's Monthly Fee and Plan Fee shall increase to One Hundred Fifty Percent (150%) of its current level until the Residence is vacated.

16. A. WAIVER OF JURY TRIAL.

In any dispute arising between the Parties not involving a claim of medical liability, each Party hereto waives its right to a trial by jury in any action, proceeding or counterclaim brought by any Party against any other Party. The prevailing Party shall be entitled to an award of reasonable costs and attorneys' fees. See attached Addendum, Agreement to Arbitrate.

B. LIMITATIONS OF LIABILITY PROVISION.

The parties to this Agreement understand that the purpose of this "Limitation of Liability Provision" is to limit, in advance, each party's liability relation to this Agreement.

Liability for any claim brought by a party of this Agreement against the other party, including but not limited to a claim by the Owner for unpaid fees, or a claim by a Resident, or by a Resident's estate, agent or legal representative, arising out of the care or treatment received by the Resident at the Community, including without limitation, claims for medical negligence or violation(s) of Texas Statutes, arising from simple or gross negligence, shall be limited as follows:

- (1) Net economic damages shall be awardable, including, but not limited to, past and future medical expenses, offset by any collateral source payments.
- (2) Non-economic damages shall be limited to a maximum of two hundred fifty thousand dollars (\$250,000).
- (3) Interest on unpaid wellness service fees shall not be awarded.

17. ADVANCE DIRECTIVES.

If Resident has executed an advance directive, or if Resident executes such documents after Resident moves into the Community, it is their responsibility to inform the staff and supply a copy to the Community. (The term "advance directive" includes health care powers of attorney, designation of a guardian to make health care decisions, living wills, or other documents that describe the amount or type of health care that Resident would want to receive at a time when Resident can no longer communicate those decisions directly to a physician or other health care professional). It is also Resident's responsibility to inform the Community if Resident revokes or changes their advance directive. A copy of the Community's Advance Directive Policies has been provided to Resident. (See **Exhibit K**)

18. FINANCIALLY RESPONSIBLE PARTY.

The "Financially Responsible Party" is jointly and severally liable with the Resident for all monetary obligations under this Agreement; including the payment of the Monthly Fee, Plan Fee and all other amounts that become due to the Owner under this Agreement. The Financially Responsible Party may also be the Resident's Representative. If at any time after the Effective Date a different individual is designated as Financially Responsible Party, Resident and Resident's Representative shall immediately notify the Community of such successor in accordance with the provisions of Section 22.E below and such successor Financially Responsible Party shall agree to

be bound by this Agreement by executing a joinder to this Agreement within seven (7) business days of delivery of such notice. Such a successor Financially Responsible Party shall execute such other documents and agreements as the Community staff deem necessary and appropriate. Failure to comply with the foregoing shall constitute grounds for termination under Section 15.B above.

19. RESIDENT’S REPRESENTATIVE.

“Resident’s Representative” means an individual designated by the Resident to assist the Resident in making decisions about the Resident’s care or has been designated to make decisions on the Resident’s behalf regarding the Resident’s care. This may include an individual that holds a power of attorney or guardianship. The Resident’s Representative may also be the Financially Responsible Party. If at any time after the Effective Date a different individual is designated as Resident’s Representative, Resident and Resident’s Financially Responsible Party shall immediately notify the Community of such successor in accordance with the provisions Section 22.E below and such successor Resident’s Representative shall agree to be bound by this Agreement by executing a joinder to this Agreement within seven (7) business days of delivery of such notice. Such a successor Resident’s Representative shall execute such other documents and agreements as the Community staff deem necessary and appropriate. Failure to comply with the foregoing shall constitute grounds for termination under Section 15.B above.

20. NO RELIGIOUS AFFILIATION.

The Community is not affiliated with any religious organization.

21. ADDENDA AND EXHIBITS.

The Addenda and Exhibits attached to this Agreement are incorporated into and made a part of the Agreement.

22. MISCELLANEOUS

A. Fire or Casualty. If Resident’s Residence or the Community is damaged or destroyed by fire or casualty so as to make it uninhabitable, the Community may terminate this Agreement immediately on notice to Resident, and the Community shall abate the Monthly Fee until the Residence is restored to habitable condition. The Community shall have no obligation to repair or restore the Residence or the Community in the event of a fire or other casualty.

B. No Waiver. The failure by any Party to enforce any of its right under this Agreement shall not be deemed a waiver of any right, which that Party has under this Agreement.

C. Entire Agreement. This Agreement, along with the attached exhibits and addenda, constitute the entire agreement between Resident and the Owner and may be amended only in writing.

D. Assignment or Subletting. Resident shall not let, sublet, assign, or transfer this Agreement, or all or any part of this Agreement, without the prior written consent of the Owner. This Agreement may be freely assigned by the Owner to any of its affiliates, parents, subsidiaries, successors, or assigns.

E. Notice. Notices required by this Agreement shall be **in writing** and delivered either by personal delivery, overnight delivery service or U.S. mail (certified or registered mail, return receipt requested, and all postage and charges prepaid). Notice to the Owner and/or Manager shall be sent to the attention of the **Executive Director** at the Community's address listed below. Notice to Resident shall be sent to Resident's Residence at the Community's address listed below, with a copy to the Financially Responsible Party (if there is one) at the following address:

Edgemere
Attention: Executive Director
8502 Edgemere
Dallas, TX 75225

and a copy to the Resident's Representative (if there is one) at the following address:

RP NAME
ADDRESS
CITY, STATE, ZIP

F. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, this Agreement shall be read as if such unenforceable provision was not included, and all other provisions of this Agreement shall continue in full force and effect.

G. Successors. The respective rights and obligations provided in this Agreement shall bind and shall inure to the benefit of the Parties hereto, their legal representatives, heirs, estates, successors and assigns.

H. Survival. The rights and obligations of the Parties set forth in Section 16 and the Addendum to Arbitrate shall survive the termination of this Agreement, together with all rights of indemnification.

I. Governing Law. Except as noted above in Section 16, this Agreement shall be governed by and construed under the laws of the state where the Community is located without regard for its conflict of laws principles.

J. Headings. The headings contained herein are for convenience of reference only and are not intended to define, limit, or describe the scope of intent of any provision of this Agreement.

K. Authorization to Release Medical Information. Resident hereby authorizes their health care providers to release their medical information and medical records to the Community as needed and Resident agrees to complete any forms provided by Community to allow for such release.

L. Incompetency. If Resident becomes legally incompetent, or is unable to properly care for themselves or their property, and Resident has made no other designation of a person or legal entity to serve as their guardian or conservator; Resident hereby grants authority to the

Community to apply to a court of competent jurisdiction for the appointment of a conservator or guardian.

M. Risk Management Process. The Community maintains a risk management process to identify and reduce potential liability, which includes providing Resident with the following information:

a. General Provisions

- i. No One-On-One Care. Resident understands that the Community will not be providing them with one-on-one staff assistance at all times. Rather, at limited time periods during the day, Resident will receive supervision or assistance from the staff as defined by the Wellness Services (as set forth in Exhibit C attached hereto) this Agreement. There will be times that Resident is in their private residence, hallway, or common areas of the Community, including outdoors, without a staff member present to supervise, observe or assist Resident. This is all part of the Assisted Living Community goal of allowing Resident to live as independently as possible, and with as much dignity, personal decision-making, and privacy as possible, and in a less restrictive environment.
- ii. Staff Response Time. Resident and their Resident Representative and/or their Financially Responsible Party (“Responsible Party”) also fully understand and appreciate the fact that, because Resident will not be receiving one-on-one staff supervision or assistance, their requests for non-emergency staff assistance, such as requests for assistance with a shower, bath, change of clothing, etc., may not be responded to immediately. If Resident desires a quicker response time, Resident and their Responsible Party understand that Resident will need to hire a private helper/companion. If Resident desires a quicker response time and Resident is not willing to pay for a Private companion, then this is not an appropriate Community for Resident. If Resident wishes to move into the Community and expects a shorter response time, Resident will need to hire a private companion/helper.
- iii. Independence. Resident and their Responsible Party understand that because Resident will be given as much independence, privacy, and personal decision-making as possible there may be times when Resident is injured trying to independently perform their activities of daily living to include walking, bathing, transferring from their bed to the bathroom, dressing, etc. Resident and their Responsible Party hereby agree that injuries, including those from falls, which occur while performing an activity that their physician has designated as an activity that Resident can perform independently, cannot reasonably be prevented.

iv. Activities Done Without Supervision/Assistance. Resident and their Responsible Party also agree that for any activity designated by their doctor as requiring supervision or assistance, which Resident decides to perform without reasonably requesting or waiting for staff assistance or supervision and which thereby results in an injury to Resident, is not the fault of the Owner.

b. **FURTHERMORE,** Resident and their Responsible Party agree that the following events may occur, and result in injury to Resident, and will not be reasonably prevented by the Community:

i. Resident may choose not to request staff supervision or assistance before attempting to perform an activity of daily living such as walking, dressing, transferring, bathing, etc.

ii. Resident may forget to request staff supervision or assistance before attempting to perform an activity of daily living such as walking transferring, bathing, dressing, etc.

iii. Resident may request staff supervision or assistance but then decide to perform the activity before the staff member has been able to reasonably respond to their request.

iv. Resident may choose to exercise their right to refuse medications or refuse to follow their Doctor's advice.

v. Resident may refuse to comply with staff's recommendations to use a cane, walker, wheelchair, or other safety precautions.

vi. Resident may exercise their right to refuse therapy.

vii. Resident may exercise their right to refuse to have a private companion/helper.

c. **Falls.** As we get older, generally we begin to experience an increase in falls, often due to our decreased eyesight, weaker muscles, slower response time, shuffling gait and/or side effect of our medications. Resident and their Responsible Party understand that the Owner cannot guarantee that Resident will not experience a fall, or an injury from a fall, at the Community.

d. **Role of Your Doctor.** Resident and their Responsible Party understand that only Resident's physician can do the following: (1) prescribe any medications or treatments for Resident; (2) diagnose any medical condition that Resident may have; (3) order any lab work, therapy or limitations on Resident's activities that the physician deems appropriate and (4) determine if any follow-up action is necessary based on the results of Resident's lab work. Community's staff cannot prescribe medications, nor can they make

a medical diagnosis, or order lab work, physical, speech, or occupational therapy, etc.

N. Ownership. The Community is owned by Bay 9 Holdings LLC, a Delaware limited liability company, having a business mailing address of 811 E. 17th Avenue, Denver, CO 80218. The Manager of the Community is Long Hill at Edgemere, LLC a Delaware limited liability company, having a business mailing address of 580 Long Hill Avenue Shelton, CT 06484.

[Signature page to follow]

DRAFT

IN WITNESS WHEREOF, this Assisted Living Resident Agreement is entered into as of the date set forth above.

By:

Bay 9 Holdings LLC, a Delaware limited liability company (“Owner”)
(As Owner’s Representative)

By: _____

Printed Name:

Title: Executive Director

Resident:

By: _____

Printed Name:

Second Resident (as applicable):

By: _____

Printed Name:

Resident’ Financial Representative:

By: _____

Printed Name:

Resident’s Representative:

By: _____

Printed Name:

ADDENDUM TO ASSISTED LIVING RESIDENT AGREEMENT TO ARBITRATE

This is an addendum to the Assisted Living Resident Agreement dated _____, 20____. This addendum is incorporated into and made a part of the Agreement.

The Parties desire to resolve disputes between them as expeditiously and economically as possible. Therefore, any claim or dispute (including those based on contract, negligence or statute) amongst the Parties, involving an amount in excess of \$15,000 arising out of or related to this Agreement, the Community or the services/care provided to the Resident, shall be resolved by binding arbitration administered by an arbitrator agreed upon by the Parties, and judgment may be entered in any court having jurisdiction thereof. In the event that the Parties cannot agree upon an arbitrator within thirty (30) days, each Party shall choose an arbitrator, unaffiliated with such Party and those two arbitrators shall pick a third arbitrator. Each such arbitrator shall have at least ten (10) years of experience in the industry and at least three (3) years' experience with the subject matter. The Parties agree that this Agreement evidences a transaction involving interstate commerce. The U.S. Arbitration Act ("USAA") shall govern the interpretation, enforcement, and proceedings pursuant to the arbitration provisions in this Agreement. The Parties stipulate that the USAA shall apply to this Agreement, and that the USAA shall preempt any inconsistent state law and shall not be reverse preempted. The arbitration panel shall have the discretion to order depositions of witnesses where such discovery is relevant and appropriate. The arbitration panel has the discretion to award economic and non-economic damages. The arbitration panel may also award attorneys' fees and or such other relief if the arbitrators find that a party's conduct arises to the legal standard to award such relief. The Parties agree that the arbitrators' ruling is final and binding. Each side shall bear an equal share of the arbitrators' fees and the costs of the arbitration unless the arbitrators decide otherwise. The rights and obligations of the Parties set forth in this Addendum to Arbitrate shall survive the termination of the corresponding Assisted Living Resident Agreement.

**Bay 9 Holdings LLC, a Delaware limited liability company ("Owner")
As Owner's Representative:**

By: _____ Date: _____
Printed Name: _____
Title: Executive Director

Resident:

By: _____ Date: _____
Printed Name: _____

Second Resident (as applicable):

By: _____ Date: _____
Printed Name: _____

Resident's Representative:

By: _____ Date: _____
Printed Name: _____

Resident's Financially Responsible Party:

By: _____ Date: _____
Printed Name: _____

**EXHIBIT A
ASSISTED LIVING SERVICES**

The Resident resides in an Assisted Living Residence. The Community will provide the following services covered by the Monthly Fee.

1. Dining – Three nutritionally well-balanced meals will be served daily in our dining room. In the event of illness, tray service is available upon request.
2. Housekeeping Services – Our housekeepers will clean the Residence, and launder one wash load of personal laundry and one load of bath and bed linens each week.
3. Leisure Activities – We offer a wide variety of recreational, cultural, and religious events for residents’ selection and enjoyment; off-site events may be at an additional charge.
4. Transportation – We will transport residents on a first come, first served basis to scheduled destinations, subject to vehicle and driver availability.
5. Utilities – Water, heat, electricity, and basic cable are provided. Telephone and optional cable television are available through the local service providers and must be arranged by the Resident or the Resident’s Representative.
6. Emergency Response – Our staff provides emergency assistance and, if appropriate summons emergency response personnel, the Resident’s physician, transportation and notifies family or the Resident’s designee.
7. Accommodations – Since we are not responsible for loss of or damage to Resident’s property, the Resident must obtain renter’s insurance. If we provide furnishings, the Resident will return them in good condition, reasonable wear and tear excepted.

RESIDENT:

Name: _____ DATE: _____

SECOND RESIDENT (AS APPLICABLE):

Name: _____ DATE: _____

RESPONSIBLE PARTY:

Name: _____ DATE: _____

EXECUTIVE DIRECTOR:

Name: _____ DATE: _____

EXHIBIT B
ANCILLARY AND CONCIERGE SERVICE FEES

Assisted Living

(Not all services are available in all communities; please refer to state regulations to determine availability)

The fees listed below are a la carte per session or for each time performed and may be in addition to Plan Fees. Resident or their Responsible Party are responsible for charges from any selected medical supply company.

Personal Services

| | |
|--|--|
| Laundry (wash, dry and fold) | \$ ___ per load |
| Housekeeping (1 hour minimum) | \$ ___ (any cleaning in addition to weekly housekeeping services described on Exhibit "A") |
| Staff Transportation Escort/Assistance | \$ ___ per hour (1 hr. min.) |
| Transfer fee (size based on current residence) | |
| Studio/1-bedroom | \$ ___ |
| 2-bedroom | \$ ___ |
| Carpet Cleaning | |
| Studio | \$ ___ |
| 1-Bedroom | \$ ___ |
| 2-Bedroom | \$ ___ |
| Maintenance | \$ ___ per ½ hour |
| Key Replacement | \$ ___ per key |
| Lock Change | \$ ___ per change |
| Tray Service | \$ ___ per meal |
| Guest Meal | \$ ___ per meal |
| Special Events | Priced per event |
| Transportation | \$ ___ per hour |
| Non-Preferred Pharmacy Fee | \$ ___ per month |

Administrative Services

| | |
|---|------------------------|
| Alert Pendent or Bracelet Replacement (if applicable) | \$ ___ |
| Pet Fees | \$ ___ Fee/+\$ ___ mo. |

RESIDENT:

DATE: _____

SECOND RESIDENT (AS APPLICABLE):

DATE: _____

RESPONSIBLE PARTY:

DATE: _____

EXECUTIVE DIRECTOR:

DATE: _____

DRAFT

EXHIBIT B-1

(To Be Delivered)

**This exhibit is intended to set forth specific references to wellness services as detailed in the
Resident Handbook in Force on the Effective Date of this Agreement**

DRAFT

EXHIBIT C

ASSISTED LIVING CARE PLANS/WELLNESS SERVICES

For additional fees, the Community provides several levels of plans to residents of the Community as more fully set forth in the Resident Handbook. These services include health related services, assistance with meeting medical and social needs, as well as medication, management, assistance with activities of daily living, such as bathing, dressing, toileting, escorting and person hygiene. The level of services required by the resident is based upon a pre-admission assessment using the “Comprehensive Assessment” as referenced in the contract. The assessment is updated annually or with significant change in condition. A written Care Plan is developed from the “Comprehensive Assessment” and is available to you and your authorized representative, if applicable. Assessments may result in changes to your care plan and your Plan Fee or may lead to a determination that the Community can no longer meet your needs.

- \$ _____ Level 1
- \$ _____ Level 2
- \$ _____ Level 3
- \$ _____ Level 4
- \$ _____ Memory Care Plus
- \$ _____ Medication Level 1
- \$ _____ Medication Level 2
- \$ _____ Medication Management Only
- \$ _____ Medication Oversight – Self Administration

RESIDENT:

_____ DATE: _____

SECOND RESIDENT (AS APPLICABLE):

_____ DATE: _____

RESPONSIBLE PARTY:

_____ DATE: _____

EXECUTIVE DIRECTOR:

_____ DATE: _____

EXHIBIT D

ASSISTED LIVING RESIDENT AGREEMENT

Resident's Bill of Rights

1. Each assisted living facility must post the Resident's Bill of Rights, as provided by the department, in a prominent place in the facility and written in the primary language of each resident. A copy of the Resident's Bill of Rights must be given to each resident.

2. A resident has all the rights, benefits, responsibilities, and privileges granted by the Constitution and laws of this state and the United States, except where lawfully restricted. The resident has the right to be free of interference, coercion, discrimination, and reprisal in exercising these civil rights.

3. Each resident in the assisted living facility has the right to:

A. be free from physical and mental abuse, including corporal punishment or physical and chemical restraints that are administered for the purpose of discipline or convenience and not required to treat the resident's medical symptoms. A provider may use physical or chemical restraints only if the use is authorized in writing by a physician or the use is necessary in an emergency to protect the resident or others from injury. A physician's written authorization for the use of restraints must specify the circumstances under which the restraints may be used and the duration for which the restraints may be used. Except in an emergency, restraints may only be administered by qualified medical personnel;

B. participate in activities of social, religious, or community groups unless the participation interferes with the rights of others;

C. practice the religion of the resident's choice;

D. if the resident has an intellectual disability, with a court-appointed guardian of the person, participate in behavior modification program involving use of restraints, consistent with subparagraph (A) of this paragraph, or adverse stimuli only with the informed consent of the guardian; and

E. be treated with respect, consideration, and recognition of his or her dignity and individuality, without regard to race, color, religion, creed, national origin, sex, sexual orientation, gender identity, age, disability, marital status, or source of payment.

This means that the resident:

i. Has the right to make his/her own choices regarding personal affairs, care, benefits, and services;

ii. Has the right to be free from abuse, neglect, and exploitation; and

ii. If protective measures are required, has the right to designate a guardian or representative to ensure the right to quality stewardship of his/her affairs;

F. a safe and decent living environment;

G. not be prohibited from communicating in his or her native language with other individuals or employees for the purpose of acquiring or providing any type of treatment, care, or services;

H. complain about the resident's care or treatment. The complaint may be made anonymously or communicated by a person designated by the resident. The provider must promptly respond to resolve the complaint. The provider must not discriminate or take other punitive action against a resident who makes a complaint;

I. receive and send unopened mail, and the provider must ensure that the resident's mail is sent and delivered promptly;

J. unrestricted communication, including personal visitation with any person of the resident's choice, including family members and representatives of advocacy groups and community service organizations, at any reasonable hour;

K. make contacts with the community and to achieve the highest level of independence, autonomy, and interaction with the community of which the resident is capable;

L. manage his or her financial affairs. The resident may authorize in writing another person to manage his/her money. The resident may choose the manner in which his/her money is managed, including a money management program, a representative payee program, a financial power of attorney, a trust, or similar method, and the resident may choose the least restrictive of these methods. A person designated to manage a resident's financial affairs shall do so in accordance with each applicable policy, law, or rule. On request of the resident or the resident's representative, the person designated to manage the resident's financial affairs shall make available the related financial records and provide an accounting relating to the financial management. A resident's designation of another person to manage the resident's financial affairs does not affect the resident's ability to exercise another resident right articulated by law. If a resident is unable to designate another person to manage the resident's financial affairs and a guardian is designated by a court, the guardian shall manage the resident's financial affairs in accordance with the Texas Estates Code and other applicable laws;

M. access the resident's personal and clinical records, which are confidential and may not be released without the resident's consent, except:

i. to another provider, if the resident transfers residence; or

ii. if the release is required by another law;

N. be fully informed, in language that the resident can understand, of the resident's total medical condition and be notified whenever there is a change in the resident's medical condition;

O. choose and retain a personal physician and to be fully informed in advance about treatment or care that may affect the resident's well being;

P. participate in developing his/her individual service plan that describes the resident's medical, nursing, and psychological needs and how the needs will be met;

Q. be given the opportunity to refuse medical treatment or services after the resident:

i. is advised by the person providing services of the possible consequences of refusing treatment or services; and

ii. acknowledges that he/she understands the consequences of refusing treatment or services;

R. unaccompanied access to a telephone at a reasonable hour or in case of an emergency or personal crisis;

S. privacy, while attending to personal needs and a private place for receiving visitors or associating with other residents, unless providing privacy would infringe on the rights of other residents. This right applies to medical treatment, written communications, telephone conversations, meeting with family, and access to resident councils. If a resident is married and the spouse is receiving similar services, the couple may share a room;

T. retain and use personal possessions, including clothing and furnishings, as space permits. The number of personal possessions may be limited for the health and safety of other residents;

U. determine his or her dress, hair style, or other personal effects according to individual preference, except the resident has the responsibility to maintain personal hygiene;

V. retain and use personal property in his or her immediate living quarters and to have an individual locked area (cabinet, closet, drawer, foot locker, etc.) in which to keep personal property;

W. refuse to perform services for the facility, except as contracted for by the resident and operator;

X. be informed by the provider no later than the 30th day after admission:

i. whether the resident is entitled to benefits under Medicare or Medicaid; and

ii. which items and services are covered by these benefits, including items or services for which the resident may not be charged;

Y. not be transferred or discharged unless:

i. the transfer is for the resident's welfare, and the resident's needs cannot be met by the facility;

ii. the resident's health is improved sufficiently so that services are no longer needed;

iii. the resident's health and safety or the health and safety of another resident would be endangered if the transfer or discharge was not made;

iv. the provider ceases to operate or to participate in the program that reimburses for the resident's treatment or care; or

v. the resident fails, after a reasonable and appropriate notice, to pay for services;

Z. not be transferred or discharged, except in an emergency, until the 30th day after the date the facility provides written notice to the resident, the resident's legal representative, or a member of the resident's family, stating:

i. that the facility intends to transfer or discharge the resident;

ii. the reason for the transfer or discharge;

iii. the effective date of the transfer or discharge;

iv. if the resident is to be transferred, the location to which the resident will be transferred; and

v. any appeal rights available to the resident and to whom the appeal should be directed;

AA. leave the facility temporarily or permanently, subject to contractual or financial obligations;

BB. have access to the services of a representative of the state Long-term Care Ombudsman Program; and

CC. execute an advance directive, under the Advance Directives Act (Chapter 166, Health and Safety Code), execute a medical power of attorney, or designate a guardian in advance of need to make decisions regarding the resident's health care should the resident become incapacitated.

Resident's Bill of Rights

Acknowledgement Form

I/We have had the Resident's Bill of Rights reviewed with me/us. I/We have had my/our questions answered.

Signature of Incoming Resident

Date: _____

Signature of Second Resident (as applicable)

Date: _____

Signature of Resident's Representative

Date: _____

Signature of Community's Representative

Date: _____

DRAFT

EXHIBIT E

ASSISTED LIVING RESIDENT AGREEMENT

TRANSPORTATION GUIDELINES

This assisted living community has a vehicle available for transporting residents to and from scheduled activities, outings and on assigned days, physician, or clinic appointments. Routinely, trips are scheduled to banks, stores, pharmacies, etc. Resident will see specific schedules printed on the activity calendar. Transportation is managed through the administrative staff of the Community. To be “dropped-off” at an appointment destination or unsupervised shopping trip residents must be capable of navigating buildings unassisted, recall method of contacting the driver when ready for pick-up and/or remembering the location of a pre-determined “pick-up” point.

Physician and clinic appointments will be scheduled within the established **10-mile** radius of the community and as approved by management. Appointments are scheduled on a first come, first served basis.

The community may provide chauffer services and escort service at an additional fee as set forth in **Exhibit B**. Residents must inform management of their need for these services well enough in advance to avoid conflict with the residence’s trip and activity schedule and to ensure availability of staff to perform escort services.

RESIDENT:

_____ DATE: _____

SECOND RESIDENT (AS APPLICABLE):

_____ DATE: _____

RESPONSIBLE PARTY:

_____ DATE: _____

EXECUTIVE DIRECTOR:

_____ DATE: _____

EXHIBIT F

RESIDENT HANDBOOK

I hereby acknowledge receipt and review of the Resident Handbook.

RESIDENT:

DATE: _____

SECOND RESIDENT (AS APPLICABLE):

DATE: _____

RESPONSIBLE PARTY:

DATE: _____

EXECUTIVE DIRECTOR:

DATE: _____

EXHIBIT G

PHARMACY SERVICES AGREEMENT

Resident has the right to select any pharmacy provider for their medication needs. The Community has selected **Omnicare Pharmacy** as our preferred pharmacy. As our preferred pharmacy, **Omnicare** implements approved Medication Management policies and programs which provide services to our residents geared towards enhancing their health and wellness. The Community works closely with various pharmacy providers to ensure that our residents' needs are met by providing the following services;

- Screening for possible negative drug interactions
- Assessments for potential allergic reactions of medications
- Recommending therapeutic substitutions when appropriate
- Providing competitive pricing for comparable packaging and offering generic substitutions when appropriate
- Alerting staff and physicians when there is a duplication of prescriptions
- Individual wellness recommendations
- Regular scheduled review and monitoring of medications
- Routine or emergency delivery 24-hours a day, 365 days a year
- Medication packaging that meets the community's standards for safety

Should you elect a different pharmacy you will be charged a monthly non-preferred pharmacy fee of \$ _____. The pharmacy Resident chooses must comply with the Community's Pharmacy Standards. Additionally, the Community requires that Resident maintains a supply of medication(s) sufficient to meet the prescribed dosage without interruption for three (3) days. If at any time, Resident does not have a three (3) day supply of medication(s) available, Resident grants the Community authority to order a one-month supply of Resident's required medications from **Omnicare Pharmacy** at Resident's expense.

Resident:

By: _____ Date: _____
Name: _____

Second Resident (as applicable):

By: _____ Date: _____
Name: _____

Financially Responsible Party:

By: _____ Date: _____
Name: _____

Resident's Representative:

By: _____ Date: _____
Name: _____

DRAFT

EXHIBIT H
EVACUATION FORM

In the event of an evacuation from the Community, I will do the following:

_____ Be evacuated by a family member
Name:
Address:
City: _____ State: TX Zip Code: _____
Phone Number:

_____ Be evacuated by the Community

Signature of Resident Date

Signature of Second Resident (as applicable) Date

Signature of Resident's Responsible Party Date

Executive Director Date

EVACUATION FEE

In the event of an evacuation from the Community, I will be evacuated by the Community's staff and agree to pay a non-refundable fee of \$_____ to the Owner upon **each evacuation occurrence. I understand that the fee will be paid at the time of the evacuation.**

Signed: _____ Date: _____
Resident's Name

Signed: _____ Date: _____
Second Resident's Name (as applicable)

Signed: _____ Date: _____
Resident's Responsible Party

Signed: _____ Date: _____
Executive Director

EXHIBIT I
PET CONSENT

Community: _____

Date: _____

Name of Resident: _____

Residence #: _____

Pet Species: _____ (Dog, Cat, etc.)

_____ has paid a pet fee of \$_____ and is given permission to have their pet on the premises in compliance with the regulations regarding pets in the Assisted Living Resident Agreement signed by the Lessee.

Pet Regulations:

- Pets may not weigh more than 25 pounds.
- There is a non-refundable pet fee of \$_____
- There is a monthly charge for pet of \$_____
- Dogs and cats need to be dipped every three months or use the new flea systems.
- All pets must maintain appropriate vaccination and health records required by Community rules and regulations.
- Dogs and cats are never allowed in the common areas or hallways of the community unless being transported outside.
- Dogs must be kept on a leash when in the courtyard areas.
- Resident is responsible for the care of their pet.
- Carpet will be replaced at the resident's expense at time of move-out.
- Resident is responsible for payment to repair any damage to the Residence due to their pet as determined by Community administrative staff.

I agree to the above pet regulations.

Signature of Resident

Date

Signature of Second Resident (as applicable)

Date

Signature of Executive Director

Date

EXHIBIT J

MOTORIZED VEHICLE POLICY CONSENT

The Community is committed to promoting the safety and well-being of residents in its communities, while providing reasonable accommodations for residents who may be mobility impaired. Motorized wheelchairs, scooters, and similar motorized carts (“Motorized Vehicles”) may be operated on the premises or used in the Community if the following requirements are met:

1. **Maintenance and Operation.**

a. Vehicle Maintenance. The resident has an ongoing duty to maintain the Motorized Vehicle in a safe operating condition and to have it serviced, at the resident’s expense, in accordance with manufacturer’s recommendations.

b. Driving Skills Training. The resident may receive instruction from the Motorized Vehicle vendor/distributor or from another qualified source on the proper use of the vehicle prior to using the vehicle in the Community.

2. **Registration.** Each resident desiring to use a Motorized Vehicle shall register the device with the Community prior to its use. Registration includes an acknowledgement of an agreement to abide by the Community’s Motorized Vehicle Policy.

3. **Manner of Operation.**

a. Speed. Motorized Vehicles must be operated at a low setting and driven slowly in the hallways and common areas. Should a speed controller be deemed necessary by the Community, it shall be installed at the resident’s expense and set at the appropriate speed prior to operation.

b. Pedestrians. Motorized Vehicles must always grant first right of access to pedestrian traffic and allow adequate room for such traffic. Extra caution must be used when passing other residents, staff, or visitors. Motorized Vehicles may not be operated faster than the walking speed of pedestrians in the area of use.

c. Exercise of Caution. The driver of the Motorized Vehicle must exercise caution whenever entering or exiting elevators, doorways or when driving inclines and wheelchair ramps. The operator must come to a full stop at hallway and common area intersections and then proceed with caution.

d. Parking. When not in use, Motorized Vehicles must be parked in the resident’s residence/suite or designated parking area, or other area approved by the Executive Director or designee. At no time shall Motorized Vehicles be placed in areas where access to exits would be impaired or blocked.

e. Restrictions on Use. The Executive Director or designee may restrict use of Motorized Vehicles within certain areas of the Community or in Community vehicles (e.g., vans, buses) based on safety consideration. For example, an Executive Director may place certain

limitations on use of Motorized Vehicles in a Community's dining area based upon the number of persons present, the size of the room and the room's configuration. If restrictions are imposed, staff will provide reasonable accommodations to affected residents.

f. Use by Others. It is strictly prohibited to permit other individuals to use a resident's Motorized Vehicle without approval of the Executive Director and compliance with the requirements of this policy.

g. Marking. Motorized Vehicles should be clearly marked with the resident's name and residence/suite number.

h. Outside Use. Motorized Vehicles operated outside on the Community's campus should only be used on sidewalks using the same safety procedures as followed during operation inside the building. Residents should avoid operating Motorized Vehicles directly behind parked vehicles.

i. Reporting Requirements. Any incident or injury involving a Motorized Vehicle must be reported immediately by the resident to the Executive Director or supervisor in charge.

4. **Financial Responsibility.**

a. Injury to Self or Others. The Motorized Vehicle owner and operator is responsible for financial losses incurred from injury to self and others, including other residents, employees and visitors that occur as a result of their Motorized Vehicle ownership or operation.

b. Injury to Property. The Motorized Vehicle owner and operator is financially responsible for any property damages, including, but not limited to, damages to flooring, furniture, walls, doors, and other property, that is a result of Motorized Vehicle ownership or operation. The Community will bill the resident for the costs associated with repairing any such damages.

5. **Conditions on Privileges.**

a. If there are concerns about Resident's ability to safely operate the Motorized Vehicle, the Executive Director or designee may require an assessment of Resident's ability to safely operate the Motorized Vehicle.

b. The Executive Director or designee reserves the right, at any time, to place conditions on the resident's privilege to operate a Motorized Vehicle, including, but not limited to, requiring the installation of a speed regulator or rearview mirrors. The resident is responsible for any costs associated with acquiring and/or installing such equipment.

6. **Termination of Privileges.** The Executive Director or designee reserves the right, at any time, to suspend or terminate the resident's privilege to operate a Motorized Vehicle when, in the Executive Director's or designee's sole judgment, the resident's operation is not in compliance with these policies/conditions, or the resident's operation of the Motorized Vehicle has placed the resident, other residents, visitors, staff or the property at risk for harm/damage.

Motorized Vehicles can present a danger if not operated in a safe and prudent manner. The Community’s residents can be injured and property may be damaged by careless operation. The Motorized Vehicle Operator (“Operator”) shall be responsible for all repair costs due to damage caused by operation of the Motorized Vehicle. Most importantly, people can be easily injured if the Motorized Vehicle is operated in an unsafe manner or parked improperly. **Operators must be aware that they are liable and may be sued if they injure another resident, guest, or visitor. For this reason, we recommend, but do not require, that all operators acquire liability insurance with coverage of not less than \$300,000 Bodily Injury and \$100,000 Property Damage or \$500,000 Combined Single Limit.**

Resident hereby indemnifies and holds harmless Owner and all of Owner’s employees and agents from and against all claims, damages, losses, and expenses, including attorneys’ fees, of every nature and description brought or recoverable against the indemnities arising out of or resulting from damage to the property or injuries related to the resident’s operation of the Motorized Vehicle.

Resident accepts responsibility for all maintenance on the Motorized Vehicle including regular preventative maintenance. An annual certification from Resident, stating that the Resident knows how to safely operate the Motorized Vehicle is required.

MOTORIZED VEHICLE REGISTRATION

Resident’s Name: _____ Suite/Apt. # _____
Date: _____ Vehicle Description: _____
Make: _____ Model: _____

I have been provided and have read the Community’s Motorized Vehicle Policy, and agree to abide by its terms.

Resident Date

Second Resident, as applicable Date

Executive Director Date

MOTORIZED VEHICLE APPLICATION

TO BE COMPLETED BY APPLICANT

Name _____ Birth Date _____ Age: _____
Physician's Name: _____ Telephone: _____
Address: _____

| | | |
|------|-------|-----|
| City | State | Zip |
|------|-------|-----|

Statement of Need

I hereby certify that the information on this application is true and accurate as of this date and that the person requires the use of a Motorized, Wheelchair, Scooter and/or Cart for mobility because of his/her medical condition and is capable of operating a motorized wheelchair, scooter and/or cart safely.

Name of Party Confirming Need: _____
(Please Print)

Signature: _____ Date: _____

EXHIBIT K

ADVANCE DIRECTIVES

[UNDER REVIEW AND SUBJECT TO REVISION]

“**Advance Directive**” means an instruction made for the purpose of administering, withholding, or withdrawing life-sustaining treatment in the event of a terminal or irreversible condition to a “Qualified Patient”.

- (A) an out-of-hospital DNR order; or
- (B) A medical power of attorney

Related Defined Terms:

“Qualified Patient” means a patient with a terminal or irreversible condition that has been diagnosed and certified in writing by the attending physician.

“Artificial nutrition and hydration” means the provision of nutrients or fluids by a tube inserted in a vein, under the skin in the subcutaneous tissues, or in the stomach (gastrointestinal tract).

“Attending Physician” means a physician selected by or assigned to a patient who has primary responsibility for a patient’s treatment and care.

“Competent” means possessing the ability, based on reasonable medical judgment, to understand and appreciate the nature and consequences of a treatment decision, including the significant benefits and harms of and reasonable alternatives to a proposed treatment decision.

“Declarant” means a person who has executed or issued a directive.

“Health care or treatment decision” means consent, refusal to consent, or withdrawal of consent to health care, treatment, service, or a procedure to maintain, diagnose, or treat an individual’s physical or mental condition, including such a decision on behalf of a minor.

“Incompetent” means lacking the ability, based on reasonable medical judgment, to understand and appreciate the nature and consequences of a treatment decision, including the significant benefits and harms of and reasonable alternatives to a proposed treatment decision.

“Irreversible condition” means a condition, injury, or illness:

- (A) that may be treated but is never cured or eliminated;
- (B) that leaves a person unable to care for or make decisions for the person’s own self; and
- (C) that, without life-sustaining treatment provided in accordance with the prevailing standard of medical care, is fatal.

“Life-sustaining treatment” means treatment that, based on reasonable medical judgment, sustains the life of a patient and without which the patient will die. The term includes both life-sustaining medications and artificial life support, such as mechanical breathing machines, kidney dialysis treatment, and artificial nutrition and hydration. The term does not include the administration of pain management medication, or the performance of a medical procedure considered to be necessary to provide comfort care, or any other medical care provided to alleviate a patient’s pain.

“Medical power of attorney” means a document delegating to an agent authority to make health care decisions.

“Physician” means:

- (A) a physician licensed by the Texas State Board of Medical Examiners; or
- (B) a properly credentialed physician who holds a commission in the uniformed services of the United States and who is serving on active duty in this state.

“Terminal condition” means an incurable condition caused by injury, disease, or illness that according to reasonable medical judgment will produce death within six months, even with available life-sustaining treatment provided in accordance with the prevailing standard of medical care. A patient who has been admitted to a program under which the person receives hospice services provided by a home and community support services is presumed to have a terminal condition.

“Witness” means a person who may serve as a witness.

“Cardiopulmonary resuscitation” means any medical intervention used to restore circulatory or respiratory function that has ceased.

ADVANCE DIRECTIVES ACKNOWLEDGEMENT

Please read the following three statements. Place your initials after each statement.

1. I have received an explanation and written information regarding advance directives from the Community. I understand that it is the policy of the Community to respect individual choice and avoid discrimination based on whether or not I have an advance directive.
_____ (initial here)

2. I understand that I am not required to have an Advanced Directive in order to receive treatment. _____ (initial here)

3. I understand that the terms of any Advanced Directives that I have executed will be followed. _____ (initial here)

Resident's Signature: _____ Date: _____

Second Resident's Signature (as applicable): _____ Date: _____

PLEASE CHECK ONE OF THE FOLLOWING STATEMENTS

- _____ I HAVE executed an Advanced Directive.
_____ I HAVE NOT executed an Advanced Directive.

Signed: _____

Date: _____

Witness: _____

Date: _____

EXHIBIT L

PHYSICAL RESTRAINTS/SECLUSION

It is the Owner's philosophy to foster a restraint-free environment. The use of restraints, either chemical or physical are not permitted nor is the seclusion of residents.

RESIDENT:

_____ Date: _____

SECOND RESIDENT (AS APPLICABLE):

_____ Date: _____

RESPONSIBLE PARTY:

_____ Date: _____

EXECUTIVE DIRECTOR:

_____ Date: _____

EXHIBIT M

ELECTRONIC MONITORING ACKNOWLEDGEMENT FORM

The rooms of some residents may be monitored electronically by or on behalf of the residents. Monitoring may not be open and obvious in all cases.

RESIDENT:

_____ Date: _____

SECOND RESIDENT (AS APPLICABLE):

_____ Date: _____

RESPONSIBLE PARTY:

_____ Date: _____

EXECUTIVE DIRECTOR:

_____ Date: _____

EXHIBIT N

Resident Consent/Acknowledgement Form

Acknowledgement for Health Promotion Assistance

I consent to and authorize this Community, its staff, and associates to provide care and treatment to me per my request and/or as by prescribed by my physician. I understand that I will be responsible monetarily for any additional health services provided outside of the normal services provided at the Community. I agree to notify my physician and the Community's staff of any significant health changes or events relating to my health.

Applicant's Signature

Date:

Second Applicant's Signature (as applicable)

Date:

Release Information

I consent to and authorize the Owner to disclose and release information contained in my clinical record to health care providers, third party payers, utilization review, professional standards review organizations, regulatory review entities and other organizations, company, community services, etc. that may/will assist me to meet my health and well-being needs.

Applicant's Signature

Date:

Second Applicant's Signature (as applicable)

Date:

Photograph/Video/Audio Recording Consent

___ I DO ___ I DO NOT authorize the Owner to take/use my photograph, video/audio recording or my name for purposes of identification, Community publications or media promotions.

Applicant's Signature

Date:

Second Applicant's Signature (as applicable)

Date:

Social Media Acknowledgement

I hereby acknowledge that I have received a copy of the Community’s Social Media Policy. I further acknowledge that I have read such policy and will abide by its provisions.

Applicant’s Signature Date: _____

Second Applicant’s Signature (as applicable) Date: _____

I understand what I have read above, or what was read to me as printed, and I agree to the terms and conditions/indicated above. I understand that I may terminate any of the above authorizations at any time.

Financial Guarantor’s Signature Date: _____

Resident’s Signature Date: _____

Second Resident’s Signature (as applicable) Date: _____

Owner’s Representative Date: _____

Exhibit D-3

Form of Memory Care Rental Agreement for Current Residents¹

¹ The attached form of agreement is in substantially final form as of the date hereof. Bay 9 Holdings LLC reserves the right to make modifications to the agreement as it determines necessary and appropriate in its sole discretion.

EDGEMERE

MEMORY CARE RESIDENT AGREEMENT

This Memory Care Resident Agreement (the “Agreement”) dated _____, 20____, is made by and between Bay 9 Holdings LLC, a Delaware limited liability company, having a business mailing address of 811 E. 17th Avenue, Denver, CO 80218 (“Owner”), the owner of Edgemere in Dallas, Texas (“Community”), located at 8502 Edgemere, Dallas, Texas 75225 (“Property”) and _____ (referred to singly, as “Resident”). The Community is licensed as an Assisted Living Facility with Alzheimer’s Certification by the Texas Health and Human Services Commission. The Community provides residency, care and services to qualified seniors with a diagnosis of Alzheimer’s disease or other related dementia(s). The Community operates on a non-discriminatory basis and affords equal treatment and access to services to all eligible persons. In consideration of the Owner’s acceptance of you as a resident at the Community, _____ agrees to act the financially responsible party as described in Section 17 below (“Financially Responsible Party”) and _____ agrees to act as the Resident’s representative as described in Section 18 below (“Resident’s Representative,” accepting their respective rights and obligations as set forth in this Agreement. Owner has engaged Long Hill at Edgemere, LLC (“Manager”) to act as manager of the Community. Owner, Resident, Financially Responsible Party, and Resident’s Representative are collectively referred to herein as the “Parties,” or individually as a “Party.” Resident, Financially Responsible Party and Resident’s Representative are referred to herein at times collectively as “Responsible Parties.”

1. TERM

This Agreement shall become effective on _____, 20____ (the “Effective Date”) and shall have a term of twelve (12) months (the “Initial Term”), unless earlier terminated as provided below. Following the end of the Initial Term, this Agreement shall automatically renew for additional twelve (12) month terms (each a “Renewal Term” and, collectively with the Initial Term, the “Term”), provided that (a) Resident is not in default under this Agreement and (b) neither Party sends a written notice of termination as provided below.

2. ACCOMMODATIONS

A. Your Residence. Resident will reside in Residence Number _____ at the Community (the “Residence”). Resident may furnish the Residence with Resident’s own furniture. Each Responsible Party understand that this Community, including the Residence, is non-smoking and tobacco-free. Smoking, vaping, use of smokeless tobacco and chewing tobacco are not allowed on the grounds or in the Community.

B. Common Areas. Resident can use the general-purpose rooms of the Community, such as lounges, library, activity, and meeting rooms, as applicable and pursuant to the policies of the Community.

C. Personal Residence. Each of the Responsible Parties agrees to have Resident occupy the Residence only as a personal residence and will not use the Residence for any unlawful

purpose. No one other than the Resident is permitted to live at the Residence. This restriction does not apply to Private Duty Assistants. Each of the Responsible Parties agrees Resident will not create or allow in Resident's Residence a nuisance or a condition that is a potential fire, safety or health hazard. Each of the Responsible Parties agrees Resident will not store or possess at the Community or the Residence any explosives, firearms, noxious chemicals, or hazardous substances. Resident will be the only occupant(s) of the Residence.

D. Maintenance and Alterations. Each of the Responsible Parties agrees Resident shall maintain the Residence in a clean, sanitary and orderly condition. When Resident vacates the Residence, the Residence shall be in as good condition as on the Effective Date, excluding normal wear and tear to the Residence. Resident can decorate the Residence as Resident wishes provided that Resident complies with the rules of the Community. The Owner must give prior written approval for any changes or alterations to the Residence that require the assistance of electricians, contractors or similar professionals; and Each of the Responsible Parties will be responsible for restoring the original décor when Resident vacates the Residence. If Resident fails to restore the Residence to its condition on the Effective Date, normal wear and tear excluded, Resident and Financially Responsible Party shall be responsible for the costs of such restoration, as described in Section 14.G. Any alterations or improvements shall become the Property of the Owner. You may not change any lock or add any lock or locking device to the Residence.

E. Liability for Damage. Each of the Responsible Parties agrees to reimburse the Owner for any loss of or damage to the Community's real or personal property, inside or outside of the Residence, caused by Resident, the Resident's guests, or Private Duty Assistant (defined below).

F. Move to New Residence/Transfer. If Resident wishes to change residences within the Community and the Community's Executive Director approves Resident's request for a residence change/transfer, Resident shall pay a relocation fee as determined by the Executive Director at the time of the residence change/transfer request. Each of the Responsible Parties agrees will be responsible to arrange for Resident's move and to handle related expenses.

G. Absences from the Community and Bed Hold Policy. Except as otherwise set forth herein, if Resident is temporarily absent from the Community, Resident and the Financially Responsible Party will continue to be responsible for the Monthly Fee, Plan Fee, and other charges due under this Agreement. Should Resident's absence from the Community exceed fourteen (14) days, Resident will not be responsible to pay the Plan Fee beyond the fourteenth day.

H. Authorized Electronic Monitoring. This Community allows Authorized Electronic Monitoring. In accordance with the State mandate, a sign is posted at the front door advising and warning of possible monitoring in residences. Each Resident will receive a copy of the policy as well as an Acknowledgement Form (See **Exhibit M**) which must be signed by the Resident/Responsible Party, and the Owner. This form will be kept in the resident's file.

I. Fair Housing. Owner is committed to the principles of fair housing. In accordance with fair housing laws, Owner will make reasonable accommodations to the Community's policies, practices, procedures, and services. Owner also will allow reasonable modifications to

allow disabled persons the same rights and access to the Community as all others. Persons requesting accommodation may be required to sign an addendum to this Agreement outlining the accommodation provided and any restoration requirements.

3. SERVICES.

A. Services. **Exhibit A** to this Agreement details the basic services provided at the Community as part of Resident's Monthly Fee. **Exhibit B** to this Agreement describes additional services that Resident may request for an additional fee. Wellness Services are described in Section 4 below and in **Exhibit C**.

B. Meals. The Community will make available three (3) nutritionally well-balanced meals per day. Basic modified diets will be available to Resident if prescribed by Resident's physician as a medical necessity, or if otherwise requested by Resident, at no additional charge if the Community is able to provide the requested diet. Resident may invite guests to any meal for an extra charge, but the Community requests twenty-four (**24**) hours' advance notice. Snacks will be available between meals and in the evening before bedtime.

C. Activities. The Community will provide planned activities, opportunities for Community participation, and fitness programs, subject to Resident's physical ability to participate. Participation in some exercise or fitness programs may require a liability waiver. An additional charge may apply to activities outside of the Community.

D. Transportation. As part of Resident's Monthly Fee, the Community will provide regularly scheduled transportation services or arrange for Resident's transportation to planned social events, local attractions, shopping destinations and Resident's medical, dental, nursing, or mental health appointments within parameters outlined in **Exhibit E**. The Community's staff can provide Resident with schedules and destinations for the regular transportation service. If the Community makes other transportation arrangements available to Resident, Resident will be charged an extra fee as set forth in **Exhibit B**. If a family member or other responsible person does not arrange to accompany Resident in such instances when it is needed, we will provide an escort, and Resident will be charged an extra fee set forth in **Exhibit B**. All other transportation is Resident's responsibility.

E. Emergency Evacuation. In the event of a mandatory emergency evacuation, Resident has the option of being evacuated by the Community's Staff, or being evacuated by Resident's Family. The Executive Director will endeavor to follow the Emergency Evacuation Form (**Exhibit H**) in your Resident File, provided, however, in certain emergency situations the Executive Director may determine a Resident's Family may not be available to evacuate the Resident, and, in such a case each Resident Party agrees Resident will be evacuated by the Community's Staff. In the event that Resident is evacuated by the Community's Staff, Resident will be charged a fee, per each occurrence, as set forth on your Evacuation Form in your Resident Admission paperwork.

F. Maintenance. The Community shall maintain in good order and repair all plumbing, toilet facilities and other fixtures installed for the general supply of hot and cold water, and HVAC.

G. Laundry and Housekeeping Services. The Community will provide the laundry and housekeeping services set forth in **Exhibit A**. The Resident/Responsible Party is responsible for providing laundry detergent for cleaning the resident's laundry. Additional laundry and housekeeping services are offered for an extra charge as set forth in **Exhibit B**.

H. Personal Supplies. Resident shall provide, or purchase from Community your own supplies for personal care and hygiene.

I. Notification of Third Parties. In the event that the Resident requires emergency services or experiences a significant change in condition, the Community will attempt to contact the Resident's Representative and/or Financially Responsible Party timely, using best efforts. The Resident is responsible for ensuring that the Community has current telephone numbers for the individuals to be notified. The Resident's Representative and/or Financially Responsible Party will also be contacted in the event that this Agreement is being terminated.

J. Pet Fee and Monthly Charge. \$ _____ ("Pet Fee") \$ ____ ("Monthly Charge")
See **Exhibit I**;

K. Security. To protect residents at the Community, the exterior doors are equipped with emergency button, wander protection system, smoke detector and sprinkler system. In order to protect residents, the outside doors are locked at night. The Responsible Party(s) of the residents should sign the resident log book when both leaving and returning to the Community.

L. Nondiscrimination. The Community will be operated on a non-discriminatory basis and will provide the facilities and services described in this Agreement to individuals regardless of race, color, sex, gender identity, religion, creed, disability, or national origin, and in compliance with federal and state fair housing laws.

4. WELLNESS SERVICES

A. Required Initial Medical Evaluation. The Resident shall provide to Community a medical assessment completed by a physician, no earlier than thirty (30) days prior to the Effective Date of the Agreement. The Resident shall undergo an initial assessment by the Community prior to admission to the Community and Resident or your Resident's Representative shall acknowledge the information contained in this assessment. The Resident agrees to have a TB test upon admission to the Community.

B. Resident Service Plan. A service plan will be developed based on the medical assessment completed by the Resident's physician and the comprehensive assessment completed by the Community. The Resident's service plan will be developed with the Resident and/or any individual the Resident designates with the Community staff within fourteen (14) days of admission. The service plan will outline the services the Resident is to receive. The service plan

will be reviewed annually. Whenever the Resident experiences a significant change in condition, the service plan will be revised and updated accordingly. The Resident may examine his/her service plan at any scheduled time. The Resident or Resident's Representative must approve and sign the service plan.

C. Assistance with Activities of Daily Living. The Community will provide to the Resident the assisted living services agreed upon and described in **Exhibits A, B and C**. The Community will conduct an initial assessment, and an annual assessment of the Resident. If at any time the Community or the Resident's physician determines that the Resident requires more services than are currently being provided pursuant to **Exhibit C**, the Resident agrees to immediately increase the **Exhibit C** services to meet his/her needs as determined by the Community or the Resident's physician. If the Community determines that it cannot provide to the Resident the services to meet his/her needs, each of the Responsible Parties agrees Resident will transfer to an appropriate care setting in accordance with Section 9.G below.

D. Observation. The staff, in the ordinary course of their daily interaction by Resident, shall periodically observe Resident's health condition, activities and diet, in order to identify changes in Resident's health and Resident's physical, mental, and emotional functioning. Resident will not be under constant observation or supervision.

E. Arranging for Outside Services. The staff will assist Resident in making needed appointments with professionals offering medical, dental, nursing, or mental health services and with accessing Community resources and transferring to outside facilities as needed and prescribed by Resident's physician. Transportation services outside the parameters outlined in **Exhibit E** may incur an extra fee as set forth in **Exhibit B**.

F. Medications. The staff will provide Resident help and/or supervision with Resident's medications as set forth in **Exhibit C**. If the Community determines that applicable state law prohibits it from providing to the Resident the amount of help and/or supervision with medications that Resident needs, Resident agrees to transfer to an appropriate care setting in accordance with Section 9.G below.

G. Resident Records. The Community maintains certain records on each of its residents that may contain medical and other personal information. The Resident has the right to review their record or to authorize, in writing, members of their family to review their record. All resident information and records are confidential and, unless legally required, are not released without your written consent or the written consent of your authorized legal representative. The Resident's right to refuse release of personal and medical records does not apply when the Resident is transferred to another health care facility or record release is required by law or third-party payment contract.

H. Medical or Other Emergency. In the event of an emergency, Resident shall contact the staff and, if appropriate, the staff will summon emergency service personnel to assist Resident. If the situation is not deemed an emergency by the staff, the staff has the discretion to instead contact the Resident's Financially Responsible Party, Resident Representative and/or Resident's physician as appropriate. Where the staff judges a situation to be a possible emergency

(and Resident does not agree or the staff determines the Resident to be unresponsive), the staff has the right (but not the obligation) to take whatever steps are necessary to meet Resident's emergency medical needs, including summoning emergency service personnel. Any costs incurred, even if the staff ordered the emergency medical services, will be the sole responsibility of the Resident and the Resident's Financially Responsible Party.

I. Excluded Services. The Owner has no express or implied duty to provide services not listed in **Exhibits A, B or C** (the "Contractual Services"). The Owner shall not be responsible for furnishing or paying for any supplies or services not expressly included in this Agreement, including, without limitation, services which could be a Medicare benefit, hospital services, physicians' services, nursing services, skilled nursing facility services, Private Duty Assistants, third party contractors, Sitters, medications, personal supplies, toiletries, vitamins, eyeglasses, eye examinations, hearing aids, ear examinations, dental work, dental examinations, dental or orthopedic appliances, laboratory tests, x-ray services, rehabilitative services, or any other care or equipment beyond the Community's routine levels of staffing and equipment (the "Excluded Services"). Residents have the right to receive the services covered by this Agreement and the Excluded Services from service providers with which the Owner does not have a contractual agreement. The Owner is no way liable for any issues associated with Excluded Services or any other services provided by another provider engaged by Resident or Resident's Representative.

5. MONTHLY FEE.

Resident and the Financially Responsible Party each agree to pay in advance on the first (1st) day of each month during the Term the amount of _____ (\$ _____) (the "Monthly Fee"). When there are charges for less than one (1) full month, the Monthly Fee will be prorated based on the number of days in the given month. The Community anticipates that the Monthly Fee will be adjusted annually, but reserves the right to adjust the Monthly Fee upon thirty (30) days prior written notice to Resident. The fees resulting from **Exhibit B** services are due on the first (1st) day of the immediately succeeding month after services are performed; the Owner will provide Resident with a statement of fees owed each month.

A Service Charge of fifty dollars (\$50.00) is collected on each check returned unpaid by the bank upon which it was drawn. The Service Charge on unpaid returned check(s) is subject to change in accordance with state law. A returned check, draft, or order against a closed account or an account with insufficient fund (NSF) written to the Owner may be in violation of civil law and/or criminal law.

6. MEMORY CARE FEE.

Resident and the Financially Responsible Party each agrees to pay in advance on the first (1st) day of each month during the Term the Plan Fee (defined below) associated with the services provided to Resident as set forth in **Exhibit C**. Resident's initial plan fee (the "Plan Fee") shall be _____ Dollars (\$ _____). Medication and care management services provided to Resident are reviewed by Community staff on an ongoing basis to ensure we continually meet Resident's care needs. A change of condition may warrant an increase or decrease in service. If Resident increases or decreases the services they receive, the Plan Fee shall

be adjusted immediately, and Resident will either pay or receive the pro rata adjustment for that month. Thereafter, the new rate will be due on the first day of the month. The Community may modify the cost of the services set forth in **Exhibit C** to this Agreement upon advance notice to Resident.

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7. PAYMENT AND LATE CHARGES.

Your stay at the Community will be paid for by _____. If a third party pays your bills, their non-payment of any amounts due pursuant to this Agreement shall not relieve Resident or Financially Responsible Party of any obligation to pay such amounts. If the Monthly Fee, Plan Fee or any other amount due under this Agreement is not paid on the fifth of the month, the Owner will charge Resident and Financially Responsible Party One Hundred (\$100.00) to cover administrative expenses, plus interest at the lesser of one and one-half percent (1 ½%) per month or the maximum legal rate allowed by law. Failure to make timely payments may result in the Owner terminating this Agreement. Medicare and Medicaid do not pay for assisted living or memory care services provided at the Community.

8. COMMUNITY SERVICE FEE.

Resident shall pay a ***non-refundable*** Community Service Fee of _____ Dollars (\$_____), which is paid to the Owner concurrently with the execution of this Agreement, and which covers administrative costs regarding your application and other administrative fees.

9. MEMORY CARE

A. Admission/Retention Criteria. The criteria applied by the Community for the admission, transfer and discharge of assisted living residents have been provided to Resident.

B. Resident Admission Information. Upon admission, the Responsible Parties agree to provide all pertinent identifying information to Community as required by Texas law.

C. Licensing. The Community is licensed as an Assisted Living Facility with Alzheimer's Certification governed by the State of Texas. The State of Texas conducts an annual, unannounced, on-site visit of the Community to determine compliance with applicable licensure requirements and standards. Additional unannounced onsite visits may be conducted without prior notice to the Community. During on-site reviews, State representatives may observe staff and residents in the common areas of the Assisted Living Section of the Community, communicate privately with any resident who consents, and inspect the resident's clinical and administrative records without the resident's consent.

D. Memory Care. The Community consists of residences for seniors who are capable of living on their own, provided they have assistance with certain activities of daily living ("Assisted Living"). The Community is not licensed to provide 24-hour skilled nursing care or care for serious psychiatric disorders and is not intended as a substitute for a nursing home. The Community has no duty to provide, or obtain for the Resident, nursing, or health care services other than what is agreed to in **Exhibits A, B and C**. Each Responsible Party agrees that the Community has no duty (except as may be required under applicable law) to assess, diagnose, examine, or treat any medical, psychological or health care condition that Resident might have or develop.

E. Release and Assumption of Risk. With the freedom and independence of Memory Care come certain risks of personal injury, such as falls or broken bones. Each Responsible Party knowingly and voluntarily agrees to assume all risks related to or arising from living in the Community, which each Responsible Party understands is not a facility that offers a higher level of care. Each Responsible Party agrees to waive, release, indemnify, defend and hold harmless the Owner, its Manager, and their employees and affiliates from and against all liability, loss, costs (including attorneys' fees) or claims pertaining to or arising from their failure to obtain or furnish services beyond the Contractual Services.

F. Injury by Others. Each Responsible Party agrees that the Owner, its Manager, and their employees and affiliates are not responsible or liable for injury or loss sustained by Resident as a result of the act or omission of other residents, guests, their Sitter, or their Private Duty Assistant.

G. Transfer to Meet Care Needs. If at any time, the Community's staff or a physician determines that the Community cannot meet the Resident's needs, this Agreement will be terminated and each Responsible Party agrees the Resident will transfer to another facility that is appropriate for their needs (See Sections 14.A and 14.C below). The criteria used by the Community for the health or safety discharge of assisted living residents as set forth on **Exhibit D**. Upon determination by the Community that the Resident needs services beyond those provided by the Community, the Resident (together with the Resident's Representative and Financially Responsible Party) shall be notified that the Agreement is terminated and the Resident shall be transferred to an appropriate care setting. The Community shall assist the Financially Responsible Party or Resident's Representative with discharge planning and referrals.

10. PRIVATE DUTY ASSISTANTS/SITTERS

A. Services from Third Parties. All third party contractors, outside caregivers, companions, private duty aides and other personnel (collectively "Private Duty Assistants") and non-medical caregivers ("Sitters") employed or engaged by Resident to render services to Resident at the Community can do so only if both Resident and the Private Duty Assistants and/or Sitters comply with the Community's policy on Third Party Contractors (as defined in the Resident Handbook) and complete forms and agreements referenced therein. All Private Duty Assistants must at a minimum be a Certified Nursing Assistant hired through an agency. Resident and/or Resident's family may choose an individual to serve as a Sitter. All contracts or other arrangements for the services of a Private Duty Assistant and/or a Sitter must be executed by the Resident or the Resident's Representative. Resident or Resident's Representative must provide the Community with the name and contact information of the Sitter, and the Sitter may be asked to sign the Community's Authorized Electronic Monitoring Acknowledgment Form. The Private Duty Assistant needs the prior permission of the Community to provide services to the Resident, which may be revoked by the Community in its sole discretion. It is Resident's responsibility to ensure that their Private Duty Assistant and/or Sitter complies with the Community's Rules and Regulations, Resident Handbook, and general policies, together with any specific policies and rules governing Private Duty Assistants and Sitters. Each Responsible Party hereby authorizes and directs that all of the Private Duty Assistant's and/or Sitter's records, care plans and notes regarding the Resident will be released to the Community upon request.

B. Injury Caused by Private Duty Assistant. The Resident and the Financially Responsible Party are each responsible for all injury or damage caused by a Private Duty Assistant and/or Sitter, including injury to the Resident. The Owner has no responsibility for the care (or lack thereof) provided by the Private Duty Assistant and/or Sitter. The Resident and the Financially Responsible Party each hereby indemnifies, holds harmless and releases the Owner, its Manager, and their employees and affiliates from and against all liability, loss, costs (including attorneys' fees) or claims pertaining to or arising from the acts or omissions of the Private Duty Assistant and/or Sitter.

11. PETS AND PET FEE.

Pet fish are permitted in the Residence, but aquariums are limited to ten gallons. One pet dog or cat is permitted per Residence, not to exceed 25 pounds, and subject to Resident(s) first paying Owner the non-refundable, one-time Pet Fee. There is a monthly charge for a pet. No other pet is permitted in the Residence, without Owner's prior written consent, and thereafter, on payment of the Pet Fee. As Owner, on Move Out of any residence with a pet occupant, replaces the carpet, pad and blinds, the Pet Fee is non-refundable, and such is agreed to be a non-refundable charge to defray the cost to Owner of these Residence replacements; and is not a deposit, nor offset to any other damage claim (See **Exhibit I**).

12. ACCESS TO YOUR RESIDENCE.

The staff may enter your Residence for any reasonable purpose, but not limited to, performing housekeeping, maintenance and other services described in this Agreement. The Community will attempt to notify Resident in advance that a staff member will enter your Residence for non-routine events. Resident agrees to allow the Community to show the Residence during reasonable hours to prospective residents within the last thirty (30) days of the Term.

13. YOUR RIGHTS AND RESPONSIBILITIES.

A. Rules, Regulations and Resident Handbook. Each Responsible Party agrees to abide by the Community's Rules, Regulations and Resident Handbook as they now exist and as amended. A copy of the Community's Rules and Regulations, and the Resident Handbook have been provided to the Resident. Each Responsible Party, Resident's guests, and any Sitter or Private Duty Assistant shall conduct themselves pursuant to the Community's Rules and Regulations, the Resident Handbook, general policies, together with any specific policies and rules governing Private Duty Assistants and Sitters and in a manner that is peaceful and harmonious, and will not engage in conduct that interferes with or jeopardizes the health, safety, or peaceful lodging of the residents, staff, and others at the Community.

B. Loss/Theft and Insurance. Each Responsible Party is responsible for providing at their own expense insurance to protect Resident and Resident's personal belongings against loss or injury. Each Responsible Party is required to procure insurance including health, life, disability, property, renter's and, if applicable, motor vehicle insurance for Resident's own protection. The Owner shall not be responsible for the loss of any property belonging to Resident due to theft or any other reason unless such loss is caused by the Community's staff.

C. Resident's Liability to Others. Each Responsible Party accepts joint and several responsibility for any loss, injury, or damage to others, to themselves, the Residence, the Community, and the Community caused by or resulting from, in whole or in part, the Resident's acts or omissions or those of the Resident's guests and Private Duty Assistant. Each Responsible Party agrees to indemnify, defend, and hold harmless the Owner, its Manager, and their employees and affiliates from and against all liability, loss, costs (including attorneys' fees) or claims pertaining to or arising from such loss, injury, or damage.

D. Admission Information. Each Responsible Party represents that the information set forth on their application forms, the Resident's health history and medical report, personal interview, and emergency information records, as applicable, is true and correct. Any substantive inaccurate statement made by any Responsible Party, including their age, finances, resources, and health history may render this Agreement voidable and/or immediately terminated at the option of the Community. Each Responsible Party agrees to submit updated copies of the above forms upon request from the Community, when required by state regulations or when any Responsible Party becomes aware of a change in Resident's medical condition.

Each Responsible Party has been advised and received a copy of Texas' statutory Resident Rights which are attached as **Exhibit D**, and posted in the Community. The Community shall not deprive Residents of any rights, benefits, or privileges guaranteed by law, the Constitution of the State of Texas, or the Constitution of the United States solely on account of his or her status as a resident.

E. Complaint Resolution Procedure. Each Responsible Party has been provided with a copy of the Community's complaint resolution procedures as set out in the Resident Handbook. All Residents are encouraged to exercise their rights as a resident and citizen. Grievances, and recommendations for changes in policies and services, may be voiced to Community staff or outside representatives without interference, discrimination, reprisal, coercion, or restraint. Residents are encouraged to bring their concerns to the Executive Director. The following Parties are also available to assist the Resident with resolution of complaints:

Edgemere
Attention: Executive Director
8502 Edgemere
Dallas, TX 75225

Texas Health and Human Services Commission
Complaint and Incident Intake
Mail Code E-249
P.O. Box 149030-78714
Austin, TX 78751
Phone: 1-800-458-9858
Fax: 1-512-438-5827

F. Resident's Copy of the Agreement. Resident will be given a duplicate original of this Agreement.

G. Notice of Absences. When Resident is going to be temporarily absent from the Community, Resident and their Responsible Party agree to give prior written notice to the Community's staff. Resident and their Responsible Party agree to let the Community know Resident's general whereabouts at all times.

14. TERMINATION OF AGREEMENT.

A. Termination by Resident. Resident or their Responsible Party may terminate this Agreement for any reason by giving the Community at least thirty (30) days prior written notice of termination. Resident and the Financially Responsible Party will continue to be responsible for Resident's Monthly Fee, Plan Fee and any other fees payable under this Agreement until the notice period has expired or until Resident has vacated their Residence as described below, whichever is later. If the physician certifies that Resident requires an emergency relocation to a higher level of care than provided at the Community, Resident or their Responsible Party may terminate this Agreement by giving the Community written notice of termination, together with a copy of the certification and the Agreement will be terminated on the date that Resident's Residence is vacated as described below. Resident may have special statutory rights, which may eliminate the requirement for prior written notice to terminate this Agreement early, in certain situations involving family violence or a military deployment or transfer.

B. Termination by Owner for Failure to Pay. Owner may terminate this Agreement upon thirty (30) days prior written notice if (i) Resident or your Financially Responsible Party fails to pay the Monthly Fee, Plan Fee, or other fees payable under this Agreement or comply with the requirement of any applicable financial assistance policy that may result in residency termination, or, (ii) in the case of successor Financially Responsible Party or a successor Resident's Representative, a failure to comply with the provisions of Sections 18 and 19 below. Resident and your Financially Responsible Party will continue to be responsible for Resident's Monthly Fee, Plan Fee, and any other fees payable under this Agreement until Resident has vacated their Residence as described below.

C. Owner's Termination for Health or Safety Reasons. Except as provided below, based upon the discharge criteria set forth on **Exhibit D**, the Owner may terminate this Agreement upon thirty (30) days written notice. In the event of an emergency, notice shall be made as soon as practicable. Resident and your Financially Responsible Party will continue to be responsible for the Monthly Fee, Plan Fee, and any other fees payable until Resident has vacated their Residence as described below.

D. Termination by Mutual Agreement. The Agreement may be terminated immediately at any time upon written agreement of the Parties.

E. Termination by Resident's Estate. This Agreement shall terminate on the date that Resident's Residence is vacated as described in Section 14.F below.

F. Vacating the Residence. Resident and Resident's Financially Responsible Party shall remain liable for the Monthly Fee and Plan Fee, and the Residence shall not be considered vacated, until all of Resident's property is removed from the Residence. If Resident's property is

not removed from the Residence upon termination of the Agreement, the Owner may, upon fourteen (14) days advance written notice (i) remove Resident's property from Resident's Residence and charge for the actual costs of moving and storage or (ii) dispose of Resident's property in accordance with state law.

G. Refund of Prepaid Amounts. Amounts that Resident has prepaid will be returned to Resident pro rata within thirty (30) days following Resident's vacating the Residence (whether by transfer, discharge or death) minus all sums owing to the Owner, including (i) unpaid Monthly Fee, Plan Fees, and other charges that Resident owes to the Owner under this Agreement; (ii) the costs of repairing any of the Community's property that was damaged by Resident, their guests, or their Private Duty Assistant and/or Sitter, or that are incurred in restoring the original décor of the Residence (See Section 2.D above); and (iii) any expense incurred by the Owner to remove and/or store any of Resident's property that was not removed. Any such deductions shall be made in accordance with applicable law. If the amount Resident owes to the Owner exceeds the sum of the prepaid amounts, the Owner will bill Resident for the difference. If the Community discontinues operation, any advance payment for services not received shall be refunded to the resident or the resident's guardian within ten (10) days of the closure, whether or not such refund is requested, provided such refund payment is permitted under applicable law.

H. Holding Over. If either Resident or the Owner gives notice of termination and Resident remains in the Residence after the notice period, then Resident's Monthly Fee and Plan Fee shall increase to One Hundred Fifty Percent (150%) of its current level until the Residence is vacated.

15. A. WAIVER OF JURY TRIAL.

In any dispute arising between the Parties not involving a claim of medical liability, each Party hereto waives its right to a trial by jury in any action, proceeding or counterclaim brought by any Party against any other Party. The prevailing Party shall be entitled to an award of reasonable costs and attorneys' fees. See attached Addendum, Agreement to Arbitrate.

B. LIMITATIONS OF LIABILITY PROVISION.

The parties to this Agreement understand that the purpose of this "Limitation of Liability Provision" is to limit, in advance, each party's liability relation to this Agreement.

Liability for any claim brought by a party of this Agreement against the other party, including but not limited to a claim by the Owner for unpaid fees, or a claim by a Responsible Party, or by a Resident's estate, agent or legal representative, rising out of the care or treatment received by the Resident at the Community, including without limitation, claims for medical negligence or violation(s) of Texas Statutes, arising from simple or gross negligence, shall be limited as follows:

- (1) Net economic damages shall be awardable, including, but not limited to, past and future medical expenses, offset by any collateral source payments.

- (2) Non-economic damages shall be limited to a maximum of two hundred fifty thousand dollars (\$250,000).
- (3) Interest on unpaid wellness service fees shall not be awarded.

16. ADVANCE DIRECTIVES.

If Resident has executed an advance directive, or if Resident executes such documents after Resident moves into the Community, it is their responsibility to inform the staff and supply a copy to the Community. (The term “advance directive” includes health care powers of attorney, designation of a guardian to make health care decisions, living wills, or other documents that describe the amount or type of health care that Resident would want to receive at a time when Resident can no longer communicate those decisions directly to a physician or other health care professional). It is also Resident’s responsibility to inform the Community if Resident revokes or changes their advance directive. A copy of the Community’s Advance Directive Policies has been provided to Resident. (See **Exhibit J**)

17. FINANCIALLY RESPONSIBLE PARTY.

The “Financially Responsible Party” is jointly and severally liable with the Resident for all monetary obligations under this Agreement; including the payment of the Monthly Fee, Plan Fee and all other amounts that become due to the Owner under this Agreement. The Financially Responsible Party may also be the Resident’s Representative. If at any time after the Effective Date a different individual is designated as Financially Responsible Party, Resident and Resident’s Representative shall immediately notify the Community of such successor in accordance with the provisions of Section 21.E below and such successor Financially Responsible Party shall agree to be bound by this Agreement by executing a joinder to this Agreement within seven (7) business days of delivery of such notice. Such a successor Financially Responsible Party shall execute such other documents and agreements as the Community staff deem necessary and appropriate. Failure to comply with the foregoing shall constitute grounds for termination under Section 14.B above.

18. RESIDENT’S REPRESENTATIVE.

“Resident’s Representative” means an individual designated by the Resident to assist the Resident in making decisions about the Resident’s care or has been designated to make decisions on the Resident’s behalf regarding the Resident’s care. This may include an individual that holds a power of attorney or guardianship. The Resident’s Representative may also be the Financially Responsible Party. If at any time after the Effective Date a different individual is designated as Resident’s Representative, Resident and Resident’s Financially Responsible Party shall immediately notify the Community of such successor in accordance with the provisions Section 21.E below and such successor Resident’s Representative shall agree to be bound by this Agreement by executing a joinder to this Agreement within seven (7) business days of delivery of such notice. Such a successor Resident’s Representative shall execute such other documents and agreements as the Community staff deem necessary and appropriate. Failure to comply with the foregoing shall constitute grounds for termination under Section 14.B above.

19. NO RELIGIOUS AFFILIATION.

The Community is not affiliated with any religious organization.

20. ADDENDA AND EXHIBITS.

The Addenda and Exhibits attached to this Agreement are incorporated into and made a part of the Agreement.

21. MISCELLANEOUS

A. Fire or Casualty. If Resident's Residence or the Community is damaged or destroyed by fire or casualty so as to make it uninhabitable, the Community may terminate this Agreement immediately on notice to Resident, and the Community shall abate the Monthly Fee until the Residence is restored to habitable condition. The Community shall have no obligation to repair or restore the Residence or the Community in the event of a fire or other casualty.

B. No Waiver. The failure by any Party to enforce any of its right under this Agreement shall not be deemed a waiver of any right, which that Party has under this Agreement.

C. Entire Agreement. This Agreement, along with the attached exhibits and addenda, constitute the entire agreement between Resident and the Owner and may be amended only in writing.

D. Assignment or Subletting. Resident shall not let, sublet, assign, or transfer this Agreement, or all or any part of this Agreement, without the prior written consent of the Owner. This Agreement may be freely assigned by the Owner to any of its affiliates, parents, subsidiaries, successors, or assigns.

E. Notice. Notices required by this Agreement shall be in writing and delivered either by personal delivery, overnight delivery service or U.S. mail (certified or registered mail, return receipt requested, and all postage and charges prepaid). Notice to the Owner and/or Manager shall be sent to the attention of the Executive Director at the Community's address listed below. Notice to Resident shall be sent to Resident's Residence at the Community's address listed below, with a copy to the Financially Responsible Party (if there is one) at the following address:

**Edgemere
Attention: Executive Director
8502 Edgemere
Dallas, TX 75225**

and a copy to the Resident's Representative (if there is one) at the following address:

RP NAME

ADDRESS
CITY, STATE, ZIP

F. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, this Agreement shall be read as if such unenforceable provision was not included and all other provisions of this Agreement shall continue in full force and effect.

G. Successors. The respective rights and obligations provided in this Agreement shall bind and shall inure to the benefit of the Parties hereto, their legal representatives, heirs, estates, successors and assigns.

H. Survival. The rights and obligations of the Parties set forth in Section 15 and the Addendum to Arbitrate shall survive the termination of this Agreement, together with all rights of indemnification.

I. Governing Law. Except as noted above in Section 15, this Agreement shall be governed by and construed under the laws of the state where the Community is located without regard for its conflict of laws principles.

J. Headings. The headings contained herein are for convenience of reference only and are not intended to define, limit, or describe the scope of intent of any provision of this Agreement.

K. Authorization to Release Medical Information. Each Responsible Party hereby authorizes Resident's health care providers to release Resident's medical information and medical records to the Community as needed and each Responsible Party agrees to complete any forms provided by Community to allow for such release.

L. Incompetency. If Resident becomes legally incompetent, or is unable to properly care for themselves or their property, and Resident has made no other designation of a person or legal entity to serve as their guardian or conservator, Resident hereby grants authority to the Community to apply to a court of competent jurisdiction for the appointment of a conservator or guardian.

M. Risk Management Process. The Community maintains a risk management process to identify and reduce potential liability, which includes providing Resident with the following information:

a. General Provisions

i. No One-On-One Care. Each Responsible Party understands that the Community will not be providing Resident with one-on-one staff assistance at all times. Rather, at limited time periods during the day, Resident will receive supervision or assistance from the staff as defined by the Wellness Services (as set forth in Exhibit C attached hereto) under this Agreement. There will be times that Resident is in their private

residence, hallway, or common areas of the Community, including outdoors, without a staff member present to supervise, observe or assist Resident. This is all part of the Assisted Living Community goal of allowing Resident to live as independently as possible, and with as much dignity, personal decision-making and privacy as possible, and in a less restrictive environment. While Residents are encouraged to enjoy freedom of movement while living in our Community, residents who are easily confused, suffer from Alzheimer's disease or a form of dementia, may occasionally wander in or about the Community's premises. Wandering residents may not be alert to situations that may pose a possible injury to themselves. We ask that Residents and family members be realistic and forthcoming in discussing changes in their loved one's mental state because one-on-one care is not available.

ii. Staff Response Time. Each Responsible Party also fully understand and appreciate the fact that, because Resident will not be receiving one-on-one staff supervision or assistance, their requests for non-emergency staff assistance, such as requests for assistance with a shower or bath, change of clothing, etc., will often not be responded to immediately. If Resident desires a quicker response time, Resident and their Responsible Party understand that Resident will need to hire a private helper/companion. If Resident desires a quicker response time and Resident is not willing to pay for a Private companion, then this is not an appropriate Community for Resident. If Resident wishes to move into the Community and expects a shorter response time, Resident will need to hire a private companion/helper.

iii. Independence. Each Responsible Party understands that because Resident will be given as much independence, privacy, and personal decision-making as possible there may be times when Resident is injured trying to independently perform their activities of daily living to include walking, bathing, transferring from their bed to the bathroom, dressing, etc. Resident and their Responsible Party hereby agree that injuries, including those from falls, which occur while performing an activity that their physician has designated as an activity that Resident can perform independently, cannot reasonably be prevented.

iv. Activities Done Without Supervision/Assistance. Resident and their Responsible Party also agree that for any activity designated by their doctor as requiring supervision or assistance, which Resident decides to perform without reasonably requesting or waiting for staff assistance or supervision and which thereby results in an injury to Resident, is not the fault of the Owner.

b. FURTHERMORE, Resident and their Responsible Party agree that the following events may occur, and result in injury to Resident, and will not be reasonably prevented by the Community:

i. Resident may choose not to request staff supervision or assistance before attempting to perform an activity of daily living such as walking, dressing, transferring, bathing, etc.

ii. Resident may forget to request staff supervision or assistance before attempting to perform an activity of daily living such as walking transferring, bathing, dressing, etc.

iii. Resident may request staff supervision or assistance but then decide to perform the activity before the staff member has been able to reasonably respond to their request.

iv. Resident may choose to exercise their right to refuse medications or refuse to follow their Doctor's advice.

v. Resident may refuse to comply with staff's recommendations to use a cane, walker, wheelchair, or other safety precautions.

vi. Resident may exercise their right to refuse therapy.

vii. Resident may exercise their right to refuse to have a private companion/helper.

c. Falls. As we get older, generally we begin to experience an increase in falls, often due to our decreased eyesight, weaker muscles, slower response time, shuffling gait and/or side effect of our medications. Resident and their Responsible Party understand that the Owner cannot guarantee that Resident will not experience a fall, or an injury from a fall, at the Community.

d. Role of Your Doctor. Resident and their Responsible Party understand that only Resident's physician can do the following: (1) prescribe any medications or treatments for Resident; (2) diagnose any medical condition that Resident may have; (3) order any lab work, therapy or limitations on Resident's activities that the physician deems appropriate and (4) determine if any follow-up action is necessary based on the results of Resident's lab work. Community's staff cannot prescribe medications, nor can they make a medical diagnosis, or order lab work, physical, speech, or occupational therapy, etc.

N. Ownership. The Community is owned by Bay 9 Holdings LLC, A Delaware limited liability company, having a business mailing address of 811 E. 17th Avenue, Denver, CO 80218. The Manager of the Community is Long Hill at Edgemere, LLC, a Delaware limited liability company, having a business mailing address of 580 Long Hill Avenue, Shelton, CT 06484.

[Signature page to follow]

IN WITNESS WHEREOF, this Memory Care Resident Agreement is entered into as of the date set forth above.

By:

**Bay 9 Holdings LLC, a Delaware limited liability company (“Owner”)
(As Owner’s Representative)**

By: _____

Printed Name: _____

Title: Executive Director

Resident:

By: _____

Printed Name: _____

Resident’s Representative:

By: _____

Printed Name: _____

Resident’s Financial Representative:

By: _____

Printed Name: _____

**ADDENDUM TO MEMORY CARE RESIDENT AGREEMENT
TO ARBITRATE**

This is an addendum to the Memory Care Resident Agreement dated _____, 20__.
This addendum is incorporated into and made a part of the Agreement.

The Parties desire to resolve disputes between them as expeditiously and economically as possible. Therefore, any claim or dispute (including those based on contract, negligence or statute) amongst the Parties, involving an amount in excess of \$15,000 arising out of or related to this Agreement, the Community or the services/care provided to the Resident, shall be resolved by binding arbitration administered by an arbitrator agreed upon by the Parties, and judgment may be entered in any court having jurisdiction thereof. In the event that the Parties cannot agree upon an arbitrator within thirty (30) days, each Party shall choose an arbitrator, unaffiliated with such Party and those two arbitrators shall pick a third arbitrator. Each such arbitrator shall have at least ten (10) years of experience in the industry and at least three (3) years' experience with the subject matter. The Parties agree that this Agreement evidences a transaction involving interstate commerce. The U.S. Arbitration Act ("USAA") shall govern the interpretation, enforcement, and proceedings pursuant to the arbitration provisions in this Agreement. The Parties stipulate that the USAA shall apply to this Agreement, and that the USAA shall preempt any inconsistent state law and shall not be reverse preempted. The arbitration panel shall have the discretion to order depositions of witnesses where such discovery is relevant and appropriate. The arbitration panel has the discretion to award economic and non-economic damages. The arbitration panel may also award attorneys' fees and or such other relief if the arbitrators find that a party's conduct arises to the legal standard to award such relief. The Parties agree that the arbitrators' ruling is final and binding. Each side shall bear an equal share of the arbitrators' fees and the costs of the arbitration unless the arbitrators decide otherwise. The rights and obligations of the Parties set forth in this Addendum to Arbitrate shall survive the termination of the corresponding Assisted Living Resident Agreement.

Bay 9 Holdings LLC, a Delaware limited liability company ("Owner")

As Owner's Representative:

By: _____
Printed Name: _____
Title: Executive Director

Date: _____

Resident:

By: _____
Printed Name: _____

Date: _____

Resident's Representative:

By: _____
Printed Name: _____

Date: _____

Resident's Financially Responsible Party:

By: _____
Printed Name: _____

Date: _____

**EXHIBIT A
MEMORY CARE SERVICES**

The Resident resides in a Memory Care Residence. The Community will provide the following services covered by the Monthly Fee.

1. Dining – Three nutritionally well-balanced meals will be served daily in our dining room. In the event of illness, tray service is available upon request.
2. Housekeeping Services – Our housekeepers will clean the Residence, and launder one wash load of personal laundry and one load of bath and bed linens each week.
3. Leisure Activities – We offer a wide variety of recreational, cultural and religious events for residents’ selection and enjoyment; off-site events may be at an additional charge.
4. Transportation – We will transport residents on a first come, first served basis to scheduled destinations, subject to vehicle and driver availability.
5. Utilities – Water, heat, electricity and basic cable are provided. Telephone and optional cable television are available through the local service providers and must be arranged by the Resident or the Resident’s Representative.
6. Emergency Response – Our staff provides emergency assistance and, if appropriate summons emergency response personnel, the Resident’s physician, transportation and notifies family or the Resident’s designee.
7. Accommodations – Since we are not responsible for loss of or damage to Resident’s property, the Resident must obtain renter’s insurance. If we provide furnishings, the Resident will return them in good condition, reasonable wear and tear excepted.

RESIDENT:

Name: DATE: _____

RESPONSIBLE PARTY:

Name: DATE: _____

Name: DATE: _____

EXECUTIVE DIRECTOR:

Name: DATE: _____

EXHIBIT B
ANCILLARY AND CONCIERGE SERVICE FEES

Memory Care

(Not all services are available in all communities; please refer to state regulations to determine availability)

The fees listed below are a' la carte per session or for each time performed and may be in addition to Plan Fees. Resident or their Responsible Party are responsible for charges from any selected medical supply company.

Personal Care Services

| | |
|---|-----------------------|
| Physician Ordered Compression Stockings | \$ ___ per month |
| Eye, Nose or Ear Drops | \$ ___ per treatment |
| Bath/Shower | \$ ___ per treatment |
| Caring for Braces/Cast/Splint | \$ ___ per day |
| Pacemaker Testing | \$ ___ per test |
| Vital Sign Checks with correspondent to Physician | \$ ___ per day |
| Additional ADL Care | |
| 15 minutes | \$ ___ per 15 minutes |
| 30 minutes | \$ ___ per 30 minutes |

Personal Services

| | |
|--|--|
| Laundry (wash, dry and fold) | \$ ___ per load |
| Housekeeping (1 hour minimum) | \$ ___ (any cleaning in addition to the weekly housekeeping services described on Exhibit "A") |
| Staff Transportation Escort/Assistance | \$ ___ per hour |
| Transfer fee (size based on current residence) | |
| Studio/1-bedroom | \$ ___ |
| 2-bedroom | \$ ___ |
| Carpet Cleaning | |
| Studio | \$ ___ |
| 1-Bedroom | \$ ___ |
| 2-Bedroom | \$ ___ |
| Maintenance | \$ ___ per 1/2 hour |
| Key Replacement | \$ ___ per key |
| Lock Change | \$ ___ per change |
| Tray Service | \$ ___ per meal |
| Guest Meal | \$ ___ per meal |
| Special Events | Priced per event |
| Transportation | \$ ___ per hour |
| Non-Preferred Pharmacy Fee | \$ ___ per month |

Administrative Services

| | |
|---|------------------------|
| Alert Pendent or Bracelet Replacement (if applicable) | \$ ___ |
| Pet Fees | \$ ___ Fee/+\$ ___ mo. |

RESIDENT:

_____ DATE: _____

RESPONSIBLE PARTY:

_____ DATE: _____

EXECUTIVE DIRECTOR:

_____ DATE: _____

DRAFT

EXHIBIT C
MEMORY CARE PLANS/WELLNESS SERVICES

Community provides different levels of plans to residents of the Community as more fully set forth in the Resident Handbook. The level of services required by the Resident is based upon a pre-admission assessment using the “Comprehensive Assessment” as referenced in the contract. The assessment is updated annually or when there is a significant change in condition. Assessments may result in a change in level of Memory Care.

Memory Care \$ _____
Memory Care Plus \$ _____

RESIDENT:

DATE: _____

RESPONSIBLE PARTY:

DATE: _____

EXECUTIVE DIRECTOR:

DATE: _____

EXHIBIT D
MEMORY CARE RESIDENT AGREEMENT

Resident's Bill of Rights

1. Each assisted living facility must post the Resident's Bill of Rights, as provided by the department, in a prominent place in the facility and written in the primary language of each resident. A copy of the Resident's Bill of Rights must be given to each resident.
2. A resident has all the rights, benefits, responsibilities and privileges granted by the Constitution and laws of this state and the United States, except where lawfully restricted. The resident has the right to be free of interference, coercion, discrimination, and reprisal in exercising these civil rights.
3. Each resident in the assisted living facility has the right to:
 - A. be free from physical and mental abuse, including corporal punishment or physical and chemical restraints that are administered for the purpose of discipline or convenience and not required to treat the resident's medical symptoms. A provider may use physical or chemical restraints only if the use is authorized in writing by a physician or the use is necessary in an emergency to protect the resident or others from injury. A physician's written authorization for the use of restraints must specify the circumstances under which the restraints may be used and the duration for which the restraints may be used. Except in an emergency, restraints may only be administered by qualified medical personnel;
 - B. participate in activities of social, religious, or community groups unless the participation interferes with the rights of others;
 - C. practice the religion of the resident's choice;
 - D. if the resident has an intellectual disability, with a court-appointed guardian of the person, participate in behavior modification program involving use of restraints, consistent with subparagraph (A) of this paragraph, or adverse stimuli only with the informed consent of the guardian;
 - E. be treated with respect, consideration, and recognition of his or her dignity and individuality, without regard to race, religion, national origin, sex, age, disability, marital status, or source of payment. This means that the resident:
 - i. Has the right to make his/her own choices regarding personal affairs, care, benefits, and services;
 - ii. Has the right to be free from abuse, neglect, and exploitation; and
 - iii. If protective measures are required, has the right to designate a guardian or representative to ensure the right to quality stewardship of his/her affairs;

- F. a safe and decent living environment;
- G. not be prohibited from communicating in his or her native language with other individuals or employees for the purpose of acquiring or providing any type of treatment, care, or services;
- H. complain about the resident's care or treatment. The complaint may be made anonymously or communicated by a person designated by the resident. The provider must promptly respond to resolve the complaint. The provider must not discriminate or take other punitive action against a resident who makes a complaint;
- I. receive and send unopened mail, and the provider must ensure that the resident's mail is sent and delivered promptly;
- J. unrestricted communication, including personal visitation with any person of the resident's choice, including family members and representatives of advocacy groups and community service organizations, at any reasonable hour;
- K. make contacts with the community and to achieve the highest level of independence, autonomy, and interaction with the community of which the resident is capable;
- L. manage his or her financial affairs. The resident may authorize in writing another person to manage his/her money. The resident may choose the manner in which his/her money is managed, including a money management program, a representative payee program, a financial power of attorney, a trust, or similar method, and the resident may choose the least restrictive of these methods. A person designated to manage a resident's financial affairs shall do so in accordance with each applicable policy, law, or rule. On request of the resident or the resident's representative, the person designated to manage the resident's financial affairs shall make available the related financial records and provide an accounting relating to the financial management. A resident's designation of another person to manage the resident's financial affairs does not affect the resident's ability to exercise another right articulated by law. If a resident is unable to designate another person to manage the resident's financial affairs and a guardian is designated by a court, the guardian shall manage the resident's financial affairs in accordance with Texas Estates Code and other applicable laws;
- M. access the resident's person and clinical records, which are confidential and may not be released without the resident's consent, except:
 - i. to another provider, if the resident transfers residence; or
 - ii. if the release is required by another law;

- N. be fully informed, in language that the resident can understand, of the resident's total medical condition and be notified whenever there is a change in the resident's medical condition;
- O. choose and retain a personal physician and to be fully informed in advance about treatment or care that may affect the resident's well being;
- P. participate in developing his/her individual service plan that describes the resident's medical, nursing, and psychological needs and how the needs will be met;
- Q. be given the opportunity to refuse medical treatment or services after the resident:
 - i. is advised by the person providing services of the possible consequences of refusing treatment or services; and
 - ii. acknowledges that he/she understands the consequences of refusing treatment or services;
- R. unaccompanied access to a telephone at a reasonable hour or in case of an emergency or personal crisis;
- S. privacy, while attending to personal needs and a private place for receiving visitors or associating with other residents, unless providing privacy would infringe on the rights of other residents. This right applies to medical treatment, written communications, telephone conversations, meeting with family, and access to resident councils. If a resident is married and the spouse is receiving similar services, the couple may share a room;
- T. retain and use personal possessions, including clothing and furnishings, as space permits. The number of personal possessions may be limited for the health and safety of other residents;
- U. determine his or her dress, hair style, or other personal effects according to individual preference, except the resident has the responsibility to maintain personal hygiene;
- V. retain and use personal property in his or her immediate living quarters and to have an individual locked area (cabinet, closet, drawer, foot locker, etc.) in which to keep personal property;
- W. refuse to perform services for the facility, except as contracted for by the resident and operator;
- X. be informed by the provider no later than the 30th day after admission:
 - i. whether the resident is entitled to benefits under Medicare or Medicaid; and

- ii. which items and services are covered by these benefits, including items or services for which the resident may not be charged;
- Y. not be transferred or discharged unless:
- i. the transfer is for the resident's welfare, and the resident's needs cannot be met by the facility;
 - ii. the resident's health is improved sufficiently so that services are no longer needed;
 - iii. the resident's health and safety or the health and safety of another resident would be endangered if the transfer or discharge was not made;
 - iv. the provider ceases to operate or to participate in the program that reimburses for the resident's treatment or care; or
 - v. the resident fails, after a reasonable and appropriate notice, to pay for services;
- Z. not be transferred or discharged, except in an emergency, until the 30th day after the date the facility provides written notice to the resident, the resident's legal representative, or a member of the resident's family, stating:
- i. that the facility intends to transfer or discharge the resident;
 - ii. the reason for the transfer or discharge;
 - iii. the effective date of the transfer or discharge;
 - iv. if the resident is to be transferred, the location to which the resident will be transferred; and
 - v. any appeal rights available to the resident and to whom the appeal should be directed;
- AA. leave the facility temporarily or permanently, subject to contractual or financial obligations;
- BB. have access to the services of a representative of the state Long-term Care Ombudsman Program; and
- CC. execute an advance directive, under the Advance Directives Act (Chapter 166, Health and Safety Code), execute a medical power of attorney, or designate a guardian in advance of need to make decisions regarding the resident's health care should the resident become incapacitated.

DRAFT

Resident's Bill of Rights

Acknowledgement Form

I/We have had the Resident's Bill of Rights reviewed with me/us. I/We have had my/our questions answered.

Signature of Incoming Resident

Date: _____

Signature of Resident's Representative

Date: _____

Signature of Community's Representative

Date: _____

DRAFT

EXHIBIT E

MEMORY CARE RESIDENT AGREEMENT

TRANSPORTATION GUIDELINES

This assisted living/memory care community has a vehicle available for transporting residents to and from scheduled activities, outings and on assigned days, physician or clinic appointments. Routinely, trips are scheduled to banks, stores, pharmacies, etc. Resident will see specific schedules printed on the activity calendar. Transportation is managed through the administrative staff of the Community. Physician and clinic appointments will be scheduled within the established 10 mile radius of the community and as approved by management. Appointments are scheduled on a first come, first served basis. The Community may provide chauffeur services and escort service at an additional fee as set forth in **Exhibit B**.

Residents must inform management of their need for these services well enough in advance to avoid conflict with the residence's trip and activity schedule and to ensure availability of staff to perform escort services.

RESIDENT:

DATE: _____

RESPONSIBLE PARTY:

DATE: _____

EXECUTIVE DIRECTOR:

DATE: _____

EXHIBIT F
RESIDENT HANDBOOK

I hereby acknowledge receipt and review of the Resident Handbook.

RESIDENT:

DATE: _____

RESPONSIBLE PARTY:

DATE: _____

EXECUTIVE DIRECTOR:

DATE: _____

DRAFT

EXHIBIT G

PHARMACY SERVICES AGREEMENT

Resident has the right to select any pharmacy provider for their medication needs. The Community has selected **Omnicare Pharmacy** as our preferred pharmacy. As our preferred pharmacy, **Omnicare** implements approved Medication Management policies and programs which provide services to our residents geared towards enhancing their health and wellness. The Community works closely with various pharmacy providers to ensure that our residents' needs are met by providing the following services;

- Screening for possible negative drug interactions
- Assessments for potential allergic reactions of medications
- Recommending therapeutic substitutions when appropriate
- Providing competitive pricing for comparable packaging and offering generic substitutions when appropriate
- Alerting staff and physicians when there is a duplication of prescriptions
- Individual wellness recommendations
- Regular scheduled review and monitoring of medications
- Routine or emergency delivery 24-hours a day, 365 days a year
- Medication packaging that meets the community's standards for safety

Should you elect a different pharmacy you will be charged a monthly non-preferred pharmacy fee of \$ _____. The pharmacy Resident chooses must comply with the Community's Pharmacy Standards. Additionally, the Community requires that Resident maintains a supply of medication(s) sufficient to meet the prescribed dosage without interruption for three (3) days. If at any time, Resident does not have a three (3) day supply of medication(s) available, Resident grants the Community authority to order a one-month supply of Resident's required medications from **Omnicare Pharmacy** at Resident's expense.

Resident:

By: _____
Name: _____

Date: _____

Financially Responsible Party:

By: _____
Name: _____

Date: _____

Resident's Representative:

By: _____
Name: _____

Date: _____

DRAFT

EXHIBIT H

EVACUATION FORM

In the event of an evacuation from the Community, I will do the following:

_____ Be evacuated by a family member
Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone Number: _____

_____ Be evacuated by the Community

RESIDENT:

_____ DATE: _____

RESPONSIBLE PARTY:

_____ DATE: _____

EXECUTIVE DIRECTOR:

_____ DATE: _____

EVACUATION FEE

In the event of an evacuation from the Community, I will be evacuated by the Community's staff and agree to pay a non-refundable fee of \$_____ to the Owner upon each evacuation occurrence. I understand that the fee will be paid at the time of the evacuation.

RESIDENT:

_____ DATE: _____

RESPONSIBLE PARTY:

_____ DATE: _____

EXECUTIVE DIRECTOR:

_____ DATE: _____

DRAFT

EXHIBIT I
PET CONSENT

Community: _____

Date: _____

Name of Resident: _____

Residence #: _____

Pet Species: _____ (Dog, Cat, etc.)

_____ has paid a pet fee of \$ _____ and is given permission to have their pet on the premises in compliance with the regulations regarding pets in the Memory Care Resident Agreement signed by the Lessee.

Pet Regulations:

- Pets may not weigh more than 25 pounds.
- There is a non-refundable pet fee of \$ _____
- There is a monthly charge for pet of \$ _____
- Dogs and cats need to be dipped every three months or use the new flea systems.
- All pets must maintain appropriate vaccination and health records required by Community rules and regulations.
- Dogs and cats are never allowed in the common areas or hallways of the community unless being transported outside.
- Dogs must be kept on a leash when in the courtyard areas.
- Resident is responsible for the care of their pet.
- Carpet will be replaced at the resident's expense at time of move-out.
- Resident is responsible for payment to repair any damage to the Residence due to their pet as determined by Community administrative staff.

I agree to the above pet regulations.

RESIDENT:

DATE: _____

RESPONSIBLE PARTY:

DATE: _____

EXECUTIVE DIRECTOR:

DATE: _____

EXHIBIT J

ADVANCE DIRECTIVES

[UNDER REVIEW AND SUBJECT TO REVISION]

“**Advance Directive**” means an instruction made for the purpose of administering, withholding, or withdrawing life-sustaining treatment in the event of a terminal or irreversible condition to a “Qualified Patient”.

- (A) an out-of-hospital DNR order; or
- (B) A medical power of attorney

Related Defined Terms:

“Qualified Patient” means a patient with a terminal or irreversible condition that has been diagnosed and certified in writing by the attending physician.

“Artificial nutrition and hydration” means the provision of nutrients or fluids by a tube inserted in a vein, under the skin in the subcutaneous tissues, or in the stomach (gastrointestinal tract).

“Attending Physician” means a physician selected by or assigned to a patient who has primary responsibility for a patient’s treatment and care.

“Competent” means possessing the ability, based on reasonable medical judgment, to understand and appreciate the nature and consequences of a treatment decision, including the significant benefits and harms of and reasonable alternatives to a proposed treatment decision.

“Declarant” means a person who has executed or issued a directive.

“Health care or treatment decision” means consent, refusal to consent, or withdrawal of consent to health care, treatment, service, or a procedure to maintain, diagnose, or treat an individual’s physical or mental condition, including such a decision on behalf of a minor.

“Incompetent” means lacking the ability, based on reasonable medical judgment, to understand and appreciate the nature and consequences of a treatment decision, including the significant benefits and harms of and reasonable alternatives to a proposed treatment decision.

“Irreversible condition” means a condition, injury, or illness:

- (A) that may be treated but is never cured or eliminated;
- (B) that leaves a person unable to care for or make decisions for the person’s own self; and

- (C) that, without life-sustaining treatment provided in accordance with the prevailing standard of medical care, is fatal.

“Life-sustaining treatment” means treatment that, based on reasonable medical judgment, sustains the life of a patient and without which the patient will die. The term includes both life-sustaining medications and artificial life support, such as mechanical breathing machines, kidney dialysis treatment, and artificial nutrition and hydration. The term does not include the administration of pain management medication, or the performance of a medical procedure considered to be necessary to provide comfort care, or any other medical care provided to alleviate a patient’s pain.

“Medical power of attorney” means a document delegating to an agent authority to make health care decisions.

“Physician” means:

- (A) a physician licensed by the Texas State Board of Medical Examiners; or
- (B) a properly credentialed physician who holds a commission in the uniformed services of the United States and who is serving on active duty in this state.

“Terminal condition” means an incurable condition caused by injury, disease, or illness that according to reasonable medical judgment will produce death within six months, even with available life-sustaining treatment provided in accordance with the prevailing standard of medical care. A patient who has been admitted to a program under which the person receives hospice services provided by a home and community support services is presumed to have a terminal condition.

“Witness” means a person who may serve as a witness.

“Cardiopulmonary resuscitation” means any medical intervention used to restore circulatory or respiratory function that has ceased.

ADVANCE DIRECTIVES ACKNOWLEDGEMENT

Please read the following three statements. Place your initials after each statement.

1. I have received an explanation and written information regarding advance directives from the Community. I understand that it is the policy of the Community to respect individual choice and avoid discrimination based on whether or not I have an advance directive.
_____ (initial here)
2. I understand that I am not required to have an Advanced Directive in order to receive treatment. _____ (initial here)
3. I understand that the terms of any Advanced Directives that I have executed will be followed. _____ (initial here)

Resident's Signature: _____ Date: _____

PLEASE CHECK ONE OF THE FOLLOWING STATEMENTS

- I HAVE executed an Advanced Directive.
 I HAVE NOT executed an Advanced Directive.

Signed: _____

Date: _____

Witness: _____

EXHIBIT K

PHYSICAL RESTRAINTS/SECLUSION

It is the Owner's philosophy to foster a restraint-free environment. The use of restraints, either chemical or physical are not permitted nor is the seclusion of residents.

RESIDENT:

_____ DATE: _____

RESPONSIBLE PARTY:

_____ DATE: _____

EXECUTIVE DIRECTOR:

_____ DATE: _____

DRAFT

EXHIBIT L

ELECTRONIC MONITORING ACKNOWLEDGEMENT FORM

The rooms of some residents may be monitored electronically by or on behalf of the residents. Monitoring may not be open and obvious in all cases.

RESIDENT:

_____ DATE: _____

RESPONSIBLE PARTY:

_____ DATE: _____

EXECUTIVE DIRECTOR:

_____ DATE: _____

DRAFT

EXHIBIT M

Resident Consent/Acknowledgement Form

Acknowledgement for Health Promotion Assistance

I consent to and authorize this Community, its staff, and associates to provide care and treatment to me per my request and/or as by prescribed by my physician. I understand that I will be responsible monetarily for any additional health services provided outside of the normal services provided at the Community. I agree to notify my physician and the Community's staff of any significant health changes or events relating to my health.

Applicant's Signature

Date

Release Information

I consent to and authorize the Owner to disclose and release information contained in my clinical record to health care providers, third party payers, utilization review, professional standards review organizations, regulatory review entities and other organizations, company, community services, etc. that may/will assist me to meet my health and well-being needs.

Applicant/Responsible Party's Signature

Date

Photograph/Video/Audio Recording Consent

___ I DO ___ I DO NOT authorize the Owner to take/use my photograph, video/audio recording or my name for purposes of identification, Community publications or media promotions.

Applicant/Responsible Party's Signature

Date

Social Media Acknowledgement

I hereby acknowledge that I have received a copy of the Community's Social Media Policy. I further acknowledge that I have read such policy and will abide by its provisions.

Applicant/ Responsible Party's Signature

Date:

I understand what I have read above, or what was read to me as printed, and I agree to the terms and conditions/indicated above. I understand that I may terminate any of the above authorizations at any time.

Financial Guarantor's Signature

Date

Resident's Signature

Date

Executive Director's Signature

Date

DRAFT