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

	§	
In Re:	§	
	§	
NORTHWEST SENIOR HOUSING	§	Case No. 22-30659-mvl
CORPORATION, <i>et al.</i> ,	§	
	§	
Debtors.	§	Chapter 11
		(Jointly Administered)

WITNESS AND EXHIBIT LIST

David Stephen Donosky, aka Steve Donosky Company (“Donosky”), by and through counsel, designates the following witnesses and exhibits for the confirmation and sale hearing scheduled to begin on February 21, 2023, at 9:30 A.M.

WITNESSES

1. David Stephen Donosky;
2. Alan T. Gregory;
3. Any witness needed for rebuttal; and
4. Any witness designated by any other party.

EXHIBITS

1. Joint Venture Agreement dated June 9, 1997;
2. Letter from Northwest Lifecare Joint Venture to Intercity Investments, Inc. dated June 9, 1997;



3. Ground Lease Option Agreement dated September 9, 1997;
4. Commission Agreement dated November 5, 1997;
5. Assignment of Ground Lease Option Agreement dated May 20, 1999;
6. Ground Lease dated November 5, 1999;
7. Payments to Donosky November 1999 – April 2022;
8. Post-Petition Amounts Owed to Donosky; and
9. Any exhibit necessary for rebuttal or impeachment.

ADDITIONAL MATTERS

1. If necessary, Donosky will rely on Rule 807 of the Federal Rules of Evidence to admit into evidence any one or more of the listed exhibits and/or any other exhibits offered into evidence at the above-referenced hearing.

2. Donosky further reserves the right to call any other witness as a rebuttal witness, whether named herein or not, and to introduce any other documents into evidence as rebuttal/impeachment exhibits, whether listed herein or not.

Respectfully submitted,

/s/ Emily S. Wall

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of this Witness & Exhibit List was served on February 16, 2023 by electronic transmission through the Court's automated Case Management and Electronic Docketing System for the U. S. Bankruptcy Court for the Northern District of Texas on all parties-in-interest submitting to service of papers in this case by said means.

/s/ Emily S. Wall

Emily S. Wall

**JOINT VENTURE AGREEMENT
OF
NORTHWEST LIFECARE JOINT VENTURE
a Texas Joint Venture**

THIS JOINT VENTURE AGREEMENT (the "Agreement") of Northwest Lifecare Joint Venture, a Texas joint venture (the "Joint Venture") is entered into by and between Northwest Lifecare Associates, Ltd., a Texas limited partnership ("Associates") and Greystone Communities, Inc., a Texas corporation ("GCI") effective as of June 9, 1997, regardless of when executed. In consideration of the mutual covenants set forth herein, the parties to this Agreement agree as follows:

ARTICLE I

FORMATION AND PURPOSE OF JOINT VENTURE

1.1 Formation of the Joint Venture. GCI and Associates (collectively, the "Venturers" and each, individually, a "Venturer") hereby enter into this Agreement for the purpose of joining together and forming the Joint Venture for the limited purposes and scope hereinafter set forth.

1.2 Name. The business of the Joint Venture shall be conducted solely under the name of "Northwest Lifecare Joint Venture, a Texas joint venture" and such name shall be used at all times in connection with the Joint Venture's affairs. The Venturers shall execute and file all assumed or fictitious name certificates required by law to be filed in Texas or any other jurisdiction in which the Joint Venture conducts its business, in connection with the formation or operation of the Joint Venture.

1.3 Purposes and Scope of Joint Venture. The purpose of the Joint Venture shall be solely to enter into a letter of intent (the "LOI") with Intercity Investment Properties, Inc. (the "Ground Lessor") and to thereafter negotiate and enter into a Ground Lease Option Agreement (the "Option Agreement") with Ground Lessor with respect to certain real property (the "Property") in Dallas, Texas, to be ground leased from the Ground Lessor pursuant to the terms and provisions of a Ground Lease (the "Ground Lease") to be negotiated in connection with the Option Agreement. Each Venturer hereby covenants and agrees with the other Venturer to use its good faith best efforts to actively pursue the purpose of the Joint Venture for the benefit of the Joint Venture. It is anticipated that, in connection with and after the Joint Venture's entry into the Option Agreement:

(a) the Joint Venture, and each of the Venturers, shall assist in the identification, recruitment and briefing of appropriate and qualified potential members of the Board of Directors, at the request and on behalf, of the owner and sponsor (the "Sponsor") of the Community, hereinafter defined, to enable the Sponsor to appropriately undertake its role contemplated herein.

(b) the Sponsor will: (i) accept assignment of the Option Agreement and enter into the Ground Lease, (ii) enter into a Development Services Agreement, substantially in

the form attached hereto as Exhibit "A" (the "Development Services Agreement") between the Sponsor and GCI for development on the Property of a senior living community consisting of approximately 220 independent living units, 77 assisted living units and common support areas and 60 nursing care beds (the "Community"), to be owned by Sponsor or an entity designated by Sponsor and located on the Property, and (iii) enter into a Senior Living Development and Consulting Agreement (the "Consulting Agreement") between the Sponsor and Associates, substantially in the form attached hereto as Exhibit "B".

(c) the Ground Lease will be entered into and the Community will be developed, financed, constructed, owned and operated by the Sponsor, with the independent assistance of Associates pursuant to the Consulting Agreement, subject to the provisions of Section 3.4(c) hereof, and GCI pursuant to the Development Services Agreement, for which purpose GCI is preparing and will revise a comprehensive Development Plan (the "Plan") for development of the Community to be presented to the Sponsor.

1.4 Venturers' Authority. Except as otherwise expressly and specifically provided herein, neither Venturer shall have any authority or responsibility to act for, or to assume any obligations or responsibility on behalf of, the other Venturer or the Joint Venture. The rights and obligations of the Venturers, and the administration and termination of the Joint Venture, shall be governed by this Agreement and the Texas Uniform Partnership Act (the "Act"), in that order and to the extent that this Agreement is consistent with the Act, provided that in the event of any conflict the provisions of the Act shall govern to the extent required by law. Nothing contained herein shall be deemed in any way or manner to prohibit or restrict the right or freedom of any Venturer to conduct any business or activity whatsoever, whether or not competitive with the activities of the Joint Venture, without any obligation or accountability to the Joint Venture or the other Venturers.

1.5 Principal Place of Business. The principal place of business of the Joint Venture shall be at 222 West Las Colinas Blvd., Suite 2100, Irving, Texas 75039.

1.6 Term. The term of the Joint Venture shall commence upon execution of this Agreement and continue until the earliest to occur of:

- (a) December 31, 2001, or
- (b) Dissolution of the Joint Venture by mutual agreement of all Venturers, or
- (c) The occurrence of any other event specified in Section 7.2 hereinbelow.

ARTICLE II

CONTRIBUTIONS AND JOINT VENTURE PROPERTY

2.1 Initial Contributions. Subject to the terms and conditions hereof, GCI has contributed, or will contribute, to the Joint Venture the sum of Twenty-Five Thousand Dollars (\$25,000.00) for the operations of the Joint Venture, which funds have been used as a deposit (the "Deposit") with Ground Lessor pursuant to the LOI. Associates has contributed the sum of One

Thousand Dollars (\$1,000.00) for the operations of the Joint Venture plus its efforts in pre-development activities necessary to the obtaining of the LOI and will contribute additional services in pursuit of the Option Agreement and the development of the Community to a level where the LOI, or the Option Agreement, may be assigned to the Sponsor.

2.2 Additional Capital Contributions. Without creating any rights, remedies or claims in favor of or enforceable by any third party, including the Sponsor, the Venturers agree that each party hereto shall make such additional capital contributions from time to time as may be agreed upon by the Venturer or Venturers making such contribution and the Manager, on behalf of the Venture.

2.3 Withdrawal of Capital Contributions. No Venturer may withdraw any part of such Venturer's capital contribution, or receive any distributions from the Joint Venture, except as provided in this Agreement. No Venturer shall be liable to any other Venturer for the return of any other Venturer's capital contributions, which return shall be made solely from Venture assets and revenues.

2.4 Interest on Capital Contributions. No Venturer shall be entitled to receive interest on any capital contribution.

2.5 Venture Property. Each Venturer's interest in the Joint Venture shall be personal property for all purposes. All real and other property and rights owned by the Joint Venture (the "Venture Property") shall be deemed owned by the Joint Venture as an entity and neither Venturer, individually, shall have any ownership interest in such Joint Venture Property.

2.6 Loans to the Joint Venture. If the capital of the Joint Venture is inadequate to fund all Joint Venture requirements, the Venturers may, but shall not be required to, make one or more loans (each, a "Venturer Loan" and, collectively, the "Venturer Loans") to the Joint Venture on commercially reasonable terms and conditions as may be acceptable to the Venturer making such Venturer Loan and the Joint Venturer.

ARTICLE III

MANAGEMENT AND OPERATIONS

3.1 Control of the Joint Venture. Except as otherwise provided herein, management and control of the Joint Venture shall be vested in a manager of the Joint Venture (the "Manager"), as designated from time to time by unanimous consent of the Venturers, and all actions to be taken, decisions to be made and activities to be completed by the Joint Venture shall be effectuated, made and carried out by the Manager on behalf of the Joint Venture.

3.2 Joint Venture Manager. The Venturers hereby designate GCI, acting by and through any officer of GCI, as the Joint Venture Manager and no other Venturer has any authority to act for or bind the Joint Venture. If any Venturer other than the Manager causes, or attempts to cause, the Joint Venture to incur any obligation, such Venturer shall be liable to the other Venturers for the

entire amount of the obligation incurred. The Manager will actively manage the day-to-day business of the Joint Venture and any action taken by the Manager will bind the Joint Venture.

3.3 Operating Concept. Since the Joint Venture exists for the sole purpose of entering into the LOI and the Option Agreement, the Manager, acting on behalf of the Joint Venture, shall have the authority to negotiate and enter into the LOI and the Option Agreement, and to negotiate the form of the Ground Lease, and to take all actions, make all decisions and execute all documents in connection therewith. Effective upon (i) the incorporation of Sponsor, (ii) the agreement of the Sponsor to accept an assignment of the Option Agreement and to reimburse the Joint Venture for the Deposit and all other expenses incurred by the Joint Venture in connection with its entering into the LOI and the Option Agreement, (iii) the execution of the Development Services Agreement by the Sponsor and (iv) the execution of the Consulting Agreement by the Sponsor or other provision for the payment of the Consulting Fee to Associates as provided in Section 3.4(c) hereof, the Joint Venture, acting by and through the Manager, shall promptly assign the Option Agreement to the Sponsor. Each Venturer hereby agrees to execute and deliver any additional assignments, certificates and other documents as may be required by the Sponsor in connection therewith. If any Venturer causes, or attempts to cause, the Joint Venture to incur any obligation not provided for herein, or blocks or attempts to block any action of the Joint Venture provided for herein, such Venturer shall be liable to the other Venturers for the entire amount of the obligation or damages incurred.

3.4 Powers of the Manager. The Manager shall have the authority and power to make all decisions, execute all documents and conduct all business activities on behalf of the Joint Venture, including, without limitation, all dealings with the Ground Lessor and the Sponsor, the execution, modification and performance of the LOI, the Option Agreement and the Ground Lease, the assignment of the Option Agreement to the Sponsor and all other matters whatsoever. No additional approval of any actions of the Manager shall be required from any Venturer, provided that:

(a) In the case of the exercise of any power requiring approval of the Venturers, including without limitation those matters specified in Section 3.7 below, or for which the Manager desires to obtain the approval of the Venturers, after such approval has been granted, the Manager shall have authority to bind the Joint Venture and to carry into effect any action so approved by the Venturers.

(b) The Manager shall have the right to enter into any contract, agreement, lease, promissory note, or other arrangement for the furnishing to or by the Joint Venture of goods or services with any party or entity, regardless of whether any such entity is a Venturer or related to or affiliated with any Venturer or with respect to which any Venturer or party or entity related to or affiliated with any Venturer has any direct or indirect ownership or control, upon such terms and conditions as the Manager shall deem to be acceptable, in its sole and absolute discretion.

(c) The Manager shall not have the power or authority to assign the Option Agreement to the Sponsor unless and until the Consulting Agreement has been executed by the Sponsor, provided that, if the Sponsor fails or refuses to execute the Consulting Agreement and GCI agrees in writing to pay to Associates a fee (the "Consulting Fee") in the amount of \$350,000, pro-rata with the payment to GCI of the development fee to be paid to

GCI pursuant to the Development Services Agreement, the Manager shall have the right, power and authority to assign the Option Agreement to the Sponsor.

(d) It will not be necessary for any person dealing with the Manager to inquire about the authority of the Manager to bind the Joint Venture and all such persons may rely on this statement of the Manager's authority to act on behalf of the Joint Venture.

3.5 Development Funding. The Venturers acknowledge that GCI shall make a limited private offering or otherwise obtain all necessary pre-financing development funding for the development of the Community (the "Development Funding") and negotiate and enter into the Development Services Agreement with the Sponsor, independent of the Joint Venture, provided that the Manager shall not assign the LOI or the Option Agreement to the Sponsor until the Manager has confirmed that Associates has entered into the Consulting Agreement or received the written confirmation of GCI to pay the Consulting Fee as provided in Section 3.4(c) hereof, GCI has entered into the Development Services Agreement, the Development Funding has been obtained and payment, or adequate provision for the payment, of the following has been made:

(a) to Associates or the person named below, reimbursement for the following costs and expenses upon obtaining of the Development Funding and presentation to GCI by Associates of a statement for all such costs and expenses:

(i) actual reasonable legal fees and expenses of Thompson & Knight in connection with Associates' pre-development activities and efforts in obtaining the LOI, through the date on which the Development Funding is obtained;

(ii) Mike McNeff ("McNeff") in the amount of up to \$20,000, provided that Associates and Alan T. Gregory ("Gregory"), the general partner of Associates, hereby represent and warrant to GCI that neither Associates nor Gregory have entered into any written agreement with McNeff for the payment of any commission in connection with the Property; and

(iii) out of pocket expenses of Associates in the amount of \$40,000.

(b) in connection with the leasing of the Property by the Ground Lessor to the Sponsor pursuant to the Ground Lease, the Sponsor will agree to pay Steve Donosky (the "Broker") a commission equal to two and one-half percent (2.5%) of the amount of each Ground Lease ground rent payment at the time of each such payment.

3.6 Compensation of the Manager. As compensation for, and in consideration of, Manager's development of the Plan and commitment to provide all services to be provided by the Joint Venture pursuant to this Agreement and the Development Services Agreement, the Manager shall receive any and all payments and reimbursements made by the Sponsor to the Joint Venture in consideration of such services and expenses related thereto, if any, as provided in the Development Services Agreement. The Manager shall receive no other compensation for its services as Manager of the Joint Venture.

3.7 Matters Requiring Venturer Approval. The following matters shall require the unanimous consent of the Venturers:

- (a) Confessing a judgment against the Joint Venture or the Venture Property;
- (b) Making, executing or delivering for the Joint Venture any bond, guaranty, indemnity bond, surety bond or accommodation endorsement, other than in the ordinary course of the business of the Joint Venture;
- (c) Creating any obligations of the Joint Venture other than as specified herein or in the Plan, under the terms of which the Venturers would have any personal liability for the payment thereof;
- (d) Transferring or assigning an interest in the Joint Venture, unless otherwise permitted by this Agreement;
- (e) Appointing a Manager of the Joint Venture; and
- (f) Assigning the Option Agreement to a Sponsor which does not, and is not anticipated to, qualify as a not for profit entity pursuant to Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended from time to time.

3.8 Independent Activities of Venturers. Each Venturer shall devote only so much time and energy to the business of the Joint Venture as each Venturer, in its sole and absolute discretion, determines to be necessary or desirable. No other activity of either Venturer shall give any Venturer the right to participate therein or to require the other Venturer to cease conducting such activity. Any Venturer, its subsidiaries, affiliates and associates may, notwithstanding the existence of this Agreement, engage in whatever activities such Venturer may choose, whether the same shall be competitive with this Joint Venture or otherwise, provided however that no Venturer may engage in, own or be associated with any business which competes directly with the business of the Joint Venture with respect to the Property, the LOI or the Option Agreement other than through the Joint Venture. The sums to be paid to Associates and others pursuant to Section 3.5 hereof shall constitute all amounts due to Associates in connection with the Joint Venture, the LOI, the Option Agreement and the development of the Community and Associates shall have no rights with respect to the Development Services Agreement or the relationship of GCI with the Sponsor.

3.9 Liability and Indemnification. The Manager shall perform its duties under this Agreement with ordinary prudence and in a manner characteristic of a businessman in similar circumstances; provided that the Manager and its officers, directors, shareholders, owners, employees, agents, affiliates, subsidiaries and associates shall have no liability whatsoever to the Joint Venture, or to any Venturer, for loss caused by any act or failure to act, regardless of whether the loss suffered by the Joint Venture arises out of any mistake or error in judgment of any such person or entity, unless any such loss is caused directly by the gross negligence or willful misconduct of the Manager or such persons, in which event the liability of the Manager and such persons shall be strictly limited to the amount of capital invested in the Joint Venture by any person or entity

obtaining a final, non appealable judgment by a court of competent jurisdiction finding a breach of fiduciary duty on the part of the Manager or such persons. **The Joint Venture shall indemnify and hold harmless the Manager and each officer, director, owner, employee, agent, affiliate, subsidiary and associate of Manager from and against any and all claims, actions, demands, costs, expenses (including attorneys' fees), damages, losses and threats of loss arising as a result of any claim or legal proceeding related to the performance or non-performance of any act pursuant to this Agreement or concerning the activities of the Joint Venture.**

3.10 Venturer Ownership. Each Venturer shall be deemed to own a fifty percent (50%) interest in the Joint Venture for all purposes other than allocation of profits, losses, income, expenses and gain as provided below.

ARTICLE IV

FINANCIAL AND ACCOUNTING MATTERS

4.1 Capital Accounts. Each Venturer shall have a capital account (individually, a "Capital Account" and collectively, the "Capital Accounts"). For the purposes of this Agreement "Net Income" or "Net Loss" of the Joint Venture shall be determined pursuant to the method of accounting selected by the Venturers in accordance with the applicable federal income tax statutes and final and proposed regulations in effect from time to time. Each Venturer's Capital Account shall be: (a) increased by the amount of cash and the fair market value of any property contributed by the Venturer to the Joint Venture pursuant to this Agreement and the amount of Net Income allocated to him; and (b) decreased by the amount of Net Loss allocated to him and by all amounts of cash and the fair market value of any property distributed to him pursuant to this Agreement.

4.2 Income Accounts. An individual income account (each, an "Income Account" and, collectively, the "Income Accounts") shall be maintained for each Venturer which shall be increased by each Venturer's share of Net Income and decreased by each Venturer's share of Net Loss, as provided below. The Income Accounts shall be closed to each Venturer's Capital Account at such times as the Venturers shall determine, but at least once per year, as soon as practical after the close of each fiscal year of the Joint Venture.

4.3 Allocations of Net Income. Net Income of the Joint Venture shall be allocated to and among the Venturers as follows:

(a) Net Income shall first be allocated to Venturers having negative Capital Account balances, in the amount necessary to eliminate such negative balances.

(b) Net Income shall next be allocated to each Venturer in the amount necessary to cause the sum of each Venturer's Capital Account plus each Venturer's Income Account to have a positive balance equal to (i) the amount of all capital contributions made by each Venturer to the Joint Venture, minus (ii) the amount of all distributions made by the Joint Venture to each such Venturer as of the date of the calculation.

(c) Net Income shall next be allocated fifty percent (50%) to each of GCI and Associates.

4.4 Allocations of Net Loss. The Net Loss of the Joint Venture shall be allocated entirely to GCI in an amount necessary to cause (a) the sum of the balances of (i) GCI's Income Account plus (ii) GCI's Capital Account to be equal to (b) the sum of the balances of (i) Associates' Income Account plus (ii) Associates' Capital Account and thereafter Net Loss shall be allocated fifty percent (50%) to each of Associates and GCI.

4.5 Section 704 Compliance. Notwithstanding anything to the contrary in this Agreement, if Section 704 of the Internal Revenue Code of 1986, as amended (the "Code"), or any regulations promulgated thereunder require a different allocation of Net Income or Net Loss, all such items will be allocated as required thereby.

4.6 Distributions. The amount, if any, by which all revenues received by the Joint Venture from the operations of its business attributable to a particular period, together with all cash receipts from whatever source, exceed the sum of (a) all cash expenditures of any kind or nature made by the Joint Venture attributable to the same period, plus (b) the amount determined by the Manager to be required for a reasonable working capital reserve and to pay reasonably anticipated expenses and debts, is herein referred to as "Net Cash Flow." Distributions of Net Cash Flow shall be made by the Joint Venture at such times as the Manager shall deem appropriate. Net Cash Flow shall be distributed to the Venturers in the amounts of, and in proportion to, the sum of the positive balances of their Income Accounts plus their Capital Accounts after the allocation of all Net Income or Net Loss of the Joint Venture for the period to which such Net Cash Flow relates, provided that if the LOI is terminated for any reason which causes a refund of the Deposit, such Deposit shall be immediately allocated and paid to GCI as a repayment of its Capital Contribution.

4.7 Books, Records and Reports. The Manager shall keep, on behalf of the Joint Venture, complete and accurate records and books of account for the Joint Venture in accordance with the principles, method and basis, using a consistent manner, of accounting which the Manager believes to be most appropriate for the Joint Venture, shall establish such accounts as may be required in the name of the Joint Venture or in its own name and shall make such reports to the Joint Venture as may be required by the Venturers. Each Venturer shall have an unrestricted right at any time during business hours to review, examine and copy the Joint Venture's books and records at the principal place of business of the Joint Venture.

4.8 Reports to Venturers. The Manager shall deliver to each Venturer:

(a) Within seventy-five (75) days after the end of each fiscal year of the Joint Venture all information necessary for each Venturer to prepare federal and state income tax returns; and

(b) Within one hundred twenty (120) days after the end of each fiscal year of the Joint Venture, unaudited financial statements of the Joint Venture, including an income statement for the fiscal year, a balance sheet as of the end of the fiscal year, a statement showing the amounts allocated to such Venturer during the fiscal year and the balance in

each Income Account and Capital Account at the end of the fiscal year and such other information as shall be reasonable and necessary for the Venturers to be advised of the operations of the Joint Venture.

4.9 Joint Venture Accounts. The funds of the Joint Venture shall be deposited in its name in accounts maintained in a financial institution designated by the Manager. All withdrawals from the Joint Venture's accounts may be made only by the Manager and used only for Joint Venture purposes. Joint Venture funds may not be commingled with the funds of any other person.

4.10 Fiscal Year. The fiscal year of the Joint Venture shall end on December 31st of each year, unless determined otherwise by the Manager.

4.11 Tax Matters Partner. The Manager shall be the Tax Matters Partner for the Joint Venture, as that term is defined in the Code. The Manager shall elect the method and means of tax accounting, including depreciation and all other tax matters, and make any other elections pursuant to the Code or regulations thereto which, in his sole discretion, the Manager deems to be most advantageous to the Joint Venture or the Venturers.

4.12 Restoration of Capital Accounts. In the event of a dissolution of the Joint Venture, each Venturer shall timely restore its Capital Account then having a negative balance, such that such Capital Account shall thereafter have a balance equal to or exceeding zero.

ARTICLE V

TRANSFER OF INTERESTS IN JOINT VENTURE

5.1 Written Consent Required. Except as is otherwise provided herein, no Venturer shall sell, assign, hypothecate or otherwise dispose of his interest in the Joint Venture, or any part thereof, without the prior written consent of the remaining Venturers, which consent may be withheld in the sole discretion of any Venturer having a right to consent.

5.2 Assumption by Assignee. Any assignment of an interest in the Joint Venture permitted under this Article V shall be in writing, and shall be an assignment and transfer of all of the assignor's rights and obligations hereunder. The assignee shall expressly agree in writing to be bound by all of the terms of this Agreement and assume and agree to perform all of the assignor's agreements and obligations hereunder existing or arising subsequent to such assignment, after which the assignor shall be relieved of his agreements and obligations hereunder. Except as otherwise expressly provided herein, no assignment shall terminate the Joint Venture.

ARTICLE VI

DEFAULTS AND REMEDIES

6.1 Events of Default. The following events are events of default (an "Event of Default") hereunder and the affected Venturer (a "Defaulting Venturer") shall be in default of this Agreement following any:

(a) Violation by a Venturer of any provision hereof, including, without limitation, the failure of either Venturer to use its good faith best efforts to pursue the purposes of the Joint Venture as set forth in Section 1.3 hereof, or taking any action which is contrary to such purpose, and failure to remedy or cure such violation within ten (10) days after written notice to such Defaulting Venturer; or

(b) Making of an assignment by a Venturer for the benefit of creditors or the filing of a petition by a Venturer under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or

(c) Adjudication of a Venturer as bankrupt or insolvent in proceedings filed against such Venturer under any section or chapter of the Bankruptcy Code, as amended, without further possibility of appeal or review; or

(d) Appointment of a receiver for all, or substantially all, of the assets of a Venturer and the failure to have such receiver discharged within thirty (30) days after appointment; or

(e) Termination or dissolution of any Venturer or the death or disability of any individual general partner of any Venturer.

6.2 Remedies Following Event of Default. Following an Event of Default, the other Venturer (the "Non-Defaulting Venturer"), may take such action (including, without limitation, the filing of a lawsuit) which such Non-Defaulting Venturer deems appropriate to obtain payment or performance of, or satisfaction from, the Defaulting Venturer. Each Venturer hereby grants the Non-Defaulting Venturer an irrevocable, special power of attorney, coupled with an interest, which shall survive the dissolution, termination, death, incompetency or legal disability of each Venturer, to take all actions necessary to effectuate any such selected remedy, or remedies, and to grant or enforce the security interest as set forth in Section 6.3 below. Such action may include, but shall not be limited to:

(a) Exercising the rights of a secured party under the Uniform Commercial Code of the State of Texas, as more fully set forth in Section 6.3 below;

(b) Dissolving the Joint Venture;

(c) Designating a substitute Venturer, which may include any Non-Defaulting Venturer or its affiliates, who shall have the right to purchase the Defaulting Venturer's interest in the Joint Venture for Ten Dollars (\$10.00) and the assumption by such designee of the Defaulting Venturer's unpaid capital contribution obligation; or

(d) Exercising any other rights and remedies available at law or in equity.

6.3 Grant of Security Interest. Each Venturer hereby grants to the Joint Venture (and to the Non-Defaulting Venturer) as security for the performance of all duties required to be performed

by such Venturer as provided herein, a security interest in and to his interest in the Joint Venture, all pursuant to and in accordance with the provisions of the Uniform Commercial Code of the State of Texas. Each Venturer agrees that, in the event of any Event of Default, the Joint Venture or the Non-Defaulting Venturer, as applicable, shall have and are hereby granted all rights and remedies of a secured party under the Uniform Commercial Code of the State of Texas with respect to the security interest granted herein. Each Venturer further agrees to execute and deliver all such financing statements and other instruments as may be required to effectuate and carry out the provisions of the immediately preceding sentence and agrees that, at the option of the Non-Defaulting Venturer, this Agreement may serve as the necessary security agreement and financing statement.

ARTICLE VII

DISSOLUTION

7.1 Reconstitution Following Technical Dissolution. The Venturers acknowledge that any Event of Default and certain other events may each cause a technical dissolution of the Joint Venture under the Act. Upon the occurrence of any event that may, technically, cause a dissolution of the Joint Venture pursuant to the Act, the remaining Venturers shall, within thirty (30) days after such event, decide whether or not to reconstitute the Joint Venture. The reconstituted Joint Venture shall be composed of the remaining Venturers, the successors, if any, of the affected Venturer and such other persons as the remaining Venturers may select to continue the business of the Joint Venture without winding up and liquidating the affairs of the Joint Venture.

7.2 Events Deemed to Cause Dissolution. The Joint Venture shall be dissolved upon the first to occur of the following, effective on the day on which the event giving rise to such dissolution occurs, but the Joint Venture shall not terminate until the assets of the Joint Venture have been distributed as provided hereinbelow:

- (a) The sale, assignment or transfer, of all or substantially all of the assets of the Joint Venture, including, without limitation, the assignment to the Sponsor of the Option Agreement which is the primary asset of the Joint Venture;
- (b) The expiration of the term provided for in Section 1.6;
- (c) An event referred to in Section 7.1 above which is not followed by a reconstitution of the Joint Venture as provided therein;
- (d) The affirmative vote of the Venturers to dissolve the Joint Venture.

7.3 Winding Up by Venturers. Upon the dissolution of the Joint Venture, the Venturers shall make such capital contributions as may be required to restore negative Capital Accounts as may be required by Section 4.12 herein or Internal Revenue Code Section 704, the Joint Venture's business shall be wound up and all of its assets distributed in liquidation. In such dissolution, the Manager shall be the Liquidating Venturer, unless the Manager is unable to serve, in which event, a Venturer selected by the Venturers shall be the liquidating Venturer. The liquidating Venturer

shall proceed to cause the Venture Property to be sold and distribute the proceeds of sale as provided under Section 7.6 below.

7.4 Liquidating Venturer's Duties. The liquidating Venturer shall wind up the Joint Venture and may:

(a) cause all or any part of the Venture Property to be sold and distribute the proceeds of sale as provided in Section 7.6 below; and

(b) except in respect of any assets which the liquidating Venturer shall determine are not readily severable or distributable in kind, to the extent that liquidation of such assets is not required to fulfill the payments, if any, required under Section 7.6 below, have the right, but not the obligation, to distribute, in kind, all or any portion of the Venture Property and other assets, as set forth in Section 7.6 below.

7.5 Allocations and Distributions During Liquidation. During the period of liquidation, from dissolution until termination of the Joint Venture, the Venturers shall continue to share the Net Income and Net Loss and to receive the Net Cash Flow, if any, of the Joint Venture for all tax and other purposes as provided elsewhere in this Agreement.

7.6 Proceeds of Liquidation. The proceeds from liquidation shall be applied and distributed in the following manner and order of priority to:

(a) payments of debts and liabilities of the Joint Venture and the expenses of liquidation, other than Venturer Loans or advances which may have been made by any Venturer to the Joint Venture;

(b) setting up of any reserves which the liquidating Venturer may deem necessary for any projected, contingent or unforeseen liabilities or obligations of the Joint Venture or arising out of or in connection with the Joint Venture, which reserves may be deposited, held and paid out in the sole discretion of the liquidating Venturer; at the expiration of such period as the liquidating Venturer shall deem advisable, the balance, if any thereafter remaining, may be distributed in the manner hereinafter provided;

(c) repayment of any loans that may have been made by any of the Venturers to the Joint Venture; and

(d) any remaining Net Cash Flow from liquidation shall be distributed as provided in Section 4.6 of this Agreement.

7.7 Dissolution Caused by Event of Default. In the event of a dissolution, liquidation and distribution as a result of the occurrence of an Event of Default, the Defaulting Venturer shall have no power or authority to bind the Joint Venture or the Venturers but shall assist the other Venturers in the dissolution and winding up of the Joint Venture and the distribution of the assets thereof.

7.8 Rights and Obligations. Upon distribution and winding up of the affairs of the Joint Venture, the parties hereto shall be relieved of all obligations hereunder except for obligations, duties or rights which have not been determined or ascertained as of the date of such termination and rights or remedies which a Non-Defaulting Venturer may have against a Defaulting Venturer. During the period of such winding up, the business and affairs of the Joint Venture shall be conducted so as to complete, maintain and preserve the Venture Property and other assets in a manner consistent with the winding up of the affairs thereof.

7.9 Termination. After all of the assets of the Joint Venture have been distributed as hereinabove provided, the Joint Venture shall terminate. If at any time thereafter any cash reserve fund or asset referred to above is released, such funds and assets shall be distributed to the Venturers in the same manner and priority as provided in Section 7.6 above.

ARTICLE VIII

MISCELLANEOUS

8.1 Notices. Any notices or delivery required to be given hereunder shall be deemed given or received, as the case may be, upon the earlier of actual receipt or five (5) days after having been deposited, registered or certified, return receipt requested, postage prepaid, in the United States mail, addressed to the parties at the addresses set forth beside their respective names below, or at such different addresses as any party shall have theretofore advised the other party in writing:

Associates:	Northwest Lifecare Associates, Ltd. Attention: Alan T. Gregory 4403 Lomo Alto Dallas, Texas 75205
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GCI:	Greystone Communities, Inc. Attention: Michael B. Lanahan 222 West Las Colinas Blvd. Suite 2100 Irving, Texas 75039
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8.2 Inurement and Binding Effect. Subject to the restrictions on transfer set forth herein, this Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

8.3 Organization Expenses. All costs and expenses incurred in connection with the organization of this Joint Venture and the acquisition of the Venture Property shall be borne by the Joint Venture.

8.4 Entire Agreement. This Joint Venture Agreement represents the entire agreement and understanding between the parties hereto and supersedes all other oral and written agreements, express or implied, concerning the subject matter of this Agreement. This Agreement cannot be changed, modified, or terminated orally, and no waiver of compliance with any provision or

condition hereof, and no consent provided for herein, shall be effective unless evidenced by an instrument in writing, duly executed by the parties hereto sought to be charged with such waiver or consent.

8.5 Severability. If any provision of this Agreement or its application to any person or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

8.6 Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The parties hereto agree that this Agreement is executed and performable in Dallas County, Texas, and fix venue for any action regarding this Agreement in said County and State.

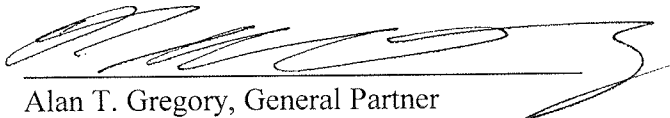
8.7 Headings. The article and section headings of this Agreement are for convenience of reference only, do not form a part hereof and may not in any manner be used to modify, interpret, or construe the intentions of the parties.

8.8 Additional Acts. In connection with this Agreement and all transactions contemplated by this Agreement, each Venturer agrees to execute and deliver such additional documents and perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

IN WITNESS WHEREOF, the parties have executed this Joint Venture Agreement as of the day and year first above written.

ASSOCIATES:

NORTHWEST LIFECARE ASSOCIATES, LTD.

By: 
Alan T. Gregory, General Partner

GCI:

GREYSTONE COMMUNITIES, INC.

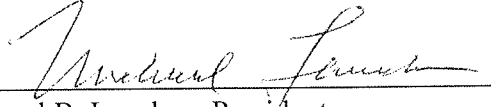
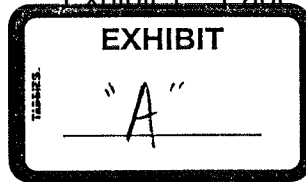
By: 
Michael B. Lanahan, President

EXHIBIT "A"
TO
JOINT VENTURE AGREEMENT

Development Services Agreement



DEVELOPMENT SERVICES AGREEMENT

_____, a _____ not-for-profit corporation ("Owner"), having an address of _____, and Greystone Development Company, LLC, a corporation organized under the laws of the State of Delaware and having an address at 222 W. Las Colinas Blvd., Suite 2100, Irving, Texas 75039 ("Greystone"), enter into this Agreement effective as of the ____ day of _____, 1997.

I. RECITALS.

- 1.1 Greystone is engaged in the business of performing a full range of development services for senior living communities ("Development Services," as more particularly defined below) sponsored by not-for-profit organizations.
- 1.2 Owner desires to develop, own and operate a senior living community consisting of approximately ____ independent living units, ____ assisted living units and a ____-bed nursing care facility, including ____ Alzheimer's units, and common support areas to be located in _____, _____ (the "Community"), and desires to engage Greystone to provide Development Services in connection with such Community. Owner contemplates that the Community will be developed as a residential community.
- 1.3 Owner has retained the services of _____, a _____ corporation ("_____") to act as the Owner's representative to assist in certain matters regarding development of the Community.

In consideration of the premises, covenants and conditions in this Agreement, Owner and Greystone agree as follows:

II. ENGAGEMENT OF GREYSTONE.

- 2.1 Owner engages Greystone to provide Development Services, as described in greater detail in Section III, for the Community, including to:
 - (a) perform necessary planning and development activities including a review of existing planning and development activities and making necessary changes and additions,
 - (b) participate in obtaining all required governmental approvals, including 501(c)(3) classification, Certificate of Authority, building permits, etc.,
 - (c) coordinate the selection of contractor, design team and other professionals, as necessary,

- (d) review and finalize a program of resident services and activities,
- (e) review and finalize a resident marketing program,
- (f) supervise marketing and initial leasing to prospective residents of the Community,
- (g) assist Owner and its attorney in the preparation of the required resident disclosure documents and securing appropriate state registrations,
- (h) assist in the negotiation of the terms of construction and permanent financing,
- (i) produce monthly Development Cost Reports (as defined within this Agreement) through Completion of Construction (as defined within this Agreement) of the Community,
- (j) assist Owner in identifying qualified contractors and in negotiating for the construction of the Community, including selecting a general contractor or construction manager, as appropriate,
- (k) review the quality, cost and progress of construction through the Completion of Construction,
- (l) undertake any other Development Services mutually agreed upon to assist in the planning, design, financing, marketing and monitoring of the construction of the Community.

2.2 Owner has the sole authority with respect to, among other items, the following, and Greystone is authorized to take action with respect thereto only with the prior written authorization of Owner:

- (a) negotiation and execution of a design contract;
- (b) approval of final working drawings;
- (c) negotiation and execution of a construction contract; and
- (d) procurement and execution of a financing commitment and procurement of financing.

2.3 Greystone and Owner will designate Project Leaders, one (1) of whom shall be appointed by Greystone and one (1) of whom shall be appointed by Owner. The Project Leaders will jointly have overall responsibility for monitoring and giving direction to Greystone for the Development Services for all aspects of the Community, subject to the limitations and provisions set forth in this Agreement. The Greystone Project Leader will be _____, _____ . In connection with rendering the Development Services provided herein, Greystone shall make available to Owner on an ongoing basis the services and expertise of the officers and staff of Greystone. Development meetings will be held as required to manage and coordinate development activities, but in no event less frequently than monthly. The Owner's Project Leader will afford full cooperation, coordination and communication with and by Owner throughout the planning, development,

premarketing and construction of the Community. The initial Project Leader designated by Owner is _____.

- 2.4 This Agreement will be deemed to create an independent contractor relationship between Owner, on the one hand, and Greystone, on the other hand. This Agreement will not be construed to create an employer and employee relationship between Owner, on the one hand, and Greystone, on the other, or their respective employees, subcontractors or agents. Neither Greystone nor its employees, subcontractors or agents shall have the authority to bind or create a contractual obligation on the part of Owner. This Agreement also will not be construed to create a joint venture or partnership between the parties.

III. RESPONSIBILITIES OF GREYSTONE.

3.1 Development Services.

During the planning and development of the Community, Greystone will have the following responsibilities, as well as the responsibilities described in Section 2.1 above (collectively the "Development Services"):

(a) Implementation of the Plan.

- (i) Greystone acknowledges that considerable work has been completed to date representing the planning for the development of the Community including the costs and expenses of development ("Development Plan"). Greystone will review the Development Plan, make suggestions, confirm assumptions and revise the Development Plan, as appropriate. The Development Plan must be approved by Owner.

In general, Greystone shall supervise the implementation of the Development Plan in all respects in accordance with its provisions including schedules, budgets, financing, design, marketing and construction, as it may be updated and amended from time to time. Until Completion of Construction, Greystone will monitor the progress of each aspect of the Plan, will submit a monthly Development Cost Report, as defined in Section 3.1(i)(i) of this Agreement, to Owner monthly, and will update the development schedule as necessary.

- (ii) Financial Projections and Budgets. The initial detailed budget and schedule for costs and expenses to be incurred through the closing of financing for the Community are to be included in the Plan, which will be updated as progress is made on development and actual expenses are incurred. As financial and marketing information of greater detail and/or accuracy is obtained and evaluated, Greystone will refine the preliminary

budgets and schedules set forth in the Plan. Greystone agrees to obtain or generate such information as soon as practical, to the end that at each stage of development Owner shall have reliable information regarding the feasibility, development, marketing, construction and financing of the Community. Before the closing of the financing for the Community, Greystone will develop a final detailed budget and schedule of costs and expenses to be incurred through Completion of Development of the Community, which term as used in this Agreement shall refer to that period up to and including 90% occupancy, for review and approval by Owner.

(b) Governmental Requirements.

Greystone will assist Owner in identifying all federal, state and local permits, approvals and other requirements for the development and construction of the Community and shall use its best efforts to assist Owner in procuring the same exclusive of those permits and approvals already obtained by Owner. As requested by Owner, Greystone will join in or support necessary applications and cooperate with Owner in obtaining necessary permits and approvals to meet applicable governmental requirements on reasonably satisfactory terms.

(c) Design and Engineering.

- (i) Greystone will coordinate and supervise the selection of architects, engineers and other consultants (referred to as "Design Consultants" in this Agreement), as may be required and deemed appropriate provided that the contracts for these Design Consultants must be approved and executed by Owner. Greystone will assist in the preparation of initial plans by the Design Consultants for the Community, including making available to the Design Consultants its knowledge and expertise with respect to plans for independent and assisted living units and nursing care beds. All such design and architectural work will be carried out within a schedule set forth in the Development Plan, as updated and amended from time to time. The work of the Design Consultants will be reviewed by Owner to ensure that it reflects the interests of Owner, as well as the demands of the marketplace, with final approval by the Owner. Greystone will assist in the preparation of final plans which will set forth detailed requirements for the construction of the Community, including the size, shape and mix of residential living and health care units, the layout of common areas and other recreational space, other aspects of the physical facilities and all necessary engineering studies; provided,

during such activities Greystone shall take into account such input as may be provided by Owner.

- (ii) Subject to the approval by Owner, Greystone will coordinate and supervise the selection of a consultant (referred to as the "Preconstruction Consultant" in this Agreement) who will provide appropriate preconstruction services during the design stage to estimate costs and expenses anticipated during the actual construction of the Community based upon the program and scope of the project design approved by Owner. Greystone will coordinate the activities of the Preconstruction Consultant with those of the Design Consultants.

(d) Review of Architectural Plans and Specifications.

- (i) At the completion of the schematic and design development stages of architectural plan development, Greystone will direct the Design Consultants to submit the plans and specifications in process, together with the resulting estimated construction costs, to Owner for review and approval prior to proceeding to the next stage of architectural plan development and completion.
- (ii) Greystone will work with the Design Consultants to arrange the submission of the final plans and specifications to Owner for review and approval prior to the commencement of construction of the Community.

(e) Definition of Residents' Program

- (i) Greystone will review and refine a residents' program which will set forth all services and activities to be provided to or available for the residents of the Community, as appropriate. The residents' program will include a description of the basic dietary, social, recreational, transportation, support, communications, security, housekeeping, laundry and personal assistance services to be provided, as well as any additional services that may be available to residents.
- (ii) Greystone will assist Owner's attorneys in finalizing preparation of a standard form Residency Agreement, which will be in a form acceptable to Owner. The Residency Agreement will describe the services that will be offered to residents of the Community and will include other necessary and appropriate terms and conditions, including any provisions required by applicable statutes or regulations.

- (iii) The Development Plan outlines a structure for entrance fees, rents and other charges to be paid by residents of the Community sufficient to provide for the program of services for residents of the Community. The fee structure will be revised, as appropriate, during the development of the Community.
- (iv) Greystone will work with Owner to finalize a long-term care health benefit program, or life care program for the benefit of residents.

(f) Development of Resident Marketing Program.

In order to assist Owner with premarketing, Greystone will have the following responsibilities:

- (i) The Development Plan includes the marketing plan and budget for the Community. Greystone will manage the resident marketing program within this budget with ongoing changes to be subject to Owner's approval.
- (ii) Greystone will work with Owner to ensure that the resident marketing program includes a coordinated approach to facilitating Owner participation in marketing to the extent possible, with the goal of meeting the needs of the market served by the Community.

(g) Marketing and Initial Leasing to Residents.

In connection with the marketing and initial leasing of the Community, Greystone will have the following responsibilities:

- (i) Greystone will coordinate and supervise the overall marketing and initial leasing program for the Community until 90% occupancy.
- (ii) Greystone will develop a marketing and sales program. This program will include formulation and implementation of a media campaign and the coordination and oversight of a public relations or advertising agency to handle advertising and development of sales literature. The costs with respect to such advertising and sales literature and such media campaign are not included in the development fee, but are included as part of the marketing budget.
- (iii) Greystone will recruit, for employment by Owner, train and supervise a sales staff and a marketing staff on an ongoing basis, as appropriate. The supervision and direction of all such employees will be subject to Owner's ultimate control, however, Owner's marketing employees will report to and take day-to-day direction and supervision from Greystone.

Greystone will assist, as appropriate, in the planning and cause to be constructed, and obtain by lease under Owner's name, a sales and marketing office for the Community, subject to Owner's prior approval.

- (iv) Greystone will work with Owner to develop a program for responding to all inquiries from the public regarding the Community.
- (v) Greystone will assist Owner and its attorney in the preparation of any required resident disclosure documents.
- (vi) Greystone will develop written procedures for financial and health acceptance guidelines for screening and interviewing applicants for residence in the Community. These procedures and guidelines will support Owner's admissions criteria and decisions made by Owner relative to admissions issues. Greystone also will develop a resident profile, which may be provided to lenders in connection with obtaining financing for the Community.
- (vii) Greystone will provide, coordinate and supervise administrative support for the admission criteria for residents to the Community as well as for Owner's decisions on admissions issues. Greystone will supervise the process for approving resident applications, the execution of Residency Agreements, and the collection of entrance fees, from approved applicants for the Community.
- (viii) Greystone will provide, coordinate and supervise, administrative support for Owner's processing of applications, including maintaining appropriate records, establishing and maintaining appropriate escrow accounts, and scheduling interviews.

(h) Arranging for Financing.

In order to obtain appropriate financing for the Community, Greystone will have the following responsibilities:

- (i) The Development Plan assumes a proposed program for financing the Community.
- (ii) Greystone will assist Owner and selected banker to implement a financing and capital structure consistent with the criteria for the bond financing established by _____, _____, the bond issuer and the bond purchaser (the "Bond Group").

- (iii) Owner agrees not to unreasonably withhold or delay its consent, approval or agreement to a proposal for such financing; provided, the proposal complies with Owner's financing criteria as outlined in the Plan, and in Owner's reasonable judgment is financially feasible and constitutes the best terms reasonably available.
 - (iv) Greystone will work with the Bond Group on Owner's behalf to provide information concerning the Community which may be required to complete financing documents and assist in compilation and coordination of the finance team.
 - (v) Greystone will assist and advise Owner in the negotiation of terms for the construction and/or permanent financing of the Community with lenders, which terms and related documents are subject to Owner's approval.
- (i) Accounting and Financial Management.
 - (i) From the date of execution of this Agreement until the "Completion of Construction" (which term, as used herein shall refer to a date thirty (30) days after the latest of (1) final payment to the general contractor; (2) final payment for originally budgeted furniture, fixtures and equipment or (3) the receipt of a final Certificate of Occupancy from the applicable municipal authority and any other required licensure and occupancy approvals from state, federal and local authorities, Greystone will complete a monthly Development Cost Report, in a form consistent with Appendix A, to account for the costs of planning, developing, marketing and constructing the Community. To complete the Development Cost Report, Greystone will: collect, review, code and enter invoices to Owner into accounts payable; prepare checks on Owner's development account for Owner to sign and release; prepare construction requisitions for Owner's review and submission to the Bond Group and; provide Owner with original copies of all invoice backup and a monthly detail cost ledger. Greystone will maintain a duplicate set of records at its offices.
- (j) Arranging for Construction.
 - (i) Greystone will assist Owner in identifying qualified general contractors or construction managers, including reviewing the qualifications of those contractors already identified by Owner, for construction and construction services in the construction of the Community. Greystone will assist Owner in negotiating an agreement with a construction manager or general contractor, on terms and conditions acceptable to Owner. The costs to be paid to the general contractor or the construction

manager shall be pursuant to a separate contract between such party and Owner.

- (ii) Greystone will not have on-site personnel providing daily inspection or supervision of construction activities as part of its Development Services. Greystone will, as part of its Development Services, have qualified personnel visit the construction site at least monthly to review construction progress and results and to provide advice to Owner as to the appropriateness of construction activities.

(k) Management Services.

- (i) Greystone Management Services Company, LLC, a subsidiary of Greystone, assisted in reviewing the operating pro formas included in the Plan. Greystone Management Services will continue to provide advice regarding operational issues during the development of the Community, including providing input to the Design Consultants regarding the space plan for the residents' program, as part of Greystone's Development Services.

Greystone Management Services, Inc. shall not receive any fee for the services rendered hereunder and shall be bound by the terms and conditions of this Agreement.

- (ii) Greystone Management Services will provide pre-opening and operations management consulting services for the Community, outside of, but in coordination with the Development Services outlined above, subject to a separate Management Services Agreement between Greystone Management Services, Inc. and Owner which is attached as Appendix B to this Agreement.

(l) Filing and Disclosure Requirements

- (i) Greystone will provide Owner or Owner's counsel with all information and records pertaining to Greystone and the Community reasonably required by Owner or Owner's counsel to comply with any filing and disclosure requirements imposed by applicable law in connection with the offering of interests in the Community.

IV. RESPONSIBILITIES OF OWNER.

In order to facilitate Greystone's performance of its responsibilities under this Agreement, Owner will have the following responsibilities:

- 4.1 Owner will designate its Project Leader to attend all meetings as scheduled to coordinate with the Greystone Project Leader and other Greystone personnel, and other parties, throughout the planning, development, marketing, financing and construction of the Community. Owner, through its Project Leader, will provide input and comments to Greystone with respect to the planning, development, marketing, financing and construction of the Community. Owner may designate a substitute or alternate Project Leader. Greystone will have the right to rely on any decision made or action taken by the Owner's Project Leader until Greystone has received written notice to the contrary from Owner or Owner has designated a substitute Project Leader.
- 4.2 Upon written request, Owner will promptly provide to Greystone all information readily available to it and reasonably required by Greystone for the performance of any of its responsibilities under this Agreement.
- 4.3 The parties acknowledge that prompt review of all materials prepared or submitted by Greystone in accordance with the Plan or under this Agreement is critical to the timely and successful completion of the Community. Therefore, Owner will review any proposal, request, or other material requiring review which has been submitted by Greystone in connection with the Community, and provide approval or disapproval to Greystone within a reasonable time after the same have been submitted by Greystone, taking due regard of the complexity, importance and difficulty of the decision and the need for timely approval in terms of maintaining construction or development progress.
- 4.4 Owner and Owner's medical consultants will work with Greystone in developing the residents' services program and will identify, describe and make recommendations with respect to all medical or health-related services to be provided by, or available from, Owner. Owner also will work with Greystone to develop the terms and conditions under which these services may be provided.
- 4.5 Owner will use its best efforts to support the marketing of the Community, and to assist Greystone in its efforts to market the project.
- 4.6 Owner will submit to Greystone, as soon as practical, all invoices for Project Costs for which payment was made directly by Owner, so that the monthly Development Cost Report may be completed by Greystone on a timely and accurate basis.

V. PAYMENT OF COSTS OF THE COMMUNITY.

- 5.1 Costs and expenses of Owner to develop the Community will be paid from a segregated development account to be funded by Owner or by a construction or permanent financing lender under the terms of such financing, from which payments for Project Costs shall be made as described in Section 3.1(i)(i), above.

VI. COMPENSATION OF GREYSTONE.

- 6.1 For the Development Services to be rendered by Greystone hereunder, Owner will pay to Greystone a Development Fee of two million eight hundred thousand dollars (\$_____) ("Development Fee"). Greystone will have an opportunity to earn incentive fees through the occupancy performance of the Community.

- 6.2 Greystone will be paid the Development Fee as follows:

- (a) _____ dollars (\$_____) will be due the later of within ten (10) days following the execution of this Agreement.
- (b) An additional _____ dollars (\$_____) will be earned and payable in equal monthly installments of \$_____ a month over a twelve (12) month period commencing in the month following the payment made under 6.2(a), above.
- (c) An additional _____ dollars (\$_____) at the earlier of closing of the financing for the Community, or the initiation of ongoing construction.
- (d) An additional _____ dollars (\$_____) due in equal monthly payments over the period of construction determined in the construction contract.
- (e) An additional _____ dollars (\$_____) due upon receipt of the certificate of occupancy for the Community.
- (f) An additional _____ dollars (\$_____) payable on a pro-rata basis as the Community accomplishes each five percent (5%) increment in occupancy up to and including ninety percent (90%) occupancy, with the time line beginning at receipt of the final Certificate of Occupancy for the Community.

An additional amount due as outlined below based upon the accelerated occupancy of the Community:

- (i) _____ dollars (\$_____) if 90% occupancy is achieved within 11 months;
- (ii) _____ dollars (\$_____) if 90% occupancy is achieved within 14 months;

- (iii) _____ dollars (\$_____) if 90% occupancy is achieved within 18 months;
- (iv) _____ dollars (\$_____) if 90% occupancy is achieved within 22 months.

Bills for the portions of the Development Fee payable above shall be submitted on the last business day of each month, together with bills for reimbursement of reasonable out-of-pocket travel-related expenses incurred by Greystone, plus an administrative fee equal to 3.5% of the Development Fee to cover office expenses including copying, computer time, postage, express mail, long-distance telephone, etc. Such bills shall be paid within thirty (30) days after they have been properly submitted to and received by Owner.

- 6.3 Except as otherwise provided in this Agreement, Owner shall be responsible for all fees and expenses incurred, either directly or indirectly, in connection with the development and construction of the Community, as long as the same are Project Costs, including, but not limited to, the general contractor, construction manager (if any), architect, marketing program, media plan, regulatory processing, travel, financing and management of the Community.

VII. INSURANCE.

- 7.1 At the time of acquisition of the real property on which the Community will be situated, Owner will obtain and maintain the following insurance coverages:
- (a) Comprehensive General Liability Insurance. Comprehensive general liability insurance against claims for personal injury, death or property damage.
 - (b) Other Insurance. Other insurance that Owner, the Bond Group and Greystone decide is advisable for their joint protection against claims, liabilities and leases arising out of the performance of their responsibilities under this Agreement.
- 7.2 All insurance policies required under this Section will be carried with mutually acceptable companies with an A.M. Best rating of A, or better, in the name of Owner and Greystone as named insureds, or may be provided by Owner on a self-insured basis. Greystone will be entitled to thirty (30) days written notice of cancellation of all such insurance policies. Proceeds will be payable to the party that has suffered the loss.
- 7.3 Any insurance coverage required to be obtained and maintained by Owner may be provided under Owner's existing umbrella policies.

VIII. RISK OF LOSS AND INDEMNIFICATION.

- 8.1 Owner will indemnify, defend and hold harmless Greystone and its employees and agents from and against all claims, losses, expenses (including reasonable attorney's fees), actions, and rights of action arising out of the planning, development, marketing, financing, construction or management of the Community, except for claims, losses, expenses, actions and rights of action arising out of or resulting from (a) the gross negligence or willful misconduct of Greystone or the agents or employees of Greystone, (b) the breach by Greystone of its obligations hereunder, or (c) any act of Greystone, or any agent or employee of Greystone which is beyond the authority granted to them in this Agreement or in other written authorization from Owner.
- 8.2 Greystone will indemnify, defend and hold harmless Owner and its employees, agents and affiliates from and against all claims, losses, expenses (including reasonable attorney's fees) arising out of any personal injury, property damage or other loss caused by the gross negligence or other misconduct or actions beyond the authority granted herein of Greystone, or any of its affiliates or employees, and furthermore shall indemnify, defend and hold harmless Owner from and against any liability or obligation to Greystone except for the payment of any fee or compensation agreed to be paid to Greystone.
- 8.3 Greystone does not warrant performance of any other party engaged by Owner and Greystone shall not be liable to Owner for loss or damage caused directly or indirectly by any errors or omissions of such party(ies), and/or failure on the part of any such party(ies) to perform on their contracts with Owner.

IX. ARBITRATION.

- 9.1 In the event a dispute arises between the Owner on the one hand and Greystone on the other hand, the parties agree to have it resolved by a panel of three disinterested arbitrators. One member of the panel shall be appointed by the Owner, one appointed by Greystone, and the third appointed by the two arbitrators so named. The award resulting from such arbitration shall be enforceable by the judgment of a court of competent jurisdiction. Any arbitration proceedings shall be held in _____, _____.
- 9.2 Each party shall pay its own costs, expenses and attorney's fees in connection with any arbitration proceedings.
- 9.3 The _____ Rules of Arbitration shall apply to any arbitration proceedings hereunder.

X. TERMINATION.

10.1 Greystone may terminate this Agreement only upon the occurrence of one or more of the following circumstances:

- (a) Owner fails to pay any part of the Development Fee or any reimbursable costs due Greystone hereunder, and such failure continues for a period of thirty (30) days after Greystone has provided written notice to Owner of such breach;
- (b) Owner abandons the development of the Community or through action or inaction renders the development of the Community patently unfeasible; provided, Greystone may terminate this Agreement under this subsection only if it first serves written notice to Owner of its intent to do so, which notice shall set forth the respects in which: (i) Greystone believes that the Community has been abandoned, or (ii) the actions or inactions which Greystone believes render the development thereof patently unfeasible, and within thirty (30) days thereafter Owner has not confirmed its intent to go forward with the Community or has not taken measures to rectify any actions or inactions that render the development of the Community patently unfeasible, as the case may be;
- (c) Owner assigns this Agreement to an unrelated third party without Greystone's prior written consent; or
- (d) Owner is adjudicated insolvent or bankrupt, makes a general assignment for the benefit of creditors or takes the benefit of any insolvency or bankruptcy law and same is not dismissed within sixty (60) days of filing.

10.2 Owner may terminate this Agreement as follows:

- (a) If Owner in good faith believe that the Community is no longer feasible or practical, or if Greystone has materially failed to perform any of its obligations under this Agreement, Owner shall have the right to give Greystone written notice specifying the respects in which the Community is not feasible or practical and/or respects in which Greystone has materially failed to perform, as the case may be.
- (b) If Greystone fails to cure such breach, or remedy the feasibility or practicality problem, within thirty (30) days after notice thereof (or in the case of a failure which cannot by its nature be cured within a period of thirty (30) days after notice thereof, Greystone does not commence to cure such failure within ten (10) days following notice thereof, diligently proceed to effect such cure, and effect such cure within ninety (90) days following notice thereof), Owner shall have the right to terminate this Agreement by giving Greystone written notice thereof. Such notice given after an opportunity to cure shall be referred to herein as "Notice of Termination."

10.3 In the event this Agreement is terminated in accordance with Sections 10.1 or 10.2:

- (a) Owner will reimburse Greystone for any unpaid portion of the Development Fee due prior to the date of Notice of Termination, together with all out-of-pocket and third party expenses incurred by Greystone prior to the date of Notice of Termination, less expenses and charges incurred by Owner as a result of termination under 10.2(b), and
- (b) Provided Owner has paid Greystone in accordance with (a) above, Owner shall have the full and exclusive right to the Community, including the Plan, and all work product developed by or in the possession of Greystone relating to this Agreement and/or the Community and shall be free to proceed with the development of the Community in whatever manner Owner chooses.
- (c) Notwithstanding the foregoing, in no event is Greystone entitled to any additional fees or expenses if this Agreement is terminated as a result of the gross negligence or willful misconduct of Greystone, its employees or agents.

XI. CONFIDENTIALITY.

11.1 Owner recognizes that Greystone considers its forms, manuals, residents programs and all other documentary materials furnished by Greystone to be proprietary and confidential. If for any reason the Community is not developed or constructed or it is developed and constructed without Greystone's participation therein as contemplated hereby, Owner agrees not to use specific forms, manuals, residents programs or other documentary materials which are provided solely by Greystone (but not including any plans, specifications, designs or documents developed in connection with the Community, including feasibility studies, market studies or other information or documents developed in connection with the Plan or subsequent development activities) for any project other than the Community, and with respect to the Community, Owner agrees not to duplicate or employ directly Greystone's forms and manuals, unless this Agreement is terminated by Owner in accordance with Section 10.2(b) hereof on account of a material failure by Greystone to perform its obligations hereunder. In any event Owner may use the generalized knowledge it procures or acquires during the development of the Community, in the development, construction or management of the Community or any other project.

In no event will any item be deemed proprietary and subject to this provision if same is (i) already in the possession and knowledge of party; (ii) in the public domain, or (iii) provided by a third party outside the scope of this Agreement.

XII. GENERAL PROVISIONS.

- 12.1 All notices must be in writing and will be effective upon the date of receipt or refusal to accept delivery.

Notices to Owner shall be addressed to:

With a copy to:

Notices to Greystone shall be addressed to:

Greystone Development Company, LLC
222 W. Las Colinas Blvd., Suite 2100
Irving, Texas 75039
Attn: Mr. Michael B. Lanahan, President

Any party may change its address for notice by written notice to the other parties given in accordance with this Section.

- 12.2 This Agreement is the entire agreement between the parties, and any amendment or modification must be in writing and signed by Owner and Greystone.
- 12.3 Except as otherwise provided, this Agreement may not be assigned by any party without the written consent of the other parties. Upon any such assignment and assumption, all of the obligations of Owner under this Agreement shall immediately terminate and be of no further force or effect. Any such assignment and assumption shall not affect the rights or obligations of Owner under this Agreement, which will remain in full force and effect. Notwithstanding anything to the contrary herein, Greystone may assign this Agreement to an affiliate of Greystone, provided that the Chief Executive Officer of such affiliate is Michael B. Lanahan.

12.4 This Agreement will bind and inure to the benefit of all parties and their respective successors and assigns. This Agreement shall not be deemed to inure to the benefit of any third party.

12.5 This Agreement will be governed by _____ law and venue hereunder shall be in _____.

12.6 This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement.

The parties have executed this Agreement as of the date first above written.

ATTEST:

OWNER:

By _____

By _____

Title _____

ATTEST:

Greystone Development Company, LLC

By _____

By _____

Title _____

10/17/97

APPENDIX A

Development Cost Report

APPENDIX B

Management Services Agreement

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT AGREEMENT is executed as of this ____ day of _____, 1997, by and among _____, a _____ not-for-profit corporation with an address of _____ ("Owner"), and Greystone Management Services Company, LLC, ("Manager"), a Delaware corporation, and subsidiary of Greystone Development Company, LLC., with an address of 222 West Las Colinas Boulevard, Suite 2100, Irving, Texas 75039.

WITNESSETH: That

WHEREAS, Owner intends to develop, construct, own and operate a lifecare senior living community located in _____, _____ to be named _____ (the "Community"), which will consist of independent living apartments (the "Independent Living Homes"), assisted living units (the "Assisted Living Units") and nursing care units (the "Health Center");

WHEREAS, Owner and Greystone Communities, Inc. (the "Developer") are parties to a Development Services Agreement (the "Development Services Agreement") with respect to the development of the Community.

WHEREAS, Owner desires to engage Manager and Manager is willing to accept such engagement to manage and operate the Community for and on behalf of Owner subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Appointment of Manager. Owner hereby appoints Manager as the sole and exclusive manager of the Community, and delegates to Manager general day-to-day operational responsibility for the Community; and Manager hereby accepts such appointment and assumes such responsibility. It is expressly understood and agreed that Manager shall act as an independent contractor in the performance of this Agreement. No provision hereof shall be deemed or construed to create a partnership or a joint venture between Owner and Manager with respect to the Community or otherwise.
2. Term of Agreement. The term of this Agreement shall commence on a date to be determined by Manager and approved by Owner (the "Commencement Date"), which will be approximately twelve (12) months prior to the first day of scheduled occupancy by the first resident, and shall terminate one hundred and twenty (120) months after the Commencement Date, unless sooner terminated as provided herein.

3. Compensation. As compensation for the Management Services to be rendered by Manager hereunder, Owner shall pay Manager beginning in the twelve (12th) month prior to scheduled opening and for an ongoing twelve (12) month period a monthly fee of _____ dollars (\$_____) per month. Compensation to the Manager for the succeeding one hundred and eight (108) month period will be _____ dollars (\$_____) per month.

The management fee shall be adjusted annually on the third (3rd) anniversary date of the Commencement Date to reflect any percentage increase in the Consumer Price Index ("CPI") on the basis of the CPI for Urban Wage Earners and Clerical Workers (1967 = 100), U.S. city average, for "All Items", published by the Bureau of Labor Statistics of the United States Department of Labor. The adjustment shall be calculated as soon as practicable after publication of the above-referenced Index number following the anniversary date of the Commencement Date, as follows:

- a. The Index number in the column entitled "All Items" on the Commencement Date shall be the "Base Index Number" and the corresponding Index number for the anniversary date shall be the "Current Index Number".
- b. The Current Index Number shall be divided by the Base Index Number. The quotient derived therefrom, multiplied by the management fee, shall be the adjusted management fee.

The first month's management fee shall be due and payable forty-five (45) days after the Commencement Date, and each month's management fee thereafter shall be due and payable by the fifteenth (15th) day of the month following the month of measurement for the gross operating revenues of the Community. Owner shall pay Manager interest at a rate of one percent (1%) per annum in excess of the prime rate of interest from time-to-time published in the Wall Street Journal, on all unpaid management fees for more than ten (10) days after due, said interest to accrue from the date the payment is past due until made. In the event of a dispute between Owner and Manager regarding the payment of management fees hereunder, interest on a payment past due shall accrue only from the date the dispute is settled and payment is authorized by Owner.

4. Duties of Manager. Manager shall:
- a. Assume pre-opening duties, as more fully set forth in Addendum I, and general day-to-day operational responsibilities for the Community, in all respects, as more fully set forth herein.
 - b. Manage the Community through the supervision of resident care and by creating and maintaining a congenial and attractive environment for all residents.

- c. Operate the Community in accordance with the highest standards of retirement facility care consistent with both the resident program and services being offered in the Community and the resident fee structure (and establish a quality control care evaluation system to provide a thorough and complete measurement and assurance of the highest quality retirement care by establishing a Resident Council and by conducting an annual resident survey and comparing the survey results with survey results from other Greystone managed communities and presenting this comparison to the Board); in a careful and proper manner; and in full compliance with all applicable statutes, ordinances, rules and regulations of all governmental authorities having jurisdiction over the Community.
- d. Manage the Community in an efficient and business-like manner having due regard for the well-being of the residents thereof.
- e. At the expense, in accordance with the approved Annual Budgets, and with the full cooperation of Owner, obtain and maintain all licenses, permits and approvals necessary for the operation of the Community.
- f. Supply management and supervision of operational services for the Community through Owner's employees and Manager's recommended manuals, forms and systems to be provided by Manager. (As an option, the employees may be employed by an appropriate employee leasing company and subsequently leased to the Owner). Owner agrees to use the manuals, systems and forms provided solely for the benefit of the Community. Manager is the author of all materials prepared by it pursuant to this Agreement. Manager grants to the Owner a limited royalty-free license to copy, distribute internally and among its lenders, regulatory bodies and their respective attorneys, accountants and other advisors, and other persons as may be required by law or applicable agreements binding Owner, and to use the written materials, records and reports which are provided to it by Manager. Such copying, distributions and use shall be limited to copying, distribution and use required in the management and operation of the Community except by permission of Manager.
- g. Manager shall cause to be prepared monthly statements of operations of the Community, including general ledger detail, to be submitted to Owner within fifteen (15) working days after the end of each month.
- h. Manager shall prepare and submit to Owner for Owner's approval, at least sixty (60) days prior to the commencement of each fiscal year, annual plans and budgets for the Independent Living Homes, the Assisted Living Units and the Health Center to cover all projected revenues and expenses of the Community for that year, including capital improvements (the "Annual Budgets"). The Annual Budgets shall also include Manager's recommendations and suggestions for rentals, room and board rates, ancillary service fees, and all other costs and charges to the residents of the Community; the salaries and fringe benefits of all groups of employees of Manager and major purchase contracts for consumable supplies. Within the limits of

available resources and the requirements of its financing documents, Owner agrees to maintain a level of rates and charges sufficient to assure the operation of the Community in a first class manner, to provide for the payment of all costs of operation of the Community, specifically including, but not limited to, management fees. All books, records and reports maintained or prepared by Manager for or in connection with the operation of any part of the Community shall be Owner's property, provided that Manager may make such copies thereof or extracts therefrom for its own proper business use as Manager may reasonably desire. Manager will involve the Owner's Board in the budget process and will submit the final recommended budget to the Owner's Board for its review and approval.

- i. At the expense of Owner, and in accordance with the approved Annual Budgets, make or cause to be made such capital improvements as may be provided in the approved Annual Budgets and such ordinary repairs and alterations as Manager may deem advisable or necessary; provided, however, that no non-budgeted expenditure for any such item in any amount greater than \$1,000 for any single item or \$2,500 in the aggregate shall be made without Owner's prior written approval, except emergency repairs necessary in the reasonable opinion of Manager to protect the Community from damage or to maintain services to residents as called for in their residency agreements.
- j. At the expense of Owner, and in accordance with the approved Annual Budgets, contract for those utilities and other operation and maintenance services Manager shall deem advisable; provided, however, that no service contract shall be for a term exceeding one (1) year without Owner's prior written approval.
- k. At the expense of Owner and in accordance with the approved Annual Budgets, purchase and keep the Community furnished with all necessary furnishings, fixtures, equipment and supplies, utilizing Manager's purchasing programs and systems of inventory control to assure the lowest cost for such items consistent with maintaining the operation of the Community in a first class manner; provided, however, that no non-budgeted expenditures for any single item, in an amount greater than \$1,000 for any single item or \$2,500 in the aggregate, shall be made without Owner's prior written approval.
- l. With the advice and consent of Owner, and in accordance with the approved Annual Budgets, provide a qualified Executive Director, at Owner's expense, who will be an employee of Greystone Communities, Inc., and who shall assume the responsibility of the daily operations of the Community; recruit, hire and train all other personnel necessary to maintain and operate the Community; establish salary and compensation scales, promotion policies, fringe benefit arrangements, and other personnel policies and guidelines, all in accordance with the approved Annual Budgets; provided, however, that no non-budgeted personnel expense, in an amount greater than \$2,500 for any single item or \$5,000 in the aggregate, shall be incurred without Owner's prior written approval; provide management support to the Executive Director; and provide such other supervision, management and financing direction as may be

required for the Executive Director efficiently to perform his or her duties and responsibilities. Additionally, it is the intention of Manager: to involve the Board in the final interview and approval process of selecting an Executive Director for the project; to review with them and obtain the approval of the Board for the relocation package and compensation levels for the Executive Director; and to discuss the Executive Director's performance and compensation adjustments during the annual review process. If, during the term of this Agreement, the Executive Director's position becomes vacant, Manager will supplement the on-site staff to ensure the Community continues to operate effectively and actively recruit another qualified Executive Director, provided that, during this period the Board works in a timely manner with the Manager to secure a suitable individual to serve as a full-time Executive Director. Upon termination of this Agreement, the Owner shall have the right, at its option, to hire the individual then serving as Executive Director as its own employee or as the employee of another manager of the Community.

- m. Provide to the Owner at Owner's cost, if a third-party licensor is involved, during the term of this Agreement, appropriate on-site accounting systems and software, to be site licensed for use on Owner's computer equipment which will be specified by Manager, to include complete accounting, bookkeeping and record keeping services for the Community, specifically including, but not limited to, resident billings, accounts payable, accounts receivable, general ledger and inventory records, and maintain demographic information on the residents. Annual software maintenance and update charges, if any, due to third-party vendors, will be expenses of the Owner. Payroll processing may be delegated to a third party, the cost of which will be the responsibility of Owner. Reconciliation of Owner's intercompany accounts and records to the Community's financial statements will be the responsibility of Owner. Books and records shall be maintained on-site, and shall be the property of the Owner, and the data base will be compatible with software available through third party vendors. It is understood and agreed that all of the provisions of this paragraph are subject to the limitations of approved Annual Budgets.
- n. Provide all necessary statistical operating reports (specifically including, but not limited to, payroll, sales, use and occupancy tax reports and returns) and all necessary operating data to meet local, state and federal regulatory and financing requirements.
- o. Supply necessary technical and management assistance, and professional consultation, and establish appropriate filing deadline control procedures, to meet local, state and federal regulatory and financing requirements.
- p. At no additional cost to Owner other than reimbursement of reasonable travel costs as provided in subparagraph 6(a) hereof, make available to the Community for consultation and advice its staff of professional consultants, specifically including dietary consultants, start-up team leader, ongoing marketing and other management consultants, who are employees of Manager and its affiliates; provided, however, that no other consultants shall be engaged without Owner's prior written approval.

- q. Collect the revenues from the Independent Living Homes, Assisted Living Units and Health Center; deposit all such funds received by Manager for or on behalf of Owner in separate bank accounts established by Owner for such purpose, as to which Manager shall have the right to deposit and withdraw funds; pay out of such funds all operating expenses (except for Manager's management fee and any other sums due to Manager from Owner), and all other sums properly payable pursuant to any of the provisions of this Agreement (all expenditures authorized by this Agreement being considered operating expenses to be paid from Owner's funds received by Manager); and hold, remit or expend the balance of such funds, if any, as Owner may direct. These funds shall not be co-mingled with funds from any other projects and/or facilities managed and/or operated by Manager.
- r. At the discretion of Owner and at the expense of Owner and in accordance with the approved Annual Budgets, engage certified public accountants satisfactory to Owner and cause annual audits of the books, records and accounting procedures of the Community to be made; provided, however, that no non-budgeted audit expense, in an amount greater than \$1,000 for any single item or \$2,500 in the aggregate, shall be incurred without Owner's prior written approval.
- s. At the expense of Owner and in accordance with the approved Annual Budgets, engage counsel satisfactory to Owner and cause such legal proceedings to be instituted as may be necessary to enforce payment of charges or compliance with other terms of residency agreements, or to dispossess residents; provided, however, that, without Owner's prior written consent, Manager shall have no authority to terminate residency agreements with, or dispossess residents of, the Community; and further provided, that no non-budgeted legal expense, in an amount greater than \$1,000 for any single item of expense or \$2,500 in the aggregate shall be incurred without Owner's prior written approval.
- t. After ninety percent (90%) occupancy of the Community, manage and supervise the ongoing marketing program for the Community.
- u. At the expense of Owner, and in accordance with the approved Annual Budgets, pay all real property taxes and assessments on the Community, all insurance premiums of Owner with respect to the Community, and establish such reserves as Owner may direct.
- v. Within ninety (90) days of the initial occupancy date, Manager will prepare for Owner's approval a management plan covering the first fiscal year, including budgets for operations and marketing.

In any case in which Owner's written approval is required for any proposed action of Manager pursuant to this Section 4, Manager shall request Owner's written approval in writing. The failure by Owner to disapprove of Manager's proposed action by written notice to Manager within fifteen (15) days after receipt by Owner of Manager's request for Owner's written approval shall be deemed to constitute approval by Owner of such proposed action by Manager.

- w. Monthly, the Executive Director will meet with the Board and/or its designated committees during their regularly scheduled meetings to review the financial results of operations and performance compared to the approved Annual Budgets, to review the quality of care delivered to residents, to apprise the Board of the status of the Community and to discuss other pertinent Community related issues. On a quarterly basis, Manager's corporate personnel will attend the meetings.
5. Expenses and Rebates. All Manager's out-of-pocket expenses reasonably related to Manager's duties, under this Agreement shall be charged to Owner at net cost, and Owner shall be credited with all rebates, refunds, allowances and discounts allowed to Manager. Long distance calls, copying, facsimiles, and express mail will be billed to Owner through an administrative charge equal to 3.5% of the management fee.
6. Employees.
- a. Except for the Executive Director, all persons employed in the operation of the Community shall be employees of Owner, or an appropriate employee leasing company, and shall not be deemed or construed to be employees of Manager. From Owner's funds received by Manager, Manager shall make disbursements and deposits for all compensation and other amounts payable with respect to persons who are so employed by Owner in the operation of the Community, specifically including, but not limited to, unemployment insurance, social security, worker's compensation, health and life insurance, and other charges imposed by a governmental authority or provided for in a union agreement. Manager shall maintain complete payroll records. All recruiting, relocation, and the salary and all payroll and benefit costs of the Executive Director pursuant to the budget approved by Owner are operating expenses to be reimbursed to Manager by Owner. All home office employees' payroll costs and overhead expenses are corporate administrative costs to be borne by Manager without reimbursement; provided, however, that all reasonable travel and out-of-pocket expenses of such employees when traveling in connection with performance of duties under this Agreement are operating expenses to be reimbursed to Manager from Owner's funds received by Manager.
 - b. At the Manager's expense, the Executive Director, and all employees of Manager who handle or are responsible for Owner's funds, shall be bonded by a fidelity bond in an amount not less than \$250,000. Manager will procure, out of Owner's funds collected by Manager, a like fidelity bond for Owner's employees who handle or are responsible for Owner's funds.

- c. All expenses of Owner under this paragraph 6 shall only be incurred by Manager in accordance with the approved Annual Budgets.
- 7. Responsibilities of Owner. In addition to its responsibilities and duties set forth elsewhere in this Agreement, but subject, in all such cases, to the approved Annual Budgets, Owner shall, in the event disbursements shall be in excess of the revenues collected, pay such excess promptly, and Manager will strive to notify Owner in advance that such a request for funds will be made.
- 8. Indemnification.
 - a. Owner will indemnify, defend and hold harmless Manager and its employees and agents from and against all liability (including reasonable attorney's fees) arising incident to the Manager's performance of its duties hereunder except such liability as results from (a) the gross negligence of Manager or the agents or employees of Manager, (b) willful misconduct, illegal conduct or bad faith on the part of Manager or the agents or employees of Manager, (c) the breach by Manager of material obligations hereunder, or (d) any act of Manager or any agent or employee of Manager which is beyond the authority granted to them in this Agreement or in any other authorization from Owner. Owner shall also indemnify and hold Manager harmless against any and all losses, costs or expenses incurred by Manager by reason of, arising out of or in any way related to noncompliance by the Community with all applicable state, federal and local laws, ordinances, rules and regulations relating to the physical condition of the property of the Community, provided Manager shall promptly notify Owner of Manager's knowledge of any such noncompliance and provided that Manager is not otherwise responsible for such non-compliance under the provisions of this Agreement.
 - b. Manager will indemnify, defend and hold harmless Owner and its employees and agents from and against all liabilities (including reasonable attorney's fees) arising incident to the Manager's performance of its duties hereunder and resulting from (a) gross negligence of Manager or the agents or employees of Manager, (b) willful misconduct, illegal conduct or bad faith by Manager or the agents or employees of Manager, (c) the breach by Manager of any material obligations hereunder, or (d) any act of Manager or any agent or employee of Manager which is beyond the authority granted to them in this Agreement or in any other authorization from Owner.
 - c. Each party shall name the other as an additional insured on liability policies as provided in Paragraph 9.
- 9. Insurance.
 - a. On Commencement Date Owner shall procure and maintain during the term of this Agreement at the sole cost and expense of Owner the following insurance coverages:

- (i) **fire and extended coverage insurance** -- fire and extended coverage (including vandalism and malicious mischief) in an amount adequate to cover the full replacement value of the improvements, fixtures, equipment and contents in the Community, except for footings and foundations.
 - (ii) **business interruption** -- coverage for business interruption or loss of rents for a period of twelve (12) months;
 - (iii) **comprehensive general liability** -- comprehensive general liability insurance against all claims for bodily injury, personal injury, death or property damage on an occurrence basis with minimum limits of liability in the amount of \$1,000,000.00 for bodily injury, personal injury or death to one or more persons, and \$100,000.00 for property damage;
 - (iv) **workers' compensation insurance** -- liability insurance sufficient to protect Owner from claims of Owner's employees under workers' compensation and other employee benefits acts;
 - (v) **motor vehicle coverage** -- comprehensive automobile liability insurance covering all vehicles owned by Owner;
 - (vi) **other insurance** -- other insurance that Owner and Manager reasonably decide is advisable for their joint protection against claims, liabilities and leases arising out of the performance of their responsibilities under this Agreement.
- b. Manager shall procure and maintain during the term of this Agreement at the sole cost of and expense of Manager, except for the payment of the premium for workers' compensation insurance for the Executive Director, the following insurance coverages:
- (i) **comprehensive general liability** -- comprehensive general liability insurance against all claims for bodily injury, personal injury, death or property damage on an occurrence basis with minimum limits of liability in the amount of \$1,000,000.00 for bodily injury, personal injury or death to one or more persons, and \$100,000.00 for property damage;
 - (ii) **workers' compensation insurance** -- liability insurance sufficient to protect Manager from claims of Manager's employees under workers' compensation and other employee benefits acts;
 - (iii) **motor vehicle coverage** -- comprehensive automobile liability insurance covering all vehicles owned by Manager;

- (iv) **other insurance** -- other insurance that Owner and Manager reasonably decide is advisable for their joint protection against claims, liabilities and leases arising out of the performance of their responsibilities under this Agreement.
- c. All insurance policies required to be carried by a party hereto under this paragraph will be carried with companies with an A. M. Best rating of A, or better, in the name of said party as named insured, and the other party hereto as an additional insured, except for workers' compensation insurance and except for the fire and extended coverage insurance. Said additional insured will be entitled to thirty (30) days written notice of cancellation of all such insurance policies. Each party will deliver to the other party a certificate evidencing said insurance. Proceeds will be payable to the party that has suffered the loss.
- d. Any insurance coverage required to be obtained and maintained by either party hereunder may be provided under the party's umbrella policies.

10. Termination.

- a. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party should the other party fail to perform its obligation in accordance with the terms hereof, and should such failure not be cured within such thirty (30) day period; provided, however, that (i) if the default involves imminent danger to persons or properties, then such 30-day notice and cure period shall not be required; and (ii) if the default does not involve the payment of money, cannot reasonably be cured within the 30-day period and does not involve a material interruption in the services to be provided hereunder, then the defaulting party shall be afforded such additional time, not to exceed ninety (90) days, as may be reasonably required to cure the default, so long as it commences to cure the default within the 30-day period and prosecutes the cure with diligence and continuity.
- b. This Agreement may be terminated by either party immediately upon written notice to the other should a petition in bankruptcy be filed by Owner or Manager, or should either make a general assignment for the benefit of creditors to take advantage of any insolvency act or should a petition in bankruptcy be filed against Owner or Manager which remains undismissed after 45 days.
- c. Upon termination of this Agreement, Owner's obligations to make further payments hereunder shall cease and terminate and Manager shall cooperate fully with Owner in effecting an orderly transition to avoid any interruption in the rendition of services and, in that connection, shall immediately surrender to Owner all keys, and all records and other documents maintained by Manager in connection with the Community.

- d. Unless earlier terminated or further extended as provided herein, this Management Services Agreement shall commence on the Commencement Date and shall extend for a term of ten (10) years therefrom, and the term of this Management Services Agreement shall be automatically extended on each anniversary date of the Commencement Date for extension terms of ten (10) years each commencing on such anniversary date. This provision is expressly intended to comply with the provisions of Revenue Procedure 97-13 and the Code.

11. Binding Effect.

- a. Except as otherwise provided, this Agreement may not be assigned by any party without the written consent of the other party. Notwithstanding anything to the contrary in the Agreement, it is understood and agreed that the Owner shall have the right to assign this Agreement and its rights hereunder (a) to _____, an affiliate of the Owner which may become the owner of the Community, provided _____ assumes the obligations of Owner arising from and after the assignment, in which case, the assignor shall be relieved of all of its obligations under this Agreement; and (b) in connection with any financing of the Community. In the latter case, Manager agrees to acknowledge and consent to such an assignment, to execute and deliver estoppel certificates and similar instruments confirming the status of this Agreement and the parties' performance hereunder, and to perform its services hereunder for the benefit of the lender, trustee, underwriter or similar party under such an assignment upon receipt of notice from the assignee that the Owner is in default under its financing agreements. In furtherance of the provisions of this paragraph, Manager shall execute such documents as a lender, mortgagee, trustee, underwriter or similar party may reasonably require in connection with a financing of the Community to evidence Manager's agreements hereunder and any other terms and conditions which the lender, mortgagee, trustee, underwriter or similar party may reasonably require for the financing of a project of this nature. This Agreement binds and benefits the parties and their respective successors and assigns.
- b. Notwithstanding anything to the contrary herein, Greystone may assign this Agreement to an affiliate of Manager, provided that the Chief Executive Officer of such affiliate is Michael B. Lanahan.
- c. The parties anticipate that the Community will be financed by the issuance of tax-exempt bonds. Final regulations on agreements of this kind that may be entered into in connection with a project so financed have not yet been promulgated. To the extent such final regulations require any modifications to this Agreement, the parties shall cooperate with one another to implement such changes so as to achieve a successful financing of the Community.

- d. The parties acknowledge that it is the objective of the Owner that the Community shall be acquired, developed, constructed, marketed and operated in a manner that is generally consistent with other first-class continuing care retirement communities of similar size and located in similarly situated locales. The level of services that Manager provides pursuant to this Agreement shall be consistent with that standard.
12. Notices. Any notice required or desired to be given hereunder shall be sufficient if in writing, signed by the party giving the notice and deposited, unrecalled, postage prepaid, certified mail, return receipt requested, in the United States mail and if:
- a. To Owner, addressed to Owner at:

With a copy to:

- b. To Manager, addressed to Manager at:

Greystone Management Services Company, LLC
222 West Las Colinas Blvd., Suite 2100
Irving, Texas 75039
Attn: Mr. Paul F. Steinhoff, Executive Vice President
(972) 402-3700

and shall be effective upon receipt or refusal to accept delivery. Any party may change its address for notice by written notice to the other, given in accordance with this section.

13. Severability; Complete Agreement. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and can only be amended by written instrument executed by the party against whom the enforcement of such amendment is sought.

14. Governing Law. This Agreement shall be construed under the laws of the State of _____.
15. Bond Documents Control. Notwithstanding any other provisions of this Management Services Agreement, in the event of a conflict between the provisions of this Management Services Agreement and the Bond Documents (e.g., defined to include the Indenture of Trust, Loan Agreement, Deed of Trust and Security Agreement, and related financing documents), the provisions of the Bond Documents shall control.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ATTEST:

OWNER:

By

By

Title

ATTEST:

MANAGER:

Greystone Management Services Company, LLC

By

By

Title

10/17/97

ADDENDUM I

PRE-OPENING DUTIES

In addition to the duties outlined in Paragraph 4 of the Management Agreement, Manager will perform the following duties:

- a. Provide pre-opening consulting services to Owner to integrate operational concerns with the planning and design, development and marketing process.
- b. As requested and whenever appropriate, meet with the development team.
- c. Provide a written monthly schedule of pre-opening activities by month from six (6) months prior to initial occupancy to assist the Owner to accomplish the following:
 1. Review plans for functional relationships and create the fire and disaster plans
 2. Create operating budgets from operating pro formas
 3. Establish wage scales and benefit packages
 4. Establish personnel policies and procedures
 5. Recruit and orient Executive Director
 6. Establish purchase order system
 7. Select, bid, order and receive minor equipment and accessories
 8. Establish inventory system
 9. Establish operating policies and procedures by department
 10. Recruit department heads
 11. Establish menus and cycles
 12. Train Executive Director and department heads
 13. Prepare the Community and staff for licensing inspections and approvals necessary to begin operations
 14. Coordinate banking functions as required
 15. Establish bookkeeping system
 16. Establish accounts with vendors
 17. Purchase initial supplies and food inventory

18. Review on-going insurance coverages for the physical plant and business, establish administrative procedures necessary and create staff awareness and training programs for risk management
 19. Assist in receiving equipment and furnishings and prepare manager's punch list
 20. Implement Community public relations plan and crisis management plan
 21. Establish and implement apartment and patient room initial cleaning schedule
 22. Assist Greystone Communities, Inc. to effect a smooth move-in for all residents
- d. Perform other duties as might reasonably be expected to assist the Owner to prepare the staff and the Community to accept residents for occupancy, and begin operations as a quality retirement Community.

EXHIBIT "B"
TO
JOINT VENTURE AGREEMENT

Consulting Agreement

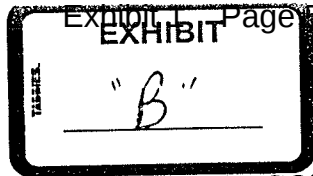


Exhibit Page 51 of 54

SENIOR LIVING DEVELOPMENT AND CONSULTING AGREEMENT

_____, a Texas not-for-profit corporation ("Owner"), having an address of _____, and Northwest Lifecare Associates, Ltd. ("Associates") a limited partnership organized under the laws of the State of Texas and having an address of 4403 Loma Alta, Dallas, Texas 75205, enter into this Senior Living Development and Consulting Agreement effective as of the ____ day of _____, 199_.

I. RECITALS

1.1 Associates has analyzed potential sites for senior living communities, reviewed potential sites with architects, engineers and other professionals, envisioned the layout of senior living communities at such sites and, in certain circumstances, Associates has commissioned the drawing of plans with respect to alternative sites for senior living communities. Associates conducted its analysis in accordance with the objectives of the Owner.

1.2 Associates formed Northwest Lifecare Joint Venture ("Northwest") with Greystone Communities, Inc. ("Greystone") in order to enhance Associates' ability to identify appropriate sites and fine tune the potential uses of such sites as senior living communities in accordance with the objectives of the Owner.

1.3 Northwest, in turn negotiated and executed a Ground Lease Option Agreement (the "Option") and Form of Lease Agreement attached thereto (the "Lease"), with Intercity Investment Properties, Inc. ("IIP") pursuant to which the parcel of land located at the western 16.25 acres of Lot 7/5464 and Lot 8, Preston Village Apartments, Northwest Highway and Thackery, Dallas, Texas has been identified and placed under control for the development of a quality senior living community to serve Dallas area seniors.

1.4 Associates has developed substantial knowledge concerning the development of senior living communities in connection with this endeavor. Additionally, Associates, through Alan T. Gregory has substantial experience in the development and construction of large-scale real estate projects.

II. RESPONSIBILITIES OF ASSOCIATES

2.1 Owner hereby engages Associates to perform the following services in connection with the development of the senior living community on the real property described in 1.4 above:

- (a) interface with IIP and assist Owner in complying with the terms and provisions of the Option;

- (b) assist in assuring that the project development is in compliance with the Option and the Lease;
- (c) engage in planning activities for the development including but not limited to:
 - (i) identification and recommendation of qualified contractors, architects, engineers and other required professional assistance;
 - (ii) coordinate with the design team as appropriate;
 - (iii) assist in the negotiation of construction, architect, engineer and other professional agreements as appropriate;
- (d) to the extent requested by Owner, Associates shall participate in obtaining all necessary governmental approvals; and
- (e) participate in long term strategic planning for the development.

2.2 Owner acknowledges that this Agreement does not encompass Associates' potential involvement with respect to oversight, interaction, monitoring or supervision of actual construction issues.

2.3 The Owner hereby agrees to pay Associates the amount of \$350,000 (the "Fee") for its services in connection with the above-described engagement. The Fee shall be paid pro-rata with the payment to Greystone of the development fee to be paid to Greystone pursuant to the Development Services Agreement by and between Greystone and Owner and dated of even date herewith. Provided, however, in the event that the Greystone Development Services Agreement is discontinued, then, the Owner shall pay the remaining balance of the Fee in accordance with a timetable that is consistent with the achievement of the same milestones as outlined in the Greystone Development Services Agreement, as finally negotiated with the Owner.

III. INDEPENDENT CONTRACTOR

3.1 This Agreement shall be deemed to create an independent contractor relationship between Owner, on the one hand, and Associates, on the other hand. Neither Associates nor its employees, subcontractors or agents shall have the authority to bind or create a contractual obligation on the part of Owner.

IV. MISCELLANEOUS

4.1. Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) United States mail, postage prepaid, registered or certified mail, or (d) prepaid telegram, telex or telecopy, addressed as follows:

To Owner:

To Associates:

or to such other address or to the attention of such other person as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of telegram, telex or telecopy, upon receipt.

4.2. Should either party hereto institute any action or proceeding in court to enforce any provision hereof or for damages by reason of any alleged breach of any provision of this Agreement or for any other judicial remedy, the prevailing party shall be entitled to receive from the losing party all reasonable attorneys' fees and all court costs in connection with said proceeding.

4.3. The headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof.

4.4. This Agreement embodies the complete agreement between the parties hereto and cannot be varied or terminated except by the written agreement of the parties.

4.5. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, successors and *permitted assigns.

4.6. The laws of the State of Texas shall govern this Agreement and any interpretation thereof.

4.7. A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision hereof and any determination that the application of any provision of this Agreement to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

4.8. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first
above written.

OWNER

By _____
Title _____

ASSOCIATES

NORTHWEST LIFECARE ASSOCIATES, LTD.,
a Texas limited partnership

By _____
Title _____

NORTHWEST LIFECARE JOINT VENTURE
222 W. Las Colinas Blvd.
Suite 2100
Irving, Texas 75039
(972) 402-3700

June 9, 1997

Intercity Investments, Inc.
4301 Westside Drive
Dallas, Texas 75209

ATTN: Mr. Jordan

RE: The western 16.25 acres of Lot 7/5464, Preston Village Apartments,
Northwest Highway and Thackery, Dallas, Texas
(the "Site") as more specifically described on Exhibit A

Dear Mr. Jordan:

This letter constitutes a non-binding letter of intent concerning creation of a three year option agreement (the "Option Agreement") pertaining to the creation of a fifty-five (55) year ground lease of the Site. Both parties mutually agree to negotiate in good faith to achieve the objectives set forth herein. We recognize that this letter of intent cannot possibly contain all of the material terms with respect to the contemplated transactions. Neither party shall be bound until definitive agreements are signed by both parties.

We intend to develop the Site as a first class three story retirement center (the "Project").

1. Developer and Ultimate Ground Lessee

Northwest Lifecare Joint Venture (the "JV") intends to ground lease the Site. The JV is comprised of Greystone Communities, Inc. ("Greystone"), Michael B. Lanahan, President, and Northwest Lifecare Associates, Ltd., Alan T. Gregory, general partner. Prior to, or upon closing of, the Bond Financing (see section 3) the JV will convey its rights as ground lessee under the Ground Lease to a not-for-profit tax-exempt corporation (the "NFP Corp.") which will own and operate the Project, as hereinafter described. Greystone and Northwest Lifecare Associates, Ltd. will contract with the NFP Corp. for development, management and financial services and such services shall not be assigned to unrelated third parties.

2. The Project

The Project will consist of a residential component containing approximately 220 independent living units (the "Independent Living Center"), an assisted living center consisting of approximately 77 assisted living units (the "Assisted Living Center"), a health center consisting of approximately 60 skilled nursing beds (the "Health Center") and an approximately 25,000 square foot Commons Building. The foregoing unit projections are working estimates and may increase or decrease depending upon, among other things, final architectural requirements and final City of Dallas Planning and Zoning approvals. The procurement of such approvals shall be the responsibility of Greystone as the project developer, however, Intercity will provide reasonable access to the Site, and requisite authority, in connection with the performance of such pre-development activities.

The project will be operated on a "life care" concept, which recognizes that the needs of elderly residents vary along a continuum from independent living to increasing health care needs. A range of living options will be available to address the physical, social, psychological and emotional needs of residents. Levels of care to be provided will reflect the varying levels of intensity of care needed to meet changing needs of the residents. All applications for residency will be considered equally without regard to an individual's marital status, race, sex, creed or national origin. The Project will be designed to meet all applicable building codes, State of Texas health and safety codes, as well as The Fair Housing Act of 1988 and The Americans with Disabilities Act. In addition, the Project will be designed to incorporate many "senior friendly" features including, but not limited to, lever hardware, emergency alert systems, special bathing facilities and front control appliances.

3. The Option Agreement

The parties shall negotiate the terms and provisions of the Option Agreement, and execute same, within ninety (90) days from the date of this letter agreement. The Option Agreement shall include:

- a. The lease agreement (the "Ground Lease") containing the material terms set forth in paragraph 5 hereof shall be negotiated as to form and attached as an exhibit to the Option Agreement.
- b. An option payment of \$100,000 shall be paid upon execution of the Option Agreement.
- c. The initial term of the Option Agreement shall be six (6) months. The JV may extend the term of the Option Agreement for five (5) additional six (6) month terms provided that the JV shall be required to pay additional option payments of \$100,000 each, prior to the commencement of any extension.

4. Site Evaluation, Pre-Sale and Bond Financing

To facilitate the development the JV will undertake the following activities during the term of the Option Agreement:

- a. Underwrite approximately \$3 million in equity capital required for development of the Project within ninety (90) days following execution of the Option Agreement.
- b. The Bond Financing will be completed prior to exercise of the option set forth in the Option Agreement.
- c. Either before, or, upon exercise of the option the tenant under the Ground Lease shall become the NFP Corp.
- d. The JV shall pay \$25,000 upon execution of this letter of intent, which shall be applied to the consideration due under the Option Agreement or which is refundable if the parties fail to execute a mutually agreeable Option Agreement.

5. The Ground Lease

As you know, we would prefer the outright purchase of the Site, however, we understand that your circumstances dictate that a Ground Lease instead be initially utilized. Rent shall initially equal \$1,200,000 (the "Initial Rent"). The Initial Rent shall apply through six (6) months after issuance of the Certificate of Occupancy or similar instrument not to exceed a total of thirty (30) months after commencement of the Ground Lease at which time Rent shall escalate to \$1,600,000. Rent shall escalate to \$2,000,000 thirteen (13) months after issuance of the Certificate of Occupancy not to exceed a total of thirty-seven (37) months after commencement of the Ground Lease. At the commencement date of the Ground Lease the rent (\$1,200,000, \$1,600,000 and \$2,000,000 as the case may be) shall be adjusted upward based upon the percentage change in the Consumer Price Index (or the generally accepted inflation index at that time) since the date of the Option Agreement; not to exceed five percent (5%) per year. Once the rent stabilizes and achieves the \$2,000,000 level, then, rent shall be adjusted annually for the remainder of the lease term, based upon the percentage change in the Consumer Price Index since the last adjustment, not to exceed five percent (5%) per year.

The Ground Lease will provide that no demolition or construction shall occur at the Site until the Bond Financing has closed and the NFP Corp. has assumed the Ground Lease. The Ground Lease will provide that a real estate commission will be paid by the lessee under the Ground Lease, the terms of which will be negotiated under separate agreement between the lessee and David Stephen Donosky, as broker.

6. Miscellaneous

The parties agree that no other broker, except David Stephen Donosky, has been engaged in connection with this transaction.

7. Mutual agreement not to seek alternatives

Upon execution of this letter of intent, the JV will not pursue alternative sites or locations for the Project, and Intercity Investment Properties, Inc. will not meet or negotiate with prospective purchasers or tenants of the Site, until the Ground Lease is either successfully negotiated or it is mutually determined that the Ground Lease cannot be successfully negotiated. The limitation set forth in this paragraph 6 shall expire ninety (90) days from execution of this letter agreement unless the Ground Lease has been executed.

8. Use Restriction

The Project shall be solely used as retirement housing or as a senior living community.

9. Agreements regarding the eastern portion of Lot 7/5464

Intercity Investment Properties, Inc. will grant a right of first refusal to the JV with respect to any sale or lease of the approximately 9 acres of Lot 7/5464 that is not leased pursuant to this Agreement. Additionally, Intercity Investment Properties, Inc. agrees that no project solely used as a retirement housing or senior living facility will be permitted on the non-leased portion of Lot 7/5464.

10. Conclusion

We believe the Site is situated in one of the strongest markets we have seen for a quality, full-service senior living project. As a result, our proposed use for the Site will result in the highest return to Intercity Investment Properties, Inc. in the shortest period of time. It goes without saying that the bond financing will result in massive improvements to the Site. We believe that this proposal merits your approval. We stand ready to respond to any information requests that you deem necessary in order to complete your review and, we are prepared to negotiate a definitive agreement whenever you are ready. We request that you respond to our proposal at the earliest possible date given the competitive nature of the Dallas market.

Thank you for your continued consideration of this proposal. If you have any questions or comments, please do not hesitate to contact Alan T. Gregory at (214) 526-2842 or Michael B. Lanahan at (972) 402-3706.

EXHIBIT A

As indicated on the attached by outlining and cross-hatching, the property presently known as the Preston Village Apartments (the "Property") on 16.25 acres on the western end of the property containing approximately 707,850 square feet of land bounded by Northwest Highway on the south, Edgemere Road on the west, Thackery on the east and Bandera Avenue on the north in Dallas, Texas.


83853 01086 CRRIGHTS 22789

NORTHWEST LIFECARE JOINT VENTURE

By: 
Alan T. Gregory

By: 
Michael B. Lanahan

INTERCITY INVESTMENT PROPERTIES, INC.

By: 
Edwin B. Jordan, Jr., President

GROUND LEASE OPTION AGREEMENT

THIS GROUND LEASE OPTION AGREEMENT ("Agreement") is executed as of the latter of the two dates set above the respective signature lines of the parties ("Execution Date") and is entered into as of September 9, 1997 ("Effective Date") by and between **Intercity Investment Properties, Inc.**, a Texas corporation ("Owner") and **Northwest Lifecare Joint Venture**, a Texas joint venture, or its permitted assigns ("Optionee"), upon the terms and provisions set forth herein.

Recitals

Owner owns the real property described in Exhibit "A" attached hereto and incorporated herein for all purposes ("Land"), containing approximately 16.25 acres, and the improvements ("Improvements") generally described as a portion of the Preston Village Apartments, which include approximately 311 units of the apartment complex, which portion of the Preston Village Apartments is located on the western end of the block bounded by Northwest Highway, Thackery Road, Edgemere Road and Bandera Avenue in Dallas, Dallas County, Texas (which, together with the Land and certain appurtenances, and, if abandonment is successful and title acquired to the alleyways within the above described area and part of Beauregard Drive, the portion thereof abandoned by the City of Dallas and acquired by Owner, are together herein referred to as the "Property").

The Property is an apartment complex leased to individual tenants (each a "Tenant" and collectively, the "Tenants") under lease and rental agreements ("Existing Occupancy Agreements").

Optionee desires to undertake the development, design, marketing and pre-construction of a first-class residential lifecare retirement community containing approximately 220 independent living units, 77 assisted living units, and 60 skilled nursing care beds ("Project") on the land and, in that regard, intends to underwrite approximately Three Million Dollars (\$3,000,000) in pre-construction development, design, marketing and other costs. The Optionee will obtain all necessary development approvals and obtain and close bond financing ("Bond Financing") for the development, construction, ownership and operation of the Project.

Owner and Optionee desire to enter into this Agreement for the purpose of granting to the Optionee an exclusive option ("Option") to lease the Property under certain terms and conditions, which Option will last for a period of up to thirty-six (36) months prior to the commencement of the Lease itself, and during which time period the Optionee will be able to pursue the design, marketing, underwriting and other activities necessary to prepare for the construction of the Project.

IT IS, THEREFORE, AGREED AS FOLLOWS:

I.

Grant of Option and Initial Term.

1.1. Owner herewith grants to Optionee an exclusive option to lease the Property on the terms and conditions set out in the ground lease ("Lease"), a copy of which is attached hereto as Exhibit "B" and incorporated herein by reference for all purposes.

1.2. The Initial Term of this Option shall be six (6) months commencing on the Effective Date.

II.

Price of Option and Extension of Term.

2.1. Prior to the date of this Agreement, Optionee has delivered to Owner payments in the amount of Fifty Thousand Dollars (\$50,000.00) and contemporaneously with the execution hereof, Optionee is delivering to Owner an additional payment in the amount of Fifty Thousand Dollars (\$50,000.00) for an aggregate initial payment to Owner in the amount of One Hundred Thousand Dollars (\$100,000.00) ("Initial Option Consideration"). By executing this Agreement, the Owner acknowledges the receipt of the said Initial Option Consideration. Optionee agrees that the Initial Option Consideration shall be non-refundable and therefore may be retained by Owner, and no part of same shall be applied or credited to the Optionee for any purpose other than as consideration for the grant of the Option for its initial term.

2.2. Optionee shall have the right to extend the term of the Option for no more than five (5) successive six-month periods ("Extension Right") providing, prior to the expiration of the existing term: (i) Optionee pays additional option consideration ("Additional Option Consideration") of One Hundred Thousand Dollars (\$100,000.00) per each such extension to the Owner; and (ii) Optionee gives written notice of its election to extend the term of the Option for such six-month period, each of such notices to be sent by Optionee to Owner.

2.3. The initial term of the Option and the Extension Rights set forth above give the ability to the Optionee to have and extend the Option granted under this Agreement for a time that may span thirty-six (36) months from the Effective Date to the expiration of the Option. In no event, without the prior additional written consent of the Owner, shall the Option be extended beyond said thirty-six (36) months. If the Optionee fails to pay the Additional Option Consideration or fails to deliver written notice of its election to extend the term, then the existing term of the Option shall terminate automatically at the end of the then six-month option term without further notice and without action on the part of the Owner.

III.

Owner's Current Representations.

Owner represents, to the best of its knowledge and belief, to Optionee the following:

a. Owner has the full right, power and authority to lease the Property to Optionee and to perform all of its obligations as provided in this Agreement without the joinder or consent of any other party and the party or parties executing this Agreement on behalf of the Owner has or have been duly authorized and empowered to bind Owner to this Agreement.

b. Owner is not a "foreign person" within the meaning of the Internal Revenue Code.

c. Other than Owner, the rights of the Optionee under this Agreement and the rights of the Tenants under the Existing Occupancy Agreements, no person, firm or entity has any right, title, interest or estate in any of the Property or has any right or option to lease, possess, occupy or acquire fee title to the Property or any part thereof, provided, however, that there may be, from time to time, holdover Tenants or those being evicted who may assert

or claim some right to interest to possession, but whom Owner believes have no legally enforceable right or interest.

d. There are no taking, condemnation, zoning, betterment or assessment actions, suits, arbitrations, claims, attachments or proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or any other litigation or proceeding, actual or threatened in writing, against Owner, which would materially and adversely affect the use, value or operation of the Land or the Project Optionee anticipates constructing or which does or will, without further action, constitute a lien, claim or obligation of any kind against the Property or affect Owner's ability to perform its obligations under this Agreement in any way.

e. No portion of the Property or its available use is subject to any actual zoning, litigation or administrative proceeding or any proposed zoning, litigation or other administrative proceeding threatened in writing.

f. There is no existing plan known to Owner to widen, modify or realign any street or highway adjoining the Property in the immediate future which would affect access thereto or any existing eminent domain proceeding that would affect the Land. Owner has not received written notice from the suppliers of water, sewage, electricity, gas or telephone services to the Property stating that such services will be curtailed in any manner and has no knowledge that any of the foregoing are not available to the Property.

g. There is access between the Property and one or more dedicated public roadways.

IV.

Owner's Disclaimer.

IT IS UNDERSTOOD AND AGREED THAT, OTHER THAN ITS OWNERSHIP OF THE PROPERTY AND ITS RIGHT TO LEASE THE PROPERTY TO OPTIONEE, OWNER IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, AVAILABILITY OF ACCESS (SPECIFICALLY MAKING NO WARRANTY OF COMPLIANCE WITH THE REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT OF 1990) INGRESS OR EGRESS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY INCLUDING, WITHOUT LIMITATION: (1) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABLE OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY AND PARTICULARLY WITH REGARD TO THE PROJECT; (2) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY OF THE PROPERTY; AND (3) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY. OPTIONEE AGREES THAT, WITH RESPECT TO THE PROPERTY, OPTIONEE HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF OWNER OR ANY AGENT OF OWNER. OPTIONEE REPRESENTS THAT IT IS KNOWLEDGEABLE WITH RESPECT TO REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN

EXPERTISE AND THAT OF OPTIONEE'S CONSULTANTS AND THAT OPTIONEE WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAID INSPECTIONS BY OPTIONEE, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY OPTIONEE'S INSPECTIONS AND INVESTIGATIONS. OPTIONEE FURTHER ACKNOWLEDGES THAT OWNER HAS NOT MADE AND DOES NOT MAKE ANY WARRANTIES OR REPRESENTATIONS REGARDING: (1) THE TRUTH OR ACCURACY OF ANY SURVEY OR STUDY AND/OR (2) THE QUALIFICATIONS OR EXPERTISE OF THE RESPECTIVE PARTIES CONDUCTING SAME AND THAT OWNER HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION WITH RESPECT THERETO. OPTIONEE ACKNOWLEDGES AND AGREES THAT, UPON CLOSING, OWNER SHALL LEASE TO OPTIONEE, AND OPTIONEE SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS" WITH ALL FAULTS, AND OPTIONEE FURTHER KNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLATERAL TO OR AFFECTING THE PROPERTY BY OWNER, ANY AGENT OF OWNER OR ANY THIRD PARTY. THE TERMS AND CONDITIONS OF THIS PARAGRAPH SHALL EXPRESSLY SURVIVE THE CLOSING AND SHALL NOT MERGE THEREIN AND SHALL BE INCORPORATED INTO THE LEASE. OWNER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN.

V.

Optionee's Current Representations.

Optionee represents, to the best of its knowledge and belief, to Owner the following:

- a. Optionee has the full right, power and authority to lease the Property from the Owner and to perform all of its obligations as provided in this Agreement without the joinder or consent of any other party and the party or parties executing this Agreement on behalf of Optionee has or have been duly authorized and empowered to bind Optionee to this Agreement.
- b. No order, writ, judgment or decree directed against Optionee exists or has been threatened in writing which prohibits or will prohibit without further action, the execution or performance of this Agreement, the Lease or any of the other agreements attached hereto.
- c. No suit or administrative proceeding is pending against or involving Optionee which requests any remedy which will prohibit the execution or performance of this Agreement, the Lease or any of the agreements attached hereto.
- d. Optionee will undertake forthwith the development activities of the Project, including underwriting approximately Three Million Dollars (\$3,000,000) in pre-construction development, design, marketing and other costs; obtaining all necessary development approvals for the Project; and obtaining and closing Bond Financing.

VI.

Title.

Optionee acknowledges the receipt from Owner, prior to the execution of this Agreement, of a commitment for title insurance ("Title Commitment") (attached as Exhibit "C") from American Title Insurance Company (Charles S. Badgett, 972-789-8400) as agent for Chicago Title Insurance Company ("Title Company") in a form which contains the Title Company's express commitment to issue a TLTA Owner's Leasehold Policy of Title Insurance ("Title Policy") to Optionee, together with true, correct, complete and legible (where possible) copies of all recorded documents affecting the Property and listed as title exceptions. By executing this Agreement, Optionee accepts any and all exceptions to the title of the Property as shown in the Title Commitment ("Permitted Exceptions").

VII.

Survey.

7.1. Within thirty (30) days after the Execution Date, Owner shall, at its sole cost and expense, deliver a currently dated survey of the Property to the Optionee. If a survey of the Property exists, Owner shall deliver a copy thereof to Optionee within five (5) days after the Execution Date and Owner, at its sole cost and expense, shall proceed to obtain an update of such existing survey, conforming to the following requirements:

a. The survey should include a clear legend explaining any abbreviations used by the surveyor.

b. The survey must be complete on one sheet.

c. All surveys must be certified to Optionee, and any assignee thereof, by a registered land surveyor using the certification described below. Each survey must have the surveyor's original signature and have the surveyor's seal affixed. The survey must reflect a current date no more than thirty (30) days before being submitted. Older surveys are acceptable if updated and recertified and if they otherwise meet the requirements set out herein. The survey must show the north arrow, preferably in the upper right quadrant of the survey.

d. The full legal (metes and bounds) description and street address of the Property must be shown. The legal description must be identical to that shown on the Title Commitment, or the Title Commitment must be revised to include and use the legal description prepared by the surveyor. If the premises are described as being on a filed or recorded plat or map, the survey should contain a legend relating the parcel to the plat or map on which it is shown, and the surveyor should certify that any land which has been platted or mapped is the same as that described on the survey.

e. All perimeter property lines must be specifically identified.

f. The survey should show the location by courses and distances of the parcel to be covered by the Title Policy and the relation of the point of beginning to the monument from which it is fixed.

g. All exceptions on the Title Commitment should be plotted, or identified on the face of the survey as not plotable.

h. In addition, all easements affecting the Property must be identified by recording information, if any, and listed by book and page or by document number of the instrument creating the easement.

i. Encroachments of buildings and of structural appurtenances, such as loading docks, awnings, canopies, porches, fire escapes and bay windows, by or on adjoining property, over easements, onto or from abutting streets or alleys, whether surface or a subsurface, must be indicated on the survey with the extent of such encroachments clearly defined (including the extent of the encroachment with measurements).

7.2. Optionee, at its expense, may have further or additional survey work done on the Property subject to the conditions on conducting inspections set out herein.

7.3 If, after examination of the Survey, Optionee determines that the condition of the Property on the ground as reflected in the Survey is unacceptable for any reason, Optionee shall notify Owner in writing ("Optionee's Notice") of such unacceptable conditions ("Survey Objections") within ten (10) business days after receipt by Optionee of the Survey. The failure of the Optionee to notify Owner of any Survey Objections within said ten (10) business day period shall be deemed acceptance of the Survey and the condition of the Property.

7.4 If Optionee provides Owner with Optionee's Notice of Survey Objections in a timely manner, Owner may take such actions as can be taken without cost to the Owner to eliminate or modify the Survey Objections, but Owner shall not be required to do so. If Owner elects to take action, the Owner shall notify Optionee in writing ("Owner's Notice") of Owner's election within ten (10) business days after receipt by Owner of Optionee's Notice, specifying which Survey Objections will be cured, which must be cured within ten (10) days after the giving of Owner's Notice. If Owner fails or refuses to give Owner's Notice, Owner shall be deemed to have refused to cure the Survey Objections. If the Owner elects or is deemed to have elected not to remove or cure any Survey Objections, the Optionee, at its election, shall have twenty-five (25) business days after the delivery of the Optionee's Notice to terminate this Agreement as the Optionee's sole remedy, whereupon this Agreement shall terminate and neither party shall have any obligation to the other, provided that Owner shall deliver and pay to the Optionee the Seventy-five Thousand Dollars (\$75,000.00) paid by the Optionee pursuant to Paragraph 2.1, if any was in fact paid. If Optionee fails to exercise timely its rights to terminate this Agreement, then Optionee shall be deemed to have waived the Survey Objections.

VIII.

Inspection and Reinspection of the Property and Related Documents.

8.1. During the first ninety (90) days after the Execution Date ("Inspection Period"), Optionee and its employees, agents, representatives and third parties engaged by Optionee, ("Optionee's Representatives") shall have the right and permission to enter upon any of the Property at all reasonable times, with prior notice to the Owner, which notice may be by any means agreeable to the parties, including but not limited to oral notification, to make such investigations, studies and tests of the Property including, but not limited to, conducting engineering inspections, making soil and substrata drillings and borings, and performing environmental inspections and any other inspections, tests, studies and investigations (together

"Inspections") which Optionee deems necessary or advisable, in its sole and absolute discretion. All such Inspections shall be at Optionee's sole cost, risk and expense. Optionee agrees to conduct Inspections in such manner so as not to disturb the Tenants, or to cause damage to the Property, or to interfere with the operation of the Property by the Owner during the term of the Option. Optionee further agrees to (a) repair any damage to the Property caused by such inspections, and (b) indemnify and hold Owner and the Property harmless from any and all claims and expenses arising or resulting from such Inspections, excluding, however, any of the foregoing caused by acts or omissions of Owner, its agents, representatives, employees or invitees.

8.2. Within ten (10) days after the Execution Date, Owners shall provide Optionee with copies of all of the following information:

a. Ad valorem tax and assessment statements related to the Property for the year such taxes were last paid to the most recent tax year and any information regarding any current valuation of the Land for ad valorem tax and assessment purposes, or notices relative to an anticipated change in valuation for any and all ad valorem tax and assessments.

b. Copies of all documents, instruments, certificates and affidavits evidencing Owner's authority to execute this Agreement and to consummate the transactions contemplated herein.

c. A sample of the Existing Occupancy Agreements, provided that if Owner uses or intends to use more than one form, Owner shall provide copies of all used or proposed forms.

The above documents are the "Inspection Documents."

8.3. If the Optionee determines that the title to the Property, as reflected in the Title Commitment, or the condition of the Property on the ground as reflected on the survey, or the condition of the Property as revealed by the Optionee's Inspections, or information revealed in the Inspection Documents, is unacceptable for any reason, Optionee shall notify Owner in writing ("Optionee's Notice") of such unacceptable conditions or exceptions ("Initial Objections") within thirty (30) days from the date on which the Optionee has copies of all of the Inspection Documents, the Title Commitment, and the survey (said 30th day being the "Notification Date"). The failure of Optionee to notify Owner of any Initial Objections relating to any of the foregoing items on or before 5:00 p.m. on the Notification Date shall be deemed acceptance by Optionee of the physical condition of the Property, the matters reflected in the Inspection Documents and the matters reflected on the survey.

8.4. If Optionee provides Owner with Optionee's Notice of any Initial Objections, Owner may, at its option, take such actions as can be taken without cost to the Owner as are necessary or desirable to eliminate or modify such Initial Objections to the satisfaction of the Optionee. If Optionee delivers Optionee's Notice and Owner elects not to eliminate or modify the Initial Objections, Owner shall deliver written notice to Optionee within fifteen (15) days thereafter, stating whether, prior to closing, Owner shall remove or otherwise cure in a manner satisfactory to Optionee such Initial Objections. Owner's failure to deliver notice timely of its election to remove or cure any Initial Objections as aforesaid shall be deemed Owner's election not to remove or cure. Under no circumstances shall Optionee be entitled to the return of all or any part of the Initial Option Consideration or any Additional Option Consideration.

8.5. During the initial Inspection Period, Optionee and Optionee's Representatives may make inquiries of and to third parties, including without limitation, any governmental authorities, in order to investigate any aspect of the Property or Optionee's ability to develop the Property. Owner agrees, within reason, to cooperate with Optionee in such inquiries, provided that Owner incurs no costs in doing so or Optionee pays, in advance, the costs anticipated to be incurred by Owner in such cooperation.

8.6. When Optionee has exercised this Option, in the manner set out herein, Owner shall deliver to Optionee within ten (10) days after the date of the exercise of the Option copies of all of the following information:

a. Ad valorem tax and assessment statements related to the Property for the year such taxes were last paid to the most recent tax year and any information regarding any then current valuation of the Land for ad valorem tax and assessment purposes or notices relative to an anticipated change in valuation for any and all ad valorem tax and assessments;

b. True and legible copies of all Existing Occupancy Agreements and a certified current rent roll ("Rent Roll") for the Property, prepared as of the first day of the month of delivery of such Rent Roll, reflecting with respect to each Existing Occupancy Agreement the name of the Tenant, the apartment number, the monthly rental amount, the amount of security deposit, the expiration date, any rents or other charges in arrears or prepaid, and utilities which are furnished as part of the rent;

c. A written certification of the furniture and other furnishings, maintenance equipment and tools and all other machinery, equipment, fixtures, materials, supplies, replacement parts, and personal property of every kind and character, and all accessories and additions thereto, ("Personal Property") owned by Owner, and located in or on and used in connection with the Land or the improvements or the operations of the Property and not otherwise used in connection with the other portion of the Preston Village Apartments located to the east of the Property.

8.7. In the ninety (90) days prior to closing ("Last Inspection Period"), Optionee's Representatives shall have the right and permission to enter upon any of the Property at all reasonable times, with advance notice to Owner, which notice may be by any means agreeable to the parties, including but not limited to oral notification, to make such investigations of the Property which Optionee deems necessary or advisable, in its sole and absolute discretion. All such Inspections shall be at Optionee's sole cost, risk and expense. Optionee agrees to conduct Inspections in such manner so as not to disturb the Tenants, or to cause damage to the Property, or to interfere with the operation of the Property by the Owner during the term of the Option. Optionee further agrees to (a) repair any damage to the Property caused by such inspections, and (b) indemnify and hold Owner and the Property harmless from any and all claims and expenses arising or resulting from such Inspections, excluding, however, any of the foregoing caused by acts or omissions of Owner, its agents, representatives, employees or invitees.

8.8. During the Last Inspection Period, Optionee and Optionee's Representatives may make inquiries of and to third parties, including without limitation, any governmental authorities, in order to investigate any aspect of the Property or Optionee's ability to develop the Property. Owner agrees, within reason, to cooperate with Optionee in such inquiries, provided that Owner incurs no costs in doing so or Optionee pays, in advance, the costs anticipated to be incurred by Owner in such cooperation.

IX.

Development Approvals.

During the term of this Agreement, Optionee shall proceed to obtain, at its sole cost and expense, approval of all necessary governmental authorities for development of the Property for the Project, including, but not limited to, rezoning, building permits, site plan approvals, ordinances, confirmations of the availability of utilities to the Property at rates acceptable to the Optionee, approvals from the city, county and state, the abandonment of the alleyways within the Project area and part of Beauregard Drive, and all other such approvals and consents necessary for the development of the Project on the Property ("Development Approvals"). Owner shall reasonably cooperate with Optionee, as requested by the Optionee, in obtaining the Development Approvals and shall execute and/or cause to be executed all documentation necessary to obtain the Development Approvals, provided, however, Optionee shall bear all of the expenses (including the expense incurred by Owner and any capital expenditure required of Owner, particularly with regard to the abandonment of the alleyways within the Project area and part of Beauregard Drive) in seeking the Development Approvals. Any Development Approvals must be granted by the applicable governmental authorities subject to Closing and any Development Approvals must not interfere with Owner's current use or impose additional costs or liability upon Owner if Optionee does not close.

X.

Operations and Information Disclosure During the Term of the Option.

10.1. Owner hereby covenants and agrees with Optionee that from the Effective Date until closing that:

a. Owner will not transfer, lease or convey any of the property or enter into any agreement to transfer, lease (except as provided herein), or convey all or any part of the Property.

b. Owner will continue to lease individual apartment units to Tenants for terms not exceeding six (6) months which are terminable at any time upon not more than ninety (90) days prior notice (provided that after the twelve month notice is given by Optionee pursuant to paragraph 10.2, all leases executed thereafter will provide that they are terminable at any time upon not more than thirty (30) days prior written notice) and will observe all terms and provisions of the Existing Occupancy Agreements; as of closing, no rents due under any of the Existing Occupancy Agreements will be assigned to any party or otherwise encumbered;

c. Owner will not enter into any agreement, written or oral, that will be or purport to be binding on the Optionee or the Property subsequent to the closing. Owner will not enter into, modify, amend, extend or cancel any service and utility contracts, maintenance agreements, equipment leases, property management agreements, warranties, guaranties and bonds relating to the Land, the improvements, or the Personal Property ("Existing Service Contracts") with respect to all or any portion of the Property without the prior written consent of Optionee.

d. Owner will operate, manage and maintain the Property in the same manner, condition and state of repair as of the Effective Date. Owner will cause to be paid all trade accounts, costs and expenses of operation of the Property incurred prior to closing.

e. Except as may be requested by Optionee for the purpose of obtaining Development Approvals, Owner will not take, approve or consent to any action or omission that will change the zoning, use, permits or licenses of or for the Property or that would otherwise affect the Property in any material way. Owner will promptly give Optionee written notice of any notice or information Owner hereafter receives regarding zoning, uses, permits and licenses which would have a material impact on the ability of Optionee to operate or demolish the improvements or to develop the Project on the Property.

f. Owner shall not place on any of the Property any lien, encumbrance or other matter which would constitute an encumbrance or title exception to the Property under Schedule B of the Title Commitment, and Owner shall not take any action which will cause the Property not to be, or prevent the Property from being, in compliance with the requirement of the Title Commitment so that the Title Company is prevented from issuing to Optionee the Title Policy as provided herein, subject only to the Permitted Exceptions.

g. Owner shall deliver within ten (10) days after receipt any written information concerning changes in rates applicable to, the location of, or the accessibility of utility service to the Property, or any order, writ, judgment or decree directed against the Owner or the Property which prohibits or will prohibit, the performance of this Option or any of the agreements attached hereto; or the filing of any suit or administrative proceeding which requests any remedy which will prohibit the performance of this Agreement or any of the agreements attached herein; or the submission or filing with any governmental authority of any proposal seeking to change the use or zoning of the Property or to dedicate or acquire all or any part of the Property for public use; or the enactment, adoption or promulgation of any statute, rule, regulation or ordinance which would prevent the Project from being constructed on the Property; or any threat in writing from any governmental authority, or the filing or initiation of any suit or administrative proceeding, seeking to condemn all or any part of the Property.

10.2. The Optionee shall give notice to the Owner when the Optionee in good faith estimates that it is twelve (12) months prior to the anticipated Closing, and, in connection with that notice, the Optionee shall deposit with the Owner Four Hundred Thousand Dollars (\$400,000.00) ("Anticipated Rent Loss Deposit"). Notwithstanding the foregoing notice, nothing in the foregoing sentence shall prevent Optionee from exercising this Option at an earlier time or such that Closing occurs prior to or after the said twelve months.

XI.

Exercise of the Option.

11.1. Optionee may exercise the Option only as set out herein. No other method attempting to exercise the Option shall be binding upon or require any action on the part of the Owner. Optionee must deliver, or have delivered, to Owner, at least forty-five (45) days in advance of any anticipated Closing, which Closing must occur before the expiration of the term of this Option or any extension thereof:

a. Notice in writing to Owner and the Title Company of the Optionee's exercise of the Option ("Option Notice"); and

b. An executed original of the assignment of this Option to Lessee; and

c. Final plans and specifications of the Project, along with copies of all executed and final contracts with architects, engineers, contractors, suppliers and others whose efforts or materials will be utilized to construct the Project; and

d. A fully executed Bond Purchase Agreement from the underwriters of the bond offering for funds for the demolition of existing improvements and the construction of the Project

e. A budget for the demolition of the existing improvements on the Property and the construction of the Project, demonstrating to the reasonable satisfaction of the Owner that the Funds are sufficient to construct the Project and pay all of the expenses thereof.

11.2. In the event Owner receives the Option Notice and determines that one or more of the items of information required above have not been furnished, or are not reasonably satisfactory in the form furnished, then Owner shall, on or before the tenth (10th) business day after receipt of the Option Notice, give notice ("Deficiency Notice") to Optionee providing a specific listing of the information not received by Owner and a specific description of how the information furnished otherwise does not comply with the requirements set out above. Optionee shall have ten (10) business days ("Cure Period") after Owner sends the Deficiency Notice to provide the items of information required above that had not previously been furnished and to provide in a form reasonably satisfactory to Owner the items previously furnished and found by the Owner not to comply with the above requirements. If Optionee fails to provide the information described in the Deficiency Notice during the Cure Period, the Optionee's attempt to exercise the Option shall be of no effect.

11.3 When Optionee has properly exercised the Option under the procedures set out in 11.1, or when the Optionee has cured any defects in the Option Notice under the procedures set out in Section 11.2, the Owner shall commence termination of Existing Occupancy Agreements and use its best efforts to deliver the Property to Optionee and/or the Lessee under the Lease with at least two (2) of the buildings located on the Property entirely vacant.

XII.

Condemnation, Eminent Domain and Casualty.

12.1. After the Optionee has given the Option Notice, the terms of this section related to condemnation or eminent domain and casualty shall apply, but they shall otherwise not apply during the term of the Option.

12.2. If the commencement of any condemnation or eminent domain proceedings with respect to all or any part of the Land for any public or quasi-public purpose, in the sole opinion of the Optionee, impairs the Optionee's ability to develop the Project on the Property, Optionee may, within ten (10) days after notice from Owner:

a. Revoke and cancel the Option Notice, which shall not have any effect on the validity of this Option or otherwise affect the rights of the Optionee to purchase extensions as set out above; or

b. Close the transaction contemplated by this Agreement, in which event the rights and duties of the parties shall be determined by the Lease, as if the term of the Lease had commenced on the date of such taking. Owner agrees not to enter into any settlement of any

condemnation proceedings or eminent domain award without the prior written consent of Optionee, which consent shall not be unreasonably withheld.

12.3. After the receipt of the Option Notice by the Owner, Owner shall maintain in full force and effect all policies of insurance, insuring the Property against loss from damage for destruction. Owner retains all risks and liability for loss, damage, destruction or injury by fire, storm, accident or other casualty to the Property from all causes until the closing has been consummated. In the event of any such damage or destruction prior to the closing, Owner shall notify Optionee thereof and Optionee shall proceed to close this transaction, in which event Owner shall be entitled to receive the full amount of any proceeds of such insurance payable on account of such loss, damage or destruction after the date herein, provided that Owner shall not be liable for any costs related to demolition, debris removal and clean up.

XIII.

Closing.

13.1. The consummation of the Lease contemplated hereby ("Closing") shall be held at the offices of the Title Company, with the Title Company acting as an escrow agent ("Escrow Agent") for the purpose of consummating such Closing, or at such other location as Owner and Optionee shall agree on or before that date ("Closing Date") which is forty-five (45) days after Owner receives the Option Notice, where no Deficiency Notice is given or where Optionee effectively cures before the end of the Cure Period. Notwithstanding the foregoing, the Closing shall occur not later than March 15, 1998, unless extended by Optionee pursuant to Sections 2.2 and 2.3 herein, but, in any and all events, Closing must take place no later than September 9, 2000.

13.2 On the Closing Date, Owner shall do the following:

a. Execute and deliver to Optionee the Lease on the Property, with the Property free and clear of any and all liens, encumbrances, conditions, easements, assessments, restrictions and other conditions, except the Permitted Exceptions.

b. Execute and deliver to Optionee the Memorandum of Lease, as defined in the Lease for recording.

c. Execute and deliver, or obtain for delivery for Optionee or the Title Company, any other instruments reasonably necessary to close this Agreement, including, by way of example and not in limitation, closing statements, releases, and evidence of the authority of the parties executing instruments on Owner's behalf.

d. Pay, as required herein, any prorated portion of the Taxes, as defined herein.

e. Deliver to Optionee an updated Rent Roll, dated and certified by Owner to be true and correct as of a date not more than five (5) days prior to Closing.

f. Deliver to Optionee a Blanket Conveyance, Bill of Sale and Assignment, without warranty, in the form set out in Exhibit "D" attached hereto, assigning all of Owner's interest in the Existing Occupancy Agreements to Optionee, with appropriate provisions for the assumption by Optionee of the obligation for any security deposits for which Optionee is given credit in the closing adjustments hereunder, conveying to Optionee title to the Personal

Property free and clear of all liens and encumbrances, except any Permitted Exceptions, and assigning to Optionee the Existing Service Contracts, without warranty.

g. Deliver to Optionee the originals of the Existing Occupancy Agreements and the Existing Service Contracts.

h. Deliver to Optionee the originals of all certificates of occupancy in the possession of Owner (or where certificates of occupancy apply to the Property and other tracts or parcels owned by Owner, deliver to the Optionee copies of such certificates of occupancy).

i. Pay one-half of the Escrow Agent's escrow fees, not exceeding Three Hundred Dollars (\$300.00).

j. Deliver occupancy of the Property subject to the rights of the remaining Tenants.

13.4. On the Closing Date, Optionee shall do the following:

a. Execute and deliver to Owner the Lease on the Property.

b. Execute and deliver to the Title Company the Memorandum of Lease, as defined in the Lease, for recording by the Title Company.

c. Deliver to the Escrow Agent for disbursement to the Owner the lease consideration due and payable to Owner, which is one-twelfth (1/12th) (as allowed by Section 4.3 of the Lease) of the Initial Annual Rent (as defined in Section 4.1(a) of the Lease), adjusted as required (by Section 4.2(a) of the Lease).

d. Execute and deliver, or obtain for delivery to Optionee or the Title Company, any other instruments reasonably necessary to close this Agreement, including, by way of example and not in limitation, closing statements, releases, affidavits, evidence of the authority of the parties executing instruments on Optionee's behalf, and delivery of instruments required by the Title Company for the purpose of the issuance of the Title Policy pursuant to the Title Commitment.

e. Pay the balance of the Escrow Agent's escrow fees.

f. Pay the prorated portion of the Taxes to be paid by Optionee as of the Closing, as set out herein.

g. Pay the premium for Optionee's Title Policy and Optionee's lender's Title Policy.

h. Pay all recording fees for the Memorandum of Lease, Optionee's financing documents and other documents to be recorded.

i. Pay all other costs reflected on the Closing Statement.

j. Execute and deliver to the Owner a disclaimer in the form attached hereto as Exhibit "E".

k. Execute and deliver to Owner notice letters ("Tenant Notice Letters"), in a form reasonably acceptable to Owner and Optionee, acknowledging that the Optionee has received and is responsible for the Tenants' security deposits and directing the Tenants henceforth to make payment of all rents and other obligations under the Existing Occupancy Agreements to Optionee. Owner shall be entitled to make copies of the executed originals, fill in each respective Tenant's name and address, deliver such notices to Tenants and a copy of same to Optionee, and fill in the exact dollar amount of each respective Tenant's security deposit. For the foregoing purposes, Optionee has made, constituted and appointed Owner, and herewith makes, constitutes and appoints Owner, as the Optionee's special attorney-in-fact for the limited purpose of preparing, executing and delivering the said Tenant Notice Letters in the name of and on behalf of the Optionee. Optionee hereby agrees such copies of the Tenant Notice Letter shall carry the same force and effect as if each Tenant Notice Letter had been executed by Optionee. Therefore, Optionee agrees to indemnify Owner and hold Owner harmless from any and all claims, causes of action, damages, judgment and expenses incurred or suffered by Owner as the result of any claim made by any Tenant asserting a right to a security deposit referred to in a Tenant Notice Letter.

l. Execute and deliver to Owner an indemnity agreement in the form attached hereto as Exhibit "F", providing a separate document to survive Closing which contains the indemnity set out in the last sentence of the preceding subparagraph.

m. Pay for any and all damages and pay the amounts requested for indemnity to the Owner, as required under the provisions of this Agreement related to Inspections.

n. Pay all other costs associated with the Closing, other than the Owner's legal fees for negotiating this Agreement and the Lease.

o. Provide evidence reasonably acceptable to Owner of the removal, satisfaction or waiver of all contingencies to the Bond Financing, and an escrow agreement executed by the trustee bank (in said bond offering) acknowledging the receipt of additional funds, such that the total of the amount committed by the lender to be advanced and the amount of funds on deposit in the escrow (together the "Funds") are sufficient to pay all of the costs associated with demolition and construction (including bond and insurance premiums and development fees).

p. Deliver to Owner copies of all Development Approvals allowing the construction and operation of the Project.

q. Deliver to Owner copies of issued and outstanding payment and performance bonds in form and in amounts reasonably satisfactory to the Owner sufficient to pay all amounts for the construction of and liens that might be filed upon the Project.

13.5. General real estate taxes, assessments and any personal property taxes imposed by governmental authorities and any assessments by private covenant constituting a lien or charge on the land for the then current calendar year or other current tax period not yet due and payable as to the Property ("Taxes") shall be apportioned and prorated between Owner and Optionee as of midnight of the day preceding the Closing Date. Proration of the Taxes shall be based upon Taxes actually paid by the Owner if the Owner has paid such Taxes prior to Closing, and otherwise upon the ad valorem taxes due. If the actual amount of Taxes for the calendar year in which the Closing shall occur is not known as of the Closing Date, the proration shall be based upon the most current assessed value and tax rates then in effect with respect to the Property at the Closing Date. If the actual amount of the Taxes is not known on

the Closing Date, the proration shall be based upon the prior year's Taxes, and the parties shall adjust the Taxes prorated at Closing within ten (10) days after written demand therefor by either party when such Taxes become known. All prorations shall be based upon a fraction, the numerator being the number of days elapsed from the date the latest tax year commenced and the denominator being 365.

13.6. Rents under Existing Occupancy Agreements shall be prorated as of midnight preceding the date of Closing. Prorations shall be based upon the updated Rent Roll and shall include all Existing Occupancy Agreements. Proration shall be based upon the then current rental period. The Optionee shall receive a credit for prepaid rents for rental periods after the then current rental period. In addition to the proration of rents, at Closing, the rent loss occasioned by the Optionee shall be determined and the Anticipated Rent Loss Deposit shall be credited against that loss. The rent loss the Optionee owes to the Owner shall be the net rent not collected as a result of vacancies at the Property. The rent loss shall be computed, for each apartment, by multiplying the normal rental rate for that apartment times the number of months the apartment was vacant during the twelve months prior to Closing minus the prorated operating expenses ("POE") that would normally be attributed to each such vacant apartment if re-leased and occupied, with the rent for the last month that includes the date of Closing being prorated to Closing pursuant to the first four sentences of this section. Absent an agreement between the Optionee and the Owner on the amount of POE to attribute to each vacant apartment, the POE shall be calculated based on an assumption that the POE is \$845 per one percent (1%) of vacancy per month. If the rent loss determined in the aggregate for all of the apartments in the Project that were vacant exceeds the Anticipated Rent Loss Deposit, the Optionee and the Lessee under the Lease shall pay to the Owner the amount of such excess at Closing as additional rent under the Lease. At any time and from time to time during the twelve months prior to Closing, the Optionee shall have reasonable opportunities, not more often than monthly, at times agreeable with Owner to review the books and records of the Owner solely to the extent necessary to determine the number of vacant apartments and the rent loss as to each. The failure to pay that additional excess shall be a monetary default for which the Owner need not give any notice. If the rent loss is less than the Anticipated Rent Loss Deposit, the Owner shall refund to the Optionee the difference at Closing.

13.7. Other than utilities directly billed to Tenants, all other utilities at or with respect to the Property, other than the telephone number and telephone service, shall be transferred to the Optionee at the Closing Date. Owner and Optionee agree to cooperate with the utility service providers and with each other to effect the transition of the changeover of accounts, to get the utility meters read as of the Closing Date and to make adjustments between each other with respect to readings that occur before or after the Closing Date.

13.8. Optionee agrees that upon a Closing under this Agreement, Optionee will be obligated to pay to David Stephen Donosky ("Broker") a brokerage fee or brokerage commission ("Fee") arising in connection with this Agreement pursuant to a separate commission agreement or arrangement between Optionee and the Broker. The Fee shall be earned by the Broker only upon the Closing of this Agreement. (Attached hereto is a Receipt and Acknowledgment by Broker agreement to be signed by Broker. The execution or failure of Broker to execute same shall not affect the execution, enforceability, determination of Effective Date, or other aspects of this Agreement.) Optionee warrants that no commission is due to Mike McNeff by, through or under Optionee or any joint venturer or partner of a joint venturer of Optionee, including but not limited to Alan Gregory, and Optionee will pay any commission determined to be due to McNeff by, through or under Optionee or any joint venturer or partner of a joint venturer of Optionee. Owner warrants and represents that it has no written agreement with Mike McNeff by which Owner has agreed to pay Mike McNeff any

kind of fee or commission regarding the Property. Except for the Fee, Owner and Optionee warrant and represent to each other that no real estate brokers, agents, finders' fees or commissions are due arising in connection with the Lease of the Property, from the execution of this Agreement, or the consummation of the transactions contemplated in this Agreement, and each party agrees to indemnify and hold the other party harmless from claims made by any person for any such fees, commissions or like compensation claiming to have dealt with the party so indemnifying the other. This section shall survive Closing.

XIV.

Miscellaneous.

14.1. This Agreement embodies the entire agreement between the parties and cannot be varied except by the written agreement of the parties. All prior agreements between the parties relating to the Property, including, but not limited to, the letter of intent, are hereby terminated. No representation, promise, inducement or statement of intention has been made by Owner or Optionee which is not embodied in this Agreement, or in the attached exhibits, and neither Optionee nor Owner shall be bound by or liable for any alleged representations, promises, inducements or statements of intention not so set forth herein. Except as may be specifically provided herein, none of the representations, warranties or covenants herein provided shall survive the Closing.

14.2. Time is of the essence of this Agreement.

14.3. Any notice required or permitted to be delivered in connection with this Agreement must be in writing and may be given by certified or registered mail, facsimile, hand delivery or by overnight courier. Notices sent by certified mail shall be deemed received three (3) business days after the same has been deposited in the United States mail, properly addressed and postage prepaid. Any notice sent by facsimile shall be deemed delivered when received, provided that any facsimile received on or after 5:00 p.m. of a business day, or received on a Saturday, Sunday or legal holiday, shall be deemed received at 9:00 a.m. on the next following business day. Any notice sent by hand delivery or by overnight courier or delivery service shall be deemed delivered when actually received. Notices shall be sent as follows:

If to the Owner: Intercity Investment Properties, Inc.
Attention: Edwin B. Jordan, Jr.
4301 Westside Drive, Suite 100
Dallas, Texas 75209-6546
Facsimile: 214-520-2463

with a copy to: James V. Roberts, Esq.
James V. Roberts, P.C.
8117 Preston Road, Suite 800 West
Dallas, Texas 75225
Facsimile: 214-528-3110

If to the Optionee: Northwest Lifecare Joint Venture
c/o Greystone Communities, Inc.
Attention: Michael B. Lanahan
222 West Las Colinas Blvd., Suite 2100
Irving, Texas 75039

Facsimile: 972-402-3727

with copy to: Northwest Lifecare Associates, Ltd.
Attention: Alan T. Gregory
4403 Lomo Alto
Dallas, Texas 75205
Facsimile: 214-526-0614

With additional copy to: McManemin & Smith, P.C.
Attention: Walter H. Allen
600 North Pearl Street, Suite 1600
Dallas, Texas 75201
Facsimile: 214-953-0695

14.4. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural and visa versa, unless the context requires otherwise.

14.5. The captions used in connection with the article and sections of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language of this Agreement.

14.6. All capitalized terms shall have the meaning assigned to them in this Agreement.

14.7. Except where business days are expressly referred, reference in this Agreement to days are to calendar days, not business days. Business day means any calendar day except a Saturday, Sunday or banking holiday in Dallas County, Texas.

14.8. If the final date of any period provided for herein for the performance of an obligation or for the taking of any action falls on a day other than a business day, then the time of such period shall be deemed extended to the next business day.

14.9. If any legal action is brought in connection with this Agreement, the prevailing party shall be entitled to collect its reasonable attorneys' fees and its court costs.

14.10. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibit hereto.

14.11. If any provisions of this Agreement are held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement, provided that both parties may still effectively realize the complete benefit of the transaction contemplated hereby.

14.12. This Agreement shall be governed by and construed in accordance with the laws of the state of Texas. This Agreement is generally performable in Dallas County, Texas. Owner and Optionee agree that any litigation instituted in connection with this Agreement shall

be in Dallas County, Texas, or in the United States District Court for the Northern District of Texas, Dallas Division.

14.13. No modification or amendment of this Agreement shall be effective unless made in writing and executed by Owner and Optionee. If any approval or consent is required pursuant to any provision of this Agreement, such approval or consent shall be deemed given only if it is in writing and executed by the party whose approval or consent is required.

14.14. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed to be an original and all, when taken together, shall constitute one and the same instrument. A facsimile or other similar transmission of a counterpart signed by a party hereto shall be regarded as signed by such party for purposes hereof.

14.15. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

14.16. Optionee may assign its rights and obligations under this Agreement to any corporation, partnership, joint venture, limited liability company or other entity ("Optionee's Assignee") with which Greystone Communities, Inc. has an agreement for management of the Project for not less than ten (10) years after the Closing, in which event Optionee's Assignee shall become fully liable for all obligations hereunder and the Optionee shall be released from all such obligations. Optionee shall have no other right to assign this Agreement without the prior written consent of Owner, which may be withheld with or without cause.

14.17. Other than with respect to disclosures to any governmental authority, whether or not in connection with Optionee's investigation of the Property, neither Owner nor Optionee shall, without the prior written consent of the other, disclose to any person or party (except the parties hereto, their respective legal counsel, lenders, accountants, brokers, the Escrow Agent and the Title Company) the existence or terms of this Agreement. The terms of this section shall survive the Closing or the termination of this Agreement.

14.18. Upon the request of either party hereto, the other shall execute and acknowledge a memorandum of this Agreement in recordable form sufficient to identify the parties hereto, the Property and the Closing Date, or if no Closing Date has been determined, the end of the then current Option Term.

Executed by Owner on the 5 day of November, 1997.


INTERCITY INVESTMENT PROPERTIES, INC.,
a Texas corporation

By: Edwin B. Jordan, Jr.
Edwin B. Jordan, Jr., President

Executed by Optionee on the 5th day of November, 1997.

NORTHWEST LIFECARE JOINT VENTURE

By: **Greystone Communities, Inc.**, Joint Venturer

By: 

Michael B. Lanahan, President

By: **Northwest Lifecare Associates, Ltd.**, Joint Venturer


By: 

Allen-T. Gregory, General Partner
ALAN

RECEIPT AND ACKNOWLEDGMENT BY BROKER

The Broker joins in the foregoing Agreement to evidence his acknowledgment and agreement to the provisions of this Agreement relating to the brokerage fee or commission owned by Optionee to the Broker which will be paid as provided in this Agreement only upon a successful Closing of this transaction. The Broker will indemnify and hold the Owner and the Optionee harmless from any and all claims made by any party for any fees, commissions or like compensation arising from any dealings any such party had with Broker arising in connection with the transaction contemplated by this Agreement. Any subsequent amendment to this Agreement by Owner and Optionee which expressly modifies the Initial Option Consideration shall automatically modify the fee accordingly without the further consent of the Broker being required. The fee shall fully compensate the Broker for its services in connection with the Lease of the Property hereunder and the undersigned is entitled to no further compensation or fees in connection with such transaction. Should, for any reason, this transaction not successfully close in connection with the terms of this Agreement, no fee or commission of any nature shall be due to the undersigned. Moreover, the undersigned has no knowledge of any other party who has or may have any claim for any brokers, finders or any other fee relative to the Property or this Agreement. Finally, Broker agrees that he will look only to Optionee or its assignee of this Option for his commission, and Broker will hold Owner harmless from any claim for Broker's commission.

Acknowledged and Agreed To by the Broker on this 5th day of November, 1997.



David Stephen Donosky

Exhibit "A"
Legal Description

EXHIBIT "A"

TRACT I

Being Lots 1 thru 7, Block 8/5464 of PRESTONVILLE, An Addition to the City of Dallas, Dallas County, Texas, according to the Plat thereof recorded in Volume 12, page 83, Map Records, Dallas County, Texas

TRACT II

Being Lots 1 thru 8, Block 9/5464 of PRESTONVILLE, An Addition to the City of Dallas, Dallas County, Texas, according to the Plat thereof recorded in Volume 12, page 83, Map Records, Dallas County, Texas

Provided, if abandonment is successful and the Owner acquires title to the alleyways and part of Beauregard Drive, both within the above described area, the portion thereof abandoned by the City of Dallas and acquired by Owner shall be a part of the Property subject to lease.

Exhibit "B"
Ground Lease

EXHIBIT "B"
TO
GROUND LEASE OPTION AGREEMENT

GROUND LEASE

Between

Intercity Investment Properties, Inc.
"Lessor"

and

_____, a _____
"Lessee"

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EXHIBITS

- "A" The Land
- "B" Permitted Exceptions
- "C" Ground Lease Memorandum
- "D" Essential Areas

GROUND LEASE

THIS GROUND LEASE (the "Lease") is made and entered into as of the ____ day of _____, 19__, by and between INTERCITY INVESTMENT PROPERTIES, INC., a Texas corporation, whose principal place of business and office address is 4301 Westside Drive, Suite 100, Dallas, Texas 75209-6546, Attention: Edwin B. Jordan, Jr. ("Lessor") and _____, whose principal place of business and post office address is _____ ("Lessee").

PREAMBLE AND STATEMENT OF PURPOSE

Lessor is the owner of a fee simple absolute interest in certain real property (the "Land") containing approximately 16.25 acres and located at the Northwest Corner of the intersection of Thackery Road and Northwest Highway in the City of Dallas, Dallas County, Texas, which is further and legally described on Exhibit "A," attached hereto and by this reference incorporated herein and made a part hereof.

Lessee desires to lease the Land from Lessor for the term described herein and on the other terms and conditions hereinafter set forth in order to develop and construct a residential retirement Project thereon as provided herein.

Lessor agrees to lease the Land to Lessee on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual agreements and covenants hereinafter set forth and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Lessor and Lessee, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

For purposes of this Lease, the terms defined in this Article and throughout the remainder of this Lease, when written with initial capital letters, shall have the meanings given to them in this Article or in such definitions throughout this Lease and no other meaning. Such terms may be used in the singular or plural or in varying tenses, but such variations shall not affect their meanings so long as such terms are written with initial capital letters. When such terms are used in this Lease but are written without initial capital letters, such terms shall have the meaning they have in common usage.

- 1.1 **"CPI Adjustment"** means each adjustment to each amount set forth in this Lease as subject to CPI Adjustment, as the same may have been previously adjusted (the "Base Amount") effective as provided herein and calculated by comparing the CPI last published prior to the

initial date specified for each such amount (the "Base Index"), with the CPI last published prior to the current date on which such amount is due to be adjusted hereunder (the "Current Index") to calculate the CPI Factor, hereinafter defined. The amount of any adjustment shall be set by multiplying the Base Amount by the CPI Factor; provided, however, that no such CPI Adjustment shall be less than two and one-half percent (2.5%) per year nor more than five percent (5%) per year. Lessor shall give written notice of any adjusted amount to Lessee within thirty (30) days after its calculation.

- 1.2 **"Annual Rent"** has the meaning set forth in Section 4.1 hereof.
- 1.3 **"Bond Indenture"** means the documents evidencing and securing Owner's indebtedness to Lender as permitted herein.
- 1.4 **"CPI"** means the Consumer Price Index for All Urban Consumers (Base Year 1986 = 100) for the Dallas/Fort Worth Standard Metropolitan Statistical Area, published by the United States Department of Labor, Bureau of Labor Statistics. If the CPI is changed so that the base year differs from that used above, the index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the index is discontinued or revised during the Term, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the index had not been discontinued or revised.
- 1.5 **"CPI Factor"** is a fraction (carried to 4 decimal places), the numerator of which is the Current Index and the denominator of which is the Base Index.
- 1.6 **"Commencement Date"** means the date first above written and is the date on which this Lease becomes effective.
- 1.7 **"Default Interest Rate"** means an interest rate of eighteen percent (18%) per year; provided, however, that in no event shall the interest charged hereunder exceed the maximum lawful rate of interest then allowed by law.
- 1.8 **"Existing Improvements"** means a portion of the Preston Village apartment complex and all other Improvements to the Land existing as of the date hereof.
- 1.9 **"Force Majeure Event"** means and refers to all acts wholly beyond the control of Lessor and Lessee, including, without limitation, acts of God, war, riots, earthquakes, floods, hurricanes and windstorms.
- 1.10 **"Governmental Authority" or "Governmental Authorities"** means any federal, state, city, county, administrative or other governmental authority which now or hereafter has jurisdiction, review, approval or consent rights relating to the construction, development, ownership, control or operation of the Project on the Property or the use of the Premises for any purpose in connection with its current use, use for the Project or any other use.

- 1.11 **“Hazardous Materials” and “Hazardous Materials Laws”** have the meanings set forth in Section 5.25 hereof.
- 1.12 **“Improvements”** means and includes all buildings and other improvements, including without limitation, the Existing Improvements, and any replacement improvements, by whomsoever made, now existing or at any time hereafter during the Term placed on the Land.
- 1.13 **“Insurance Trustee”** means the trust company with principal offices in Dallas, Texas, selected by Lessor and Lessee pursuant to Section 5.13 below.
- 1.14 **“Land”** means and includes all of that certain parcel of real property described in Exhibit “A” attached hereto and incorporated herein by this reference, having a gross area of 16.25 acres, more or less and, if abandonment thereof is successful, including alleyways and that portion of Beauregard Street surrounded by the remainder of the Land.
- 1.15 **“Lease”** means this Lease and all Exhibits hereto, as the same may from time to time hereafter be amended in accordance with its terms.
- 1.16 **“Leasehold Estate”** means the leasehold estate created by the execution and delivery of this Lease.
- 1.17 **“Lender”** has the meaning provided in Section 7.1 hereof.
- 1.18 **“Lessee”** means _____, a _____, and includes any pronoun used in place thereof, the singular or plural number and its successors and permitted assigns.
- 1.19 **“Lessor”** means Intercity Investment Properties, Inc., a Texas corporation, and shall include any pronoun used in place thereof, the masculine or feminine, the singular or plural number, and its successors and assigns, according to the context thereof.
- 1.20 **“Option Date”** means the Effective Date, as defined therein, of that certain Ground lease Option Agreement (the “Option Agreement”) executed by and between Lessor, as Optionor, and Lessee, as Optionee, granting Lessee the option to enter into this Lease as provided therein, which date is September 9, 1997.
- 1.21 **“Permitted Title Exceptions”** means those encumbrances and other matters listed on Exhibit “B” attached hereto and made a part hereof and any and all additional encumbrances approved in writing by Lessee.
- 1.22 **“Person”** means any natural person, corporation, limited liability company, limited partnership, limited liability partnership, general partnership, tenancy in common, joint venture, association, business trust, real estate investment trust or other entity or organization, and any combination of any of them.

- 1.23 **“Premises”** shall be deemed or taken to include (except where such meaning would be clearly repugnant to the context) the Land and all Improvements.
- 1.24 **“Project”** means the continuing care retirement center life care concept project to be developed on the Land by Lessee, which is anticipated to provide a range of living options for elderly Residents varying along a continuum from independent living through increasing health care needs; the Project is currently anticipated to be a first class three (3) story retirement center containing approximately 220 independent living units (the “Independent Living Center”), an assisted living center consisting of approximately 77 assisted living units (the “Assisted Living Center”), a health center consisting of approximately 60 skilled nursing beds (the “Health Center”) and an approximately 25,000 square foot Commons Building.
- 1.25 **“Resident”** means a resident or prospective resident in the Project.
- 1.26 **“Space Leases”** means any and all subleases of space in the Project to be made between Lessee and any subtenants of Lessee upon completion of construction of the Project.
- 1.27 **“Term”** has the meaning set forth in Article III hereof.

ARTICLE II DEMISE

- 2.1 **Grant of Lease.** Lessor, in consideration of the rent herein reserved and of the covenants and conditions herein contained and on the part of Lessee to be observed and performed and upon and subject to the terms and conditions hereinafter set forth, does hereby demise and lease unto Lessee, and Lessee does hereby lease from Lessor, the Premises, including all of the Land and the Existing Improvements, together with any and all appurtenances, rights and benefits relating thereto and to the use and occupancy thereof.
- 2.2 **Disclaimer.** IT IS UNDERSTOOD AND AGREED THAT, OTHER THAN ITS OWNERSHIP OF THE PREMISES AND ITS RIGHT TO LEASE THE PREMISES TO LESSEE, LESSOR IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, AVAILABILITY OF ACCESS (SPECIFICALLY MAKING NO WARRANTY OF COMPLIANCE WITH THE REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT OF 1990) INGRESS OR EGRESS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PREMISES INCLUDING, WITHOUT LIMITATION: (1) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PREMISES AND PARTICULARLY WITH REGARD TO THE PROJECT; (2) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS

INCORPORATED INTO ANY OF THE PREMISES; AND (3) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PREMISES. LESSEE AGREES THAT, WITH RESPECT TO THE PREMISES, LESSEE HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF LESSOR OR ANY AGENT OF LESSOR. LESSEE REPRESENTS THAT IT IS KNOWLEDGEABLE WITH RESPECT TO REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF LESSEE'S CONSULTANTS AND THAT LESSEE WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PREMISES, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAID INSPECTIONS BY LESSEE, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY LESSEE'S INSPECTIONS AND INVESTIGATIONS. LESSEE FURTHER ACKNOWLEDGES THAT LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTIES OR REPRESENTATIONS REGARDING: (1) THE TRUTH OR ACCURACY OF ANY SURVEY OR STUDY AND/OR (2) THE QUALIFICATIONS OR EXPERTISE OF THE RESPECTIVE PARTIES CONDUCTING SAME AND THAT LESSOR HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION WITH RESPECT THERETO. LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR IS LEASING TO LESSEE, AND LESSEE IS ACCEPTING THE PREMISES "AS IS, WHERE IS" WITH ALL FAULTS, AND LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PREMISES BY LESSOR, ANY AGENT OF LESSOR OR ANY THIRD PARTY. LESSOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PREMISES FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN.

- 2.3 **Quiet Enjoyment.** Subject to the Permitted Title Exceptions and the terms and provisions of this Lease, Lessor covenants, as against the claims of all Persons whomsoever claiming by, through or under the Lessor, that Lessee shall have and enjoy throughout the Term the exclusive and undisturbed possession of the Property, without hindrance, ejection or molestation by any Person.
- 2.4 **Possession of the Property.** Actual possession of the Property under this Lease will be delivered to Lessee upon the Commencement Date, subject only to the Permitted Title Exceptions.

ARTICLE III TERM

The term ("Term") of this Lease shall be a term of Fifty-five (55) years, commencing on the Commencement Date and continuing thereafter until the fifty-fifth (55th) anniversary of the Commencement Date unless extended by agreement of the parties or sooner terminated as herein provided.

ARTICLE IV RENTAL

4.1 **Annual Rent.** Lessee shall pay over to Lessor for each and every year during the Term, net over and above all taxes, assessments and other charges hereunder payable by Lessee, Annual Rent (the "Annual Rent") as hereinafter set forth.

- (a) From the Commencement Date through that date (the "Rent Escalation Date") which is the first to occur of: six (6) months after the date (the "Occupancy Date") on which a certificate of occupancy for the Improvements constituting the Project is issued by the City of Dallas, or thirty (30) months after the Commencement Date, the Annual Rent (the "Initial Annual Rent") shall be \$1,200,000.00, subject to adjustment and payment in installments as hereinafter provided.
- (b) Commencing on the Rent Escalation Date and continuing through that date (the "Stabilized Rent Date") which is the first to occur of : thirteen (13) months after the Occupancy Date, or thirty-seven (37) months after the Commencement Date, the Annual Rent (the "Escalated Annual Rent") shall be \$1,600,000.00, subject to adjustment and payment in installments as herein after provided.
- (c) Commencing on the Stabilized Rent Date and continuing through the Term of this Lease, the Annual Rent (the "Stabilized Annual Rent") shall be \$2,000,000.00, subject to adjustment and payment in installments as hereinafter provided.

4.2 **Rent Adjustment.** The Annual Rent shall be increased as hereinafter provided:

- (a) The Initial Annual Rent shall be increased on the Commencement Date by the CPI Factor, provided that the per annum increase shall not be less than two and one-half percent (2.5%) nor more than five percent (5%).
- (b) The Escalated Annual Rent shall be increased on the Rent Escalation Date by the CPI Factor from the Option Date to the Rent Escalation Date, provided that the per annum increase shall not be less than two and one-half percent (2.5%) nor more than five percent (5%).
- (c) The Stabilized Annual Rent shall be increased on the Stabilized Rent Date by the CPI Factor from the Option Date to the Stabilized Rent Date, provided that the per annum increase shall not be less than two and one-half percent (2.5%) nor more than five percent (5%).

- (d) Commencing on the Stabilized Rent Date and continuing for the entire Term of this Lease the Stabilized Annual Rent shall be increased for each next succeeding year of the term (a "Rent Year") on each anniversary of the Stabilized Rent Date (the "Rent Adjustment Date") based upon the lesser of : (i) five percent (5%) per year or (ii) the CPI Factor determined by comparing the CPI in effect for the previous Rent Adjustment Date to the CPI in effect on the current Rent Adjustment Date, multiplied by the Annual Rent in effect on the previous Rent Adjustment Date.
- 4.3 **Installment Payment of Rent.** Lessee shall pay the Annual Rent in monthly installments equal to one-twelfth (1/12) of the Annual Rent amount then in effect due and payable on or before the first (1st) day of each month during the Term, with all payments of Annual Rent pro-rated for the periods during which differing Annual Rents may apply; provided, however, that Lessee shall have a grace period for the payment of such installments of Annual Rent of five (5) business days for any two (2) monthly payments due during any calendar year, as further provided in Section 8.1(a) hereof.
- 4.4 **No Rent Reduction.** Except as provided elsewhere under those provisions of this Lease which specifically refer to rent reduction, Lessee shall not be entitled to any suspension, abatement or reduction of rent, nor to the recovery of any sums for any loss or damage by reason of noise, dust, or general inconvenience caused by construction or operations on other property owned by Lessor in the immediate area of the Property.

ARTICLE V LESSEE'S COVENANTS

Lessee hereby covenants with Lessor as follows:

- 5.1 **Rent.** Lessee will pay all Annual Rent and all other and additional payments due hereunder as payments of rent (collectively, the "Rent") hereunder to Lessor in lawful money of the United States of America at the times and in the manner aforesaid, without deduction and without any notice or demand, except as provided for herein, at the principal office of Lessor provided in the preamble hereto or at such other address as Lessor shall designate in writing from time to time.
- 5.2 **Taxes And Assessments.** Lessee will pay to each and every taxing authority before the same become delinquent all real and personal property taxes and fees in lieu thereof and assessments of every description to which the Premises or any part thereof is now or may during the Term be assessed or become liable, whether assessed to or payable by Lessor or Lessee; provided, however, that:
- (a) With respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only such installments, together with interest on unpaid balances thereof as shall become due and payable during the Term.

- (b) Such taxes and fees shall be prorated as of the Commencement Date and the date of expiration of the Term.
 - (c) Any proceeding or proceedings for contesting the validity or amount of taxes, assessments, or other public charges or impositions, or to recover back from any levying authority any tax, assessment, charge or other imposition paid by Lessee as hereinabove provided may be brought by Lessee, at Lessee's own cost and expense, in the name of Lessor or in the name of Lessee, or both of them, as Lessee may deem advisable; provided, however, that (i) any such proceeding shall be brought by Lessee only after payment by Lessee as hereinabove provided of such taxes, assessments or other charges or impositions if required by law as a condition to bringing such proceeding, (ii) Lessee shall provide notice of any such proceedings to Lessor, (iii) if such proceedings are to take place in Lessor's name, Lessee shall give Lessor an opportunity to reasonably object thereto, and (iv) Lessee shall provide Lessor with copies of all documents associated with all proceedings involving Lessors' name.
 - (d) If any such proceeding to contest taxes is brought by Lessee, Lessee shall indemnify and save harmless Lessor against any and all loss, costs or expenses of any kind that may be incurred by or imposed upon Lessor in connection therewith.
 - (e) If Lessee elects to contest any such tax, assessment, charge or other imposition as herein set forth, then and in such event Lessor agrees to reasonably cooperate and assist Lessee in contesting the same, provided that all reasonable costs and expenses of Lessor incurred in connection therewith shall be promptly paid by Lessee upon demand, as additional Rent.
- 5.3 **Delinquent Rent.** If Lessee shall become delinquent in the payment of any Rent and the delinquency shall continue for more than five (5) days after the expiration of any grace period provided herein, Lessee shall also pay to Lessor, as additional Rent, an amount equal to five percent (5%) of the Rent that has become delinquent; provided that if the Rent continues to be delinquent and the delinquency extends beyond ten (10) days after written demand for payment of the rent, the Lessee shall pay to Lessor, as additional Rent, an additional amount equal to ten percent (10%) of the delinquent Rent.
- 5.4 **Utility and Other Governmental and Quasi - Governmental Charges.** Except as otherwise provided in this Lease, Lessee will pay, before the same become delinquent, all governmental and quasi-governmental utility charges, including, without limitation, water and sewer charges, garbage collection charges and other charges and outgoings of every description to which the Premises or any part thereof, or Lessor or Lessee in respect thereof, may during the Term be assessed or become liable, whether assessed to or payable by Lessor or Lessee.
- 5.5 **Use of the Land.** Lessee will use the Land only for the development, construction and ownership of the Project, generally described herein, and specifically only for retirement housing or a senior living community.

- 5.6 **Improvements Required by Law.** Except as otherwise provided herein, Lessee will at Lessee's own expense during the whole of the Term make, build, maintain and repair all fences, sewers, drains, roads, curbs, sidewalks and parking areas which may be required by law to be made, built, maintained and repaired upon, or on public property adjoining or in connection with or for the use of, the Premises or any part thereof.
- 5.7 **Observance of Laws.** Lessee will at all times during the Term keep the Premises in a strictly safe, clean, orderly and sanitary condition, and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any Governmental Authority and applicable to Lessee's use of the Premises and said adjacent land or any improvement thereon or use thereof, and will indemnify and hold harmless Lessor against all actions, suits, damages and claims by whomsoever brought or made by reason of the nonobservance or nonperformance by Lessee of said laws, ordinances, rules and regulations or of this covenant.
- 5.8 **Repair, Maintenance and Restoration.** Except as otherwise provided for herein with respect to Lessee's rights to demolish the Existing Improvements or otherwise, Lessee will at Lessee's own expense from time to time and at all times during the Term well and substantially restore, repair, maintain, amend and keep all Improvements on the Land with all necessary reparations and amendments whatsoever in good and safe repair, order and condition, reasonable wear and tear and destruction by unavoidable casualty not herein required to be insured against excepted, provided, however, that Lessee's obligation to restore, maintain and repair the Improvements is limited to demolishing the Existing Improvements and constructing on the Land Improvements which comply with the use restriction contained in Section 5.5 hereof and maintaining such Improvements.
- 5.9 **Inspection.** Upon reasonable notice, Lessee will permit Lessor and its agents at all reasonable times during the Term to enter the Premises and examine the state of repair and condition of the Premises.
- 5.10 **Construction and Alteration of Buildings.** Lessee will not construct or place any buildings or structures, including fences and walls, or other Improvements on the Land, nor make or suffer any material additions to or structural alterations of the basic structure of any buildings thereon, nor change the grading or drainage thereof, except under the supervision of a licensed architect or structural engineer and in accordance with complete plans, specifications and detailed plot plans thereof prepared by such an architect or structural engineer and approved, as may be required, by appropriate Governmental Authorities.
- (a) Prior to commencement of construction, Lessee will provide Lessor with copies of all plans and specifications for construction of the Improvements to be constructed by Lessor, solely for Lessor's information and not for Lessor's approval.
- (b) Lessee shall commence demolition of the Existing Improvements within the first to occur of (i) sixty (60) days after the Effective Date of this Lease or (ii) thirty (30) days after the date on which all necessary approvals have been obtained from all applicable Governmental Authorities and any and all court or administrative actions blocking any such demolition are fully resolved in Lessee's favor and not subject to

appeal, provided that Lessee shall promptly and diligently pursue all actions necessary to obtain such approvals and such favorable court action.

- (c) During the initial construction of the Improvements, Lessor and any architect, engineer and other representative whom it may select to act for it, may, upon reasonable notice and at reasonable times, inspect the Improvements in the course of such construction and upon completion, and all work and materials as rendered and installed. Lessee shall keep copies of all plans, shop drawings and specifications relating to such construction on the building site and permit Lessor, its architects, engineers and other representatives to examine them at all reasonable times. In the event that during the construction of the Improvements, Lessor, or its architects, engineers and other representatives, shall reasonably determine that the materials do not substantially conform to the specifications or that the Improvements are not being constructed substantially in accordance with the approved plans, prompt notice in writing shall be given to Lessee, specifying in detail the particular deficiency, omission or other respect in which it is claimed that the construction does not conform with the plans and specifications. Upon the receipt of any such notice and confirmation by Lessee of such non-conformance, Lessee shall take such steps as shall be necessary to cause corrections to be made as to any deficiencies, omissions or otherwise, and shall immediately remove such materials and replace such construction and materials in accordance with said plans and specifications.

- 5.11 **Liens.** Lessee will not commit or suffer any act or neglect by which the Premises or estate of Lessee therein shall at any time during the Term become subject to any attachment, judgment, lien, charge or encumbrance whatsoever, including mechanics' and materialmen's liens, except as herein expressly provided, and will indemnify, defend, save and hold Lessor harmless from and against all loss, cost and expense with respect thereto (including reasonable attorneys' fees). If any lien for work, labor, services or materials done for or supplied to the Premises, regardless of who contracted therefor, is filed against the Premises, Lessee shall, within sixty (60) days from the date of filing thereof, cause such lien to be discharged of record, bonded off of the Land or otherwise stayed to the reasonable satisfaction of Lessor.
- 5.12 **Setback Lines.** Lessee will observe any setback lines affecting the Premises as now or hereafter established by any Governmental Authority having jurisdiction.
- 5.13 **Insurance.** At all times during the term, Lessee shall purchase and maintain, at Lessee's expense, the following insurance, in amounts not less than those specified below or such other amounts as may be required by the Bond Indenture as Lessor, Lessee and Lender may from time to time agree upon, with insurance companies and on forms reasonably satisfactory to Lessor and Lender:
- (a) **Commercial Property Insurance.** Commercial property insurance covering the Premises and all furniture, fixtures, machinery, equipment, supplies, inventory and any other personal property owned and/or used in Lessee's use and occupancy of the Premises, whether made or acquired at Lessee's or another's expense, in an amount

equal to their full replacement cost at time of loss, without deduction for depreciation, exclusive only of the replacement cost of excavation, foundations and footings, and shall contain an Agreed Value Endorsement. All policies and certificates of insurance required hereunder shall:

- (i) contain a provision specifically naming the Lessor and Lessee's Lender as additional insureds, as their interests may appear; and
 - (ii) be specifically endorsed to provide that any proceeds of any policy in excess of \$500,000.00, subject to annual CPI Adjustment as of each anniversary of the Commencement Date of this Lease, shall be payable to a trustee as required by the Bond Indenture or, if no such payment to a trustee is required by the Bond Indenture, to a trust company, qualified under the laws of the State of Texas, as shall be designated by Lessee, subject to the approval of Lessor (which approval shall not be unreasonably withheld or delayed) as trustee and escrow agent for the custody and distribution as herein provided of all proceeds of such insurance ("Insurance Trustee"); Lessee shall pay all fees and expenses of such Insurance Trustee in connection with its services.
- (b) **Builders and Installation Risk.** Builders and installation "all risk" insurance while the Premises or any part thereof are under demolition and construction and the aggregate estimated cost of construction exceeds \$100,000.00, written on the Builders Risk Completed Value form (nonreporting full coverage), including coverage on equipment, machinery, materials, etc. not yet installed but to become a permanent part of the Improvements.
- (c) **Commercial General Liability.** Commercial general liability or commercial general liability and excess or umbrella liability insurance written on an "occurrence" form covering the use, occupancy and maintenance of the Premises and all operations of Lessee, including: Premises Operations; Independent Contractors; Products - Completed Operations; Blanket Contractual Liability; Personal Injury; Fire Legal Liability; elevator; and incidental medical malpractice liability, all pursuant to a Commercial General Liability Policy form or its equivalent. Each policy and certificate of insurance shall specifically:
- (i) contain limits for such coverage which are not less than the following for the specified categories: Bodily Injury and Property Damage Combined Single Limit - \$3,000,000 per occurrence, subject to \$3,000,000 general aggregate per policy year; \$3,000,000 products and completed operations aggregate per policy year; Personal Injury - \$1,000,000 per person/organization per policy year, subject to \$3,000,000 general aggregate per policy year; Fire Legal Liability \$250,000 per fire, subject to \$3,000,000 general aggregate per policy year; no policy shall have a deductible amount in excess of \$10,000 for any one occurrence; and

- (ii) provide the following: "This policy shall be considered to be primary liability insurance which shall apply to any loss or claim before any contribution by any insurance which Lessor, its employees and agents may have in force;" and
 - (iii) contain a provision specifically naming Lessor and Lessor's employees as additional insureds, which additional insureds shall be protected as if they were separately insured under a separate policy; provided, however, that such policy shall not require the insurer to pay any amounts in excess of the maximum limits stated herein.
- (d) **Worker's Compensation Insurance.** Worker's Compensation Insurance as required by Texas State Law.
- (e) **Umbrella Liability.** To the extent not covered by the other policies required hereunder, Umbrella Liability Insurance providing excess coverage over Commercial General Liability, Employer's Liability, and Automobile Liability Insurance. The Umbrella Liability policy shall be written on an "occurrence" form with a limit of liability of not less than \$10,000,000 per policy year, which may include coverage of multiple projects, shall provide for a self-insured retention and/or deductible no greater than \$10,000, adjusted annually based upon the CPI Adjustment for the Lease year then ending, and shall provide as follows:
 - (i) The policy and certificate of insurance shall contain a provision specifically naming Lessor, and Lessor's employees and Lender as additional insureds, which additional insureds shall be protected as if they were separately insured under a separate policy; provided, however, that such policy shall not require the insurer to pay any amounts in excess of the maximum limits stated herein.
 - (ii) If and to the extent such coverage is available at commercially reasonable cost, the policy shall; (1) not specifically exclude coverage for punitive damages or claims arising out of discrimination other than employment related discrimination; (2) provide for defense expenses in addition to the limit of liability stated in the policy; and (3) provide coverage for claims resulting from alleged damage to the environment and damage or injury caused by hazardous conditions, materials or substances.
 - (iii) All exclusions endorsed on the policy are to be shown on the certificate of insurance and a copy of the exclusions attached thereto.
- (f) **Payment and Performance Bonds.** Payments and Performance Bonds in the full amount of the work to be done, as required by the Bond Indenture, for the benefit of Lessee, Lender and Lessor.
- (g) **Flood Insurance.** Flood insurance as may be required by the Bond Indenture or otherwise.

(h) **General Requirements for Insurance.**

- (i) Each policy is to be written by an insurer licensed in the State of Texas with a rating by A. M. Best Company, Inc. of A-VII or better and as otherwise required by the Bond Indenture. In the event that such rating system is altered or eliminated, then the insurer shall have a rating from a comparable rating service, comparable to such A-VII rating.
- (ii) If the limits of available liability coverage required herein become substantially reduced as a result of claim payments, Lessee immediately, at its own expense, shall purchase additional liability insurance to increase the amount of available coverage to the limits of liability coverage required by this Lease.
- (iii) If the Improvements are destroyed or damaged by a risk covered by insurance required by this Lease and the amount of the loss does not exceed FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) (subject to annual CPI Adjustment), Lessee, with the consent of Lender, may make the loss adjustment with the insurance company insuring the loss. If the loss exceeds FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00), Lessee will not settle the loss without the express prior written consent of Lessor and Lender, which consent of Lessor shall not be unreasonably withheld or delayed.
- (iv) All policies are to be specifically endorsed to provide thirty (30) days' written notice of cancellation for any reason [or ten (10) days' in the case of nonpayment of premium], coverage reduction, termination, non-renewal or material change in the coverage, scope or amount of the policy, and ten (10) days' written notice prior to lapse, which notice shall be delivered to Lessor.
- (v) All Certificates of Insurance shall specifically state that "the issuing company will mail thirty (30) days' written notice of cancellation to the certificate holder."
- (vi) At Lessor's written request, not more often than one time per year, Lessee shall deliver to Lessor current copies of the insurance policies required by this Section 5.13.
- (vii) To the extent that Lessee shall be unable, at a commercially reasonable cost and with commercially reasonable exclusions and restrictions, to obtain any insurance required by this Section 5.13, it promptly shall inform Lessor in writing of that fact and of all relevant facts and circumstances and, unless Lessor shall be able either (1) to locate or obtain such insurance for Lessee at a commercially reasonable cost or (2) to devise a commercially reasonable alternative form of assurance mutually acceptable to the parties acting in

good faith and with due regard for then-prevailing business practice among prudent business persons with respect to similar risks, then Lessee shall not be required to obtain such insurance. Lessee shall continue to make reasonable, good faith efforts to obtain such insurance in connection with each policy renewal period and shall keep Lessor reasonably informed of its efforts.

- (viii) Lessee shall add as additional insureds to the insurance policies required by this Section 5.13 such other Persons as Lessor may from time to time reasonably require, if such Persons may be so added at no additional cost.
- (i) **Certificates of Insurance.** Lessee will deposit promptly with Lessor and maintain current certificates of all insurance required to be maintained by Lessee under this Lease in Accord Form 27, or such other form as may be reasonably acceptable to Lessor.
- (j) **Waiver of Subrogation.** Each of Lessor and Lessee hereby waives, on each party's behalf and on behalf of its insurance carrier, any claim for loss or damage to tangible and intangible property which one party might otherwise have against the other party or its affiliates, arising out of any loss, injury or damage whatsoever, including loss of income or other consequential loss or damage.
- (k) **Adjustment and Adequacy of Coverage.** Pursuant to the requirements of the Bond Indenture, or, if the Bond Indenture does not so provide or provides for a less frequent review, all insurance coverages required hereunder will be reviewed, adjusted and revised at least each three (3) years during the term hereof, based upon an insurance appraisal and update completed by a qualified insurance appraiser selected or approved by Lender as provided in the Bond Indenture, or, if not so provided, as may be selected by mutual agreement of Lessor and Lessee. Lessor, its agents and employees make no representation that the limits of liability required to be carried by Lessee pursuant to this Section 5.13 are adequate to protect Lessee. If Lessee believes that any of such insurance coverage is inadequate, Lessee will obtain and maintain in force such additional insurance coverage as Lessee deems adequate, at Lessee's sole expense.

5.14 **Loss or Damage to Improvements**

- (a) **Use of Insurance Proceeds.** Subject to the provisions of this Section 5.14 and the reasonable requirements of Lessee's Lender, in every case of loss or damage to the Improvements, other than the Existing Improvements, (i) Lessee shall provide Lessor with prompt written notice thereof and periodic updates as to the status of insurance settlements and repairs, and (ii) all proceeds of any property casualty insurance (excluding the proceeds of any rental value or use and occupancy insurance of Lessee) shall be used with all reasonable speed by Lessee for rebuilding, repairing or otherwise reinstating the Improvements in a good and workmanlike manner

substantially according with the original plans and elevations thereof or to a modified plan conforming to laws and regulations then in effect.

- (b) **Disbursement of Insurance Proceeds.** The Insurance Trustee shall hold any insurance proceeds payable to it, as provided in Section 5.13(a) hereof, to be applied to the cost of repair and restoration in accordance with the following:
- (i) Lessee shall furnish to the Insurance Trustee and Lessor copies of any contract or contracts which Lessee shall enter into for the making of such restoration; or, if the restoration is to be done by Lessee, a copy of all subcontracts made by Lessee in connection with such restoration and an estimate of the cost thereof, both in stages and upon completion, which shall be certified by the Lessee's architect as being reasonably accurate.
 - (ii) At the end of each month or from time to time as may be agreed upon during the progress of restoration, and upon the written request of Lessee after compliance with the conditions set forth hereinbelow, the Insurance Trustee shall pay to Lessee (or at the option of Lessee to the contractors and materialmen of Lessee for the account of Lessee) out of such award, ninety percent (90%) of the amount stated to be due. Until completion of the restoration in full, an amount equal to ten percent (10%) of the amount stated to be due shall be withheld by the Insurance Trustee unless Lessor, Lessee and Lessee's Lender jointly agree to a reduction in the retention. The amount so withheld (the "Retention") shall be paid upon the completion of the restoration.
 - (iii) At the time of each request for advance by Lessee, and as a condition precedent thereto, Lessee shall submit to the Insurance Trustee and Lessor copies of a certificate signed by Lessee and Lessee's architect not more than thirty (30) days prior to such request, in the form of AIA form G706, Certificate for Payment, or such other form as may be agreed upon by Lessee and Lessor.
 - (iv) At the completion of the restoration and following disbursement of the final advance to Lessee required to complete the payment of restoration costs, any portion of the award remaining shall be paid by the Insurance Trustee to Lessee, subject to Lessor's rights pursuant hereto and Lender's rights pursuant to the Bond Indenture. In no event, however, shall the Insurance Trustee be liable for any amount in excess of the amounts so received and held in trust.
- (c) **Lessor's Inspections.** During any restoration, Lessor and any architect, engineer and other representative whom it may select to act for it, may, upon reasonable notice and at reasonable times, inspect the Improvements in the course of such restoration and upon completion, and all work and materials as rendered and installed. Lessee shall keep copies of all plans, shop drawings and specifications relating to such restoration on the building site and permit Lessor, its architects, engineers and other

representatives to examine them at all reasonable times. In the event that during the restoration of the Improvements, Lessor, or its architects, engineers and other representatives, shall determine that the materials do not substantially conform to the specifications or that the Improvements are not being restored substantially in accordance with the approved plans, prompt notice in writing shall be given to Lessee, specifying in detail the particular deficiency, omission or other respect in which it is claimed that the restoration does not conform with the plans and specifications. Upon the receipt of any such notice, Lessee shall take such steps as shall be necessary to cause corrections to be made as to any deficiencies, omissions or otherwise, and shall immediately remove such materials and replace such construction and materials in accordance with said plans and specifications.

- 5.15 **Indemnity.** Lessee will indemnify and hold Lessor harmless from and against any and all claims and demands for loss or damage, including property damage, personal injury and wrongful death, arising out of or in connection with the use or occupancy of the Premises by Lessee or any other person under Lessee, or any accident or fire on the Premises or any nuisance made or suffered thereon (except to the extent caused by the negligence or willful misconduct of Lessor or its agents, employees, or licensees), or any failure by Lessee to keep the Premises in a safe condition, and will reimburse Lessor for all Lessor's costs and expenses, including reasonable attorneys' fees incurred in connection with the defense of any such claims, provided, however, Lessor shall indemnify and hold Lessee harmless from and against any and all claims and demands for loss or damage, including property damage, personal injury and wrongful death, or any accident or fire on the Premises or any nuisance made or suffered thereon, arising out of or in connection with or caused by the negligence or willful misconduct of Lessor or its agents, employees, or licensees and will reimburse Lessee for all Lessee's costs and expenses, including reasonable attorneys' fees incurred in connection with the defense of any such claims.

5.16 **Reimbursable Expenses**

- (a) **Lessor's Expenses.** Lessee will pay to Lessor, within thirty (30) days after the date of the giving of notice to Lessee containing statements therefor, all reasonable costs and expenses paid or incurred by Lessor, but required to be paid by Lessee under any provision hereof or paid or incurred by Lessor in enforcing any of Lessee's covenants herein contained, in remedying any breach thereof, in recovering possession of the Premises or any part thereof pursuant hereto, in collecting or causing to be paid any delinquent Rent, taxes or other charges hereunder payable by Lessee, or in connection with any action or proceeding (other than condemnation proceedings) commenced by or against Lessee to which Lessor shall without fault be made a party. All of Lessor's expenses provided in this Section 5.16(a) shall constitute additional Rent and, if not paid when due, shall bear interest at the Default Interest Rate from the date due until paid in full.
- (b) **Enforcement Expenses.** Should Lessor or Lessee reasonably retain counsel for the purpose of enforcing or preventing the breach of any provision of this Lease, including but not limited to instituting any action or proceeding to enforce any

provision hereof for damages by reason of any alleged breach of any provision of this Lease, for a declaration of such party's rights or obligations hereunder or for any other judicial remedy, then the prevailing party shall be entitled to be reimbursed by the other party for all costs and expenses reasonably incurred in connection therewith, including but not limited to reasonable attorney's fees for the services rendered to such prevailing party.

5.17 **Assignment.** Except as in this Lease expressly provided, Lessee shall not assign or mortgage this Lease without the prior written consent of Lessor. Any assignment without Lessor's prior express written consent, including Lessor's consent contained herein, shall be void.

(a) **Consent to Assignment.** Lessor shall respond to any request for its consent to an assignment of this Lease within thirty (30) days following Lessor's receipt of all financial statements, documents or other information reasonably necessary for Lessor to make its determination. If Lessor shall fail to approve or disapprove a request for consent within such thirty (30) day period, Lessor's disapproval shall be conclusively presumed.

(b) **Assumption of Lease.** Any permitted assignment of this Lease shall be specifically made and therein expressly stated to be made subject to all terms, covenants and conditions of this Lease, and the assignee therein shall expressly assume and agree to all such terms, covenants and conditions.

(c) **"Assignment" Defined.** The term "assignment" as used in this Lease shall mean and include (i) one or more sales or transfers by operation of law or otherwise by which an aggregate of more than fifty percent (50%) of (A) the total capital stock of a corporate lessee, (B) the total partnership interests of a general partnership lessee, (C) the total beneficial interests of a trust lessee, (D) the interest in the general partner of a limited partnership lessee or, if there is more than one general partner, fifty percent (50%) of the interests in all such general partners in the aggregate, shall become vested in one or more Persons who or which are not stockholders, partners or beneficiaries thereof, either legally or equitably, as of the Commencement Date or as of the date of Lessee's subsequent acquisition of this Lease by assignment, or (ii) a transfer of the membership of a nonprofit corporation, or the creation of membership potential or units in a nonprofit corporation previously not having membership, or the issuance of stock or other certificates, units or other intangible contractual rights which provide for any type of voting power to the holders in which voting rights allow the election of all or any member of the board of directors or trustees, or allow the control of all or any part of the management or the policies of the nonprofit corporation; provided that ownership of such capital stock, partnership interests and beneficial interests shall be determined in accordance with the principles enunciated in Section 544 of the Internal Revenue Code of 1986; further provided that the foregoing definition shall not apply with respect to a corporate lessee whose capital stock is listed on a recognized stock exchange.

(d) **Assignment In Violation Of Section Is Void.** Except as otherwise expressly provided in this Lease, no assignment or other transfer of this Lease other than in accordance with this Section 5.17, whether voluntary or involuntary, by operation of law, under legal process, through receivership or bankruptcy or otherwise, shall be valid or effective. Should Lessee attempt to make or suffer to be made any assignment or other transfer of this Lease or any interest herein except as permitted by this Section 5.17, or in Article VII herein, or should any right or interest of Lessee under this Lease be attached, levied upon or seized under legal process and the same shall not be released within sixty (60) days thereafter, or, if incapable of being released within said sixty (60) day period, action for the release thereof commence within said sixty (60) day period and thereafter diligently prosecuted, then any of the foregoing events shall be deemed a default under this Lease. Lessor's consent to an assignment or other transfer of this Lease shall not constitute a waiver or release by it of any of the provisions of this Section, all of which shall apply to each successive assignment or other transfer, if any, and be binding upon each and every encumbrancer, assignee, transferee, subtenant and other successor in interest of Lessee.

5.18 **Subletting.** Lessee will not, except as provided herein or without the prior written consent of Lessor, rent, sublet or part with possession of the Land or any part thereof. Notwithstanding the foregoing, Lessee may, without the consent of Lessor and without the payment of additional rent, enter into life care contracts or sublet, rent or license residential apartments, rooms, living spaces in the Improvements and ancillary commercial uses reasonably related to the occupancy thereof, provided that the purpose of any such agreement is consistent with Section 5.5 of this Lease and the form of the sublease, license, life care contract, concession or rental agreement shall be commercially reasonable and consistent in all material respects with the terms and provisions of this Lease. Lessee upon request therefor promptly shall deliver a true copy of any such sublease or rental agreement to Lessor. The fees charged from time to time to Residents of the Project in connection with the issuance of life care contracts and any maintenance fees and other periodic charges shall be reasonably calculated to be sufficient to cover Lessee's monetary obligations to the Residents, to Lessee's Lender and to Lessor.

5.19 **Utilities.** Lessee shall be solely responsible for obtaining all necessary electricity, sewer, water and other utility services. Lessor will, at Lessee's request and without payment of additional consideration, grant easements for the construction and installation of all necessary utility services and for drainage to the providers of such services over, across or under the Land.

5.20 **Surrender.** Except as otherwise provided herein, upon the expiration of the Term or earlier termination of this Lease, Lessee will peaceably deliver up to Lessor possession of the Premises, including all Improvements on or above the surface of the Land, by whomsoever made, in good and safe repair, order and condition, ordinary wear and tear excepted. Lessor may, at Lessor's option, require Lessee to remove any Improvements not in good and substantial condition and repair all damage to the Land resulting from such removal. Lessee shall leave the Premises in a clean and orderly condition free of all debris and of any

Hazardous Materials at termination. Upon the expiration of the Term or earlier termination of this Lease, Lessee may not remove or cause to be removed and shall leave all of the movable furniture, furnishings and trade fixtures installed in or on the Premises, or any other items the removal of which would result in substantial and permanent damage to the Premises. Any such property or Improvements that are not removed from the Premises within thirty (30) days after the termination or expiration of this Lease shall thereafter belong to Lessor without the payment of any consideration therefor. Upon the expiration of the Term or earlier termination of this Lease, Lessee shall execute, acknowledge and deliver to Lessor (if requested) a proper instrument in writing, releasing and quitclaiming to Lessor all right, title and interest of Lessee in and to the Premises. The foregoing covenants of Lessee shall survive the expiration of the Term.

- 5.21 **Holdover.** If Lessee, with the permission of the Lessor, remains in possession of the Premises after the expiration of the Term, Lessee shall be deemed to occupy the Premises only as a tenant from month-to-month, subject to all of the terms, covenants, conditions and provisions of this Lease, including rent, which are not inconsistent with a month-to-month tenancy. For any period during which Lessee may retain possession of the Premises without the permission of the Lessor or after receipt of notice of the cancellation of this Lease, the Rent payable by Lessee to Lessor for each month (or fraction thereof in excess of ten (10) days during such period), shall be equal to one hundred and fifty percent (150%) of the monthly Rent then in effect for the last full Rent Year prior to termination of this Lease.
- 5.22 **Waste or Unlawful Use.** The Lessee will not make or suffer any waste or any unlawful, improper or offensive use of the Premises or any act or gross negligence by which the Premises or any interest therein shall become liable to seizure, attachment or unpermitted lien. Upon Lessor's receipt of reasonably reliable information that the Premises have suffered waste not remedied by Lessee or are being used for any unlawful or illegal purposes or acts that Lessor reasonably determines could result in criminal or civil forfeiture of all or any portion of the Premises to the United States or the State of Texas, Lessor shall have the right to give notice of Lessor's demand on Lessee to cure such condition, and Lessor's intent to act if Lessee does not cure such condition, to Lessee and, if Lessee does not cure such condition within thirty (30) days after the date of such notice to Lessee, or commence to cure such condition within thirty (30) days after the date of such notice to Lessee and thereafter diligently pursue such cure to completion, Lessor may elect by a written notice delivered to Lessee and Lessee's Lender as provided herein, either (a) to take all such action as it reasonably shall deem necessary and appropriate to stop such waste or such illegal activity and secure the Premises against forfeiture, in which event all reasonable costs and expenses of Lessor's actions shall be payable by Lessee hereunder as additional Rent, or (b) to declare this Lease in default.
- 5.23 **Environmental Protection.**
- (a) **Hazardous Materials.** As used in this Lease, the term "Hazardous Materials" means any substance which:

- (i) is flammable, explosive, radioactive, toxic, corrosive, infectious, carcinogenic, mutagenic, or otherwise hazardous and is regulated by any Governmental Authority, or,
 - (ii) contains asbestos, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, or petroleum, including crude oil or any fraction thereof, or
 - (iii) contains medical waste, including syringes, controlled substances, blood and blood products, urine and urine samples, fecal matter and other toxic, infectious, polluted or contaminated substances; or
 - (iv) is classified as a pollutant, contaminant, hazardous waste, hazardous substance, hazardous material, or toxic substance under the Solid Waste Disposal Act, 42 U.S.C. §§ 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. app. §§ 1801 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. H 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 to 2655; the Safe Drinking Water Act, 42 U.S.C. §§ 300f to 300j; the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. §§ 11001 to 11050; and any similar federal, state and local laws, statutes, ordinances, codes, rules, regulations, orders or decrees relating to environmental conditions, industrial hygiene or Hazardous Materials in, on, under or upon the Premises, now in effect or hereafter adopted, published and/or promulgated (collectively, the "Hazardous Materials Laws").
- (b) **Restriction on Use of Hazardous Materials.** The Lessee shall not cause or permit any Hazardous Material to be processed, used, stored in or about, or disposed of or upon, or transported to or from, the Premises unless (i) such material is used in the ordinary course of Lessee's operations on the Premises, or (ii) the Lessee has obtained the prior written consent of the Lessor, including such consents as may be contained herein, and (iii) the processing, use, storage, disposal or transporting is strictly in accordance with Hazardous Materials Laws.
- (c) **Remediation of Release of Hazardous Materials.** If any spill, leak or release of any Hazardous Materials occurs on the Premises as a result of acts or omissions of Lessee, its employees, agents, contractors or Residents which either (i) is a violation of applicable Hazardous Materials Laws or (ii) is required to be reported to Governmental Authorities having jurisdiction over Hazardous Materials releases, Lessee promptly shall notify all appropriate Governmental Authorities and Lessor, and, at no cost to Lessor, shall fully and promptly comply with all governmental orders, requirements, rules and regulations with respect thereto. Within ten (10) days after any such spill, leak or release, Lessee shall provide Lessor with a reasonably detailed written description of the event and of Lessee's investigation and remediation efforts to date. Within ten (10) days after receipt, Lessee shall provide Lessor with

a copy of any report or analytical results relating to any such spill, leak or release. Should Lessee be required to remove any portion of the Premises as having become contaminated, then, whether or not so required by Governmental Authorities, Lessee shall either replace the removed portion of the Premises (such as soil) with uncontaminated material of substantially the same character as existed prior to contamination or otherwise accommodate such removal. Lessee shall operate the Premises in a manner designed to prevent the occurrence of any such spill, leak or release. Notwithstanding the foregoing, the obligation of Lessee hereunder shall in no case apply to any Hazardous Materials spilled, leaked, released or discharged by Lessor or any agent, employee or contractor of Lessor. In the event that a discharge or release of Hazardous Materials is not discovered until after (or is to be remediated following) expiration or termination of the Term, Lessee shall coordinate, supervise and pay for all investigation and remediation efforts and shall be granted reasonable access at reasonable times to conduct such investigations, testing and remediation efforts as are required by this Section.

- (d) **Underground Storage Tanks.** Lessee shall not install or operate on the Premises, any underground storage tank, as defined by 42 U.S.C. § 6991 or any rule or regulation issued pursuant to such statute or other rules or regulations of any applicable Governmental Authority, without the prior written consent of Lessor.
- (e) **Compliance with Governmental Requirements.** Lessee shall comply with all requirements of all Governmental Authorities from time to time applicable to the handling by Lessee of any Hazardous Materials on the Premises. If any of said requirements shall be inconsistent with each other, Lessee shall comply with the most stringent requirement.
- (f) **Permits and Approvals.** Lessee shall obtain in advance and maintain without interruption, all governmental permits or approvals required for the use, storage or handling of any Hazardous Materials permitted by this Lease for Lessee's use in connection with its permitted business, use and occupation of the Premises. Within ten (10) days after receipt, Lessee shall provide Lessor with a copy of each such permit or approval. Where a plan for remediation is required, Lessee shall not commence operations or construction of any Improvements relating thereto until such remediation plan has been approved by appropriate Governmental Authorities and Lessee has provided evidence reasonably satisfactory to Lessor of its ability to fund the estimated cost of implementing such plan. Lessee shall comply with the terms and conditions of each permit or approval.
- (g) **Notice of Actions.** Lessee shall promptly advise Lessor in writing of (i) any and all enforcement, cleanup, removal, mitigation or other governmental or regulatory action of which Lessee receives written notice and which is instituted, contemplated or threatened pursuant to any Hazardous Materials Laws affecting the Premises; and (ii) all claims made or threatened by any third party against Lessee or the Premises of which Lessee receives written notice and which relate to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; and

(iii) Lessee's discovery of any occurrence or condition on the Premises which reasonably could subject Lessee or the Premises to any restrictions on ownership, occupancy, transferability or use of the Premises under any Hazardous Materials Laws. (As used in the preceding sentence, "discovery" shall mean actual knowledge of Lessee, its agents or employees.) Within ten (10) days after receipt, Lessee shall provide to Lessor a copy of any written notice of actual violation, complaint or other communication initiating any governmental enforcement action against Lessee for any alleged violation of law or other governmental requirement relating to the use, handling or storage of Hazardous Materials. Thereafter, within ten (10) days of receipt or transmission, Lessee shall provide Lessor with a copy of all material communications received by Lessee from, or sent by Lessee to, any Governmental Authority relating to such enforcement action.

- (h) **Access to Records and the Premises.** At reasonable times and after reasonable notice (i) Lessor may inspect any records maintained by Lessee relating to Lessee's compliance or noncompliance with the provisions of this Section 5.23 of this Lease, and (ii) if, and only if, Lessor has reasonable cause to believe Lessee has breached this Section 5.23, and provides written notice of such reasonable cause to Lessee as provided herein and Lessee does not respond in writing within thirty (30) days thereafter, Lessor may enter the Premises to conduct any reasonable test, inspection or environmental audit of the Premises or Lessee's operation or use of the Premises to determine Lessee's compliance or noncompliance with the provisions of this Section 5.23. If Lessor's test, inspection or environmental audit determines that Lessee has breached this Section 5.23, Lessee will pay the cost of any such inspection, as additional Rent.
- (i) **Pre-Surrender.** Not less than two (2) years, nor more than three (3) years prior to the end of the Term, Lessor, at Lessor's cost, may have the Premises inspected and tested as described below. Such inspection and testing shall not include tests that would cause any material damage to the Improvements or materially interfere with Lessee's conduct of its business on the Premises. Such inspection and testing shall be conducted by a qualified and experienced independent inspector (the "Independent Inspector") selected by Lessor and approved by Lessee, which approval shall not be unreasonably withheld or delayed. The Independent Inspector shall report its professional opinion concerning whether the Premises satisfies all Hazardous Materials Laws. The Independent Inspector's report shall be prepared at Lessor's expense and shall be addressed and delivered to both Lessor and Lessee. In the event that the Independent Inspector reports that the Premises does not satisfy all Hazardous Materials Laws, Lessor shall develop and submit to Lessee prior to the end of the Term a proposed written plan for any further testing desired by Lessor and for any cleanup of the Premises which Lessor believes to be required, together with a schedule for accomplishing such testing and cleanup before the end of the Term. Lessee may then retain its own independent inspector, who shall work with Lessor's Independent Inspector and any and all applicable Governmental Authorities to arrive at an agreed upon plan of remediation. Upon such agreement, Lessee, at its cost shall take such actions as are reasonably necessary to bring the Premises into material

compliance with all applicable Hazardous Materials Laws, and the Independent Inspector shall report the results of the cleanup to Lessor and Lessee. If Lessee fails to fully and timely perform or cause to be performed such cleanup, Lessor may do so at Lessee's expense. The Independent Inspector's report shall be an informed professional opinion and not a warranty or guarantee on the part of the Independent Inspector.

- (j) **Vacating the Premises.** Upon Lessee vacating the Premises: (i) Lessee shall have removed and disposed of all Hazardous Materials present on the Premises (except for reasonable quantities of ordinary and lawful supplies referred to above); All such removals, repairs and remediation shall be at Lessee's sole cost and expense; and (ii) until the Independent Inspector renders its opinion that the Premises materially satisfies all Hazardous Materials Laws and all costs therefor have been paid or reimbursed by Lessee, together with interest thereon, if any, the Premises and this Lease shall not be deemed surrendered and Lessee shall continue to pay Annual Rent on the Premises as set forth in Section 5.21 hereof for occupancy of the Premises without the permission of Lessor.
- (k) **Environmental Indemnification.** Lessee shall defend with counsel reasonably approved by Lessor, indemnify and hold harmless Lessor, its agents and employees, from and against any and all claims, charges, actions, suits, liabilities, obligations, fines and penalties (including, without limitation, claims for property damage, personal injury and wrongful death, foreseeable and unforeseeable consequential damages, punitive damages to the extent permitted by law, costs of investigation, removal, response and remediation, natural and environmental resource damage, governmental administrative actions, and reasonable attorneys' and consultants' fees and expenses), by whomsoever made and howsoever asserted which arise out of, whether directly or indirectly, or relate, whether in whole or in part, to any of the following: (i) any release or discharge of Hazardous Materials on the Premises for which Lessee is responsible under the provisions of this Lease; or (ii) any violation by Lessee, its employees, agents or contractors, of Hazardous Materials Laws on the Premises; or (iii) any release or discharge, including without limitation any migration or emanation, of any Hazardous Materials from the Premises into the surrounding lands, air and water. (Collectively, "Environmental Claims") provided however that Lessee's foregoing indemnification of Lessor against Environmental Claims shall not include any such release, discharge, violation, migration or emanation attributable to any act or omission of Lessor, its agents, employees, contractors and affiliates or not at the direction or behest of Lessee (collectively, "Non Contributory Environmental Claims"), and Lessor shall indemnify, defend with counsel reasonably approved by Lessee, and hold harmless Lessee from and against any and all such Non Contributory Environmental Claims.
- (l) **Survival.** The obligations of the parties under this Section 5.23 shall survive any termination or expiration of this Lease and any conveyance by Lessor or Lessee of their respective interests in the Premises. No release of Lessee in connection with any such termination, expiration or conveyance shall effect a release of Lessee's

obligations under this Section, unless such release makes specific reference to the obligations of Lessee under this Section.

ARTICLE VI CONDEMNATION

In case at any time or times during the Term, the Premises or any part thereof shall be required, taken or condemned, other than for failure of Lessee to comply with applicable codes, statutes and regulations, by any authority having the power of eminent domain, then and in every such case the parties hereby mutually agree as follows:

- 6.1 **Termination of Lease and Rights to Compensation.** The estate and interest of Lessee in the Premises so required, taken or condemned shall at once cease and terminate and (a) Lessee shall not by reason thereof be entitled to any claim against Lessor or others for compensation or indemnity for the Land, (b) all compensation and damages payable for or on account of the Land shall be payable to and be the sole property of Lessor, (c) all compensation and damages payable with respect to the Existing Improvements shall be payable to and be the sole property of Lessor, and (d) all compensation and damages payable for or on account of any Improvements constructed by Lessee on the Land shall be divided between Lessor and Lessee as of the date when Lessee loses the right to possession thereof, according to the ratio that the then expired and unexpired portions, respectively, of the entire Term (as though continued to its natural expiration) bear to the sum of said portions, except that Lessee's share of the award as to Improvements constructed by Lessee shall not be less than the lesser of: (i) the aggregate unpaid balances of all loans secured by authorized leasehold mortgages existing as of the date of such taking, or (ii) the total award attributable to the taking, provided that Lessee pays all such sums to Lessee's Lender, to the extent of amounts owed to such Lender.
- 6.2 **Rent Reduction.** If any portion of the Essential Area of the Premises, which shall mean those areas shown as the "Essential Areas" on Exhibit "D" attached hereto and made a part hereof, is taken or condemned and this Lease is not terminated, the Annual Rent payable for the remainder of the Term shall be reduced in the ratio that the fair market value of the Land so taken bears to the fair market value of the Land existing immediately prior to such event.
- 6.3 **Election to Terminate.** If more than thirty percent (30%) of the area of the Land, or the usable area of the Improvements, is taken or condemned, or if the area so taken or condemned shall render the remaining Land unsuitable or economically impractical for the Lessee's purposes under this Lease, Lessee at its option, exercisable upon written notice to Lessor given within sixty (60) days after such taking, may surrender this Lease to Lessor, in which event (a) any and all condemnation proceeds from the condemnation of the Improvements shall be used to repay Lessee's Lender, to the extent of Lessee's obligations to such Lender, and thereafter the balance, if any, shall belong to Lessor, (b) all interest of Lessee and Lessee's Lender in the compensation and damages payable on account of any Improvements on the Land not taken or condemned shall belong to and be the sole property of Lessor, (c) Lessee may claim and recover from the condemning authority all compensation and damage to its business or property not subject to this Lease, and to any inventory,

furnishings, equipment and trade fixtures and the cost of restoration or removal of the foregoing property, (d) Lessor shall prepare and Lessee, Lessor and Lessee's Lender shall promptly execute and deliver such instruments as reasonably shall be deemed necessary by Lessor to evidence such surrender, (e) Lessee shall not be entitled to any other compensation or payment whatsoever by Lessor on account of such taking and surrender, and (f) upon such surrender of the Lease, Lessee shall be relieved of any further obligations hereunder.

6.4 **Partial Condemnation.** In all events of partial condemnation, the proceeds of any award for Improvements and/or severance damages for the Improvements, shall be allocated between Lessor and Lessee as of the date Lessee loses the right of possession to the portion of the Premises so taken or condemned. The allocation shall be according to the ratios that the then expired and unexpired portions, respectively, of the entire Term bear to the sum of such portions; provided, however, that in no event shall Lessee's share of the Improvements proceeds be less than the lesser of : (a) the amount which results from the sum of (i) the aggregate unpaid balance of all authorized leasehold mortgage loans as of the date of such partial taking multiplied by a fraction, (A) the numerator of which is the sum of (1) total value of the Improvements as of the date of such taking minus (2) the total value of the Improvements immediately following the taking, and (B) the denominator of which is the total value of the Improvements as of the date of such taking, provided that Lessee pays all such sums to Lessee's Lender, to the extent of amounts owed to such Lender; plus, (ii) the reasonable cost of any reasonable and necessary corrective work to the Improvements resulting from the taking; or (b) the total compensation or damages awarded for the Improvements and the Land.

6.5 **Leasehold Condemnation.** The condemnation of any leasehold interest in the Premises or any part thereof shall not terminate this Lease nor excuse Lessee from full performance of its covenants for the payment of money or any other obligations hereunder capable of performance by Lessee, but in such case Lessee may claim and recover from the condemning authority all compensation and damages payable on account of its leasehold interest, including such compensation and damages as may be separately awarded or recoverable by Lessee in its own right on account of any damage by reason of condemnation to its business, its business or property not subject to this Lease, any furniture, furnishings, equipment and trade fixtures on the condemned premises, and the cost of relocation or removal thereof. If the compensation payable to Lessee by the condemning authority in any such event is less than Lessee's payment obligations hereunder, such payment obligations hereunder shall be reduced to the amount of compensation payable to Lessee. In the event the condemning authority shall fail to keep the Premises in the state of repair required by this Lease, or to perform any other covenant not calling for the payment of money, Lessee shall have ninety (90) days after the restoration of possession to Lessee within which to carry out Lessee's obligations under such covenant or covenants or, if such performance cannot reasonably be completed within said ninety (90) day period, Lessee shall have a reasonable time to perform such obligations, provided that it commences promptly and diligently prosecutes such performance.

**ARTICLE VII
PERMITTED MORTGAGES**

- 7.1 **Lessee's Right to Mortgage Leasehold Estate.** Lessee may from time to time, without further consent of Lessor, assign Lessee's Leasehold Estate and this Lease by way of mortgage, which mortgage shall be an "approved" or "authorized" mortgage for the purposes hereof, to secure any mortgage loan made to Lessee by any bank, insurance company, bondholder or other established lending institution as a mortgagee or to an institutional trustee (each, a "Lender") who acts as mortgagee for the benefit of holders of public bonds issued in connection with the construction of the Improvements, additions to the Project, or the refinancing, advance refunding, defeasance or other satisfaction of the Bond Indenture or any other financing which complies herewith, provided that: (a) Lessee notifies Lessor in writing in advance as to each such proposed assignment, (b) the proceeds of the loan are used solely for investment in the Project or additions or improvements thereto and for no other purpose whatsoever, (c) upon execution of any such assignment or mortgage, a copy thereof shall be delivered promptly to Lessor, and (d) except as provided in this Article VII of this Lease, no other or further assignment of this Lease for which any provision hereof requires the written consent of Lessor shall be made without such consent.
- 7.2 **Lender's Rights.** Notwithstanding any provision of this Lease to the contrary and without the need to obtain any consent or approval from Lessor, the Lender or its assigns may enforce such an approved mortgage and acquire title to the Leasehold Estate created by this Lease in any lawful way, and pending foreclosure of an approved mortgage (or pending sale of this Lease in lieu of foreclosure of such mortgage), may take possession of and rent the Premises, and upon succeeding to the title of Lessee in the Leasehold Estate through foreclosure thereof (or upon assignment in lieu of foreclosure thereof), may without further consent of Lessor sell and assign the Leasehold Estate by assignment in which the assignee shall expressly assume and agree to observe and perform all the covenants of Lessee herein contained and such assignee may make a purchase money mortgage of this Lease to the assignor or to any bank, insurance company, other established lending institution or commercial trustee as fully as Lessee could do so hereunder, provided that upon execution of any such assignment, a copy thereof shall be delivered promptly to Lessor, that any purchase money mortgage meet the conditions contained in clauses (a) through (c) of Section 7.1 above and that except pursuant to this Article, no other or further assignment of this Lease for which any provision hereof requires the written consent of Lessor shall be made without such consent. The Lender or its assignee shall be liable to perform the obligations herein imposed on Lessee only during the period such person has possession or ownership of the Leasehold Estate. Nothing contained in any mortgage shall release or be deemed to relieve Lessee from the full and faithful observance and performance of its covenants herein contained or from any liability for the nonobservance or nonperformance thereof, nor be deemed to constitute a waiver of any rights of Lessor hereunder, and the terms, covenants and conditions of this Lease shall control in case of any conflict with the provisions of any mortgage.
- 7.3 **Protection of Lender.** During the continuance in effect of any mortgage of this Lease authorized by Section 7.1 above, Lessor will not terminate this Lease because of any default

on the part of Lessee to observe or perform any of the covenants or conditions herein contained if the Lender or its assigns, within one hundred twenty (120) days after Lessor has mailed (not earlier than the expiration of Lessee's right to cure the default under this Lease) to the Lender or its assigns at the last known address thereof a written notice of Lessor's intention to terminate this Lease for such cause, shall cure such default if the same can be cured by the payment of money, or, if such is not the case, shall undertake in writing to perform and shall thereafter pay all rent and other charges as and when due under this Lease and perform all other covenants of this Lease capable of performance by the Lender or its assigns until such time as this Lease shall be sold upon foreclosure of such mortgage commenced promptly and completed with due diligence. Any default (a) consisting of Lessee's failure promptly to discharge any lien, charge or encumbrance against the Premises junior in priority to such mortgage or (b) which is otherwise not susceptible to cure by Lender except upon obtaining possession of the Premises or foreclosure, shall be deemed to be duly cured if such mortgage shall be foreclosed by appropriate action instituted within said one hundred twenty (120) day period and thereafter prosecuted in a diligent and timely manner. Lessor agrees that, simultaneously with mailing or delivering any notice of default or breach under or with respect to this Lease to Lessee, Lessor will mail or deliver a copy thereof to each and every Lender at such address of which Lessor may be notified in writing.

7.4 **Assumption and Rejection.** In consideration of Lessor's agreement to the "New Lease" provisions in favor of Lender contained in Section 7.5 below, each Lender shall, by accepting its mortgage, be deemed to undertake and agree for the benefit of Lessor that, if at any time a bankruptcy proceeding shall be commenced concerning Lessee and/or the Leasehold Estate, such Lender shall, within the statutory time period or any extension thereof provided under Section 365 of the Bankruptcy Code for the rejection or assumption of leases, use its reasonable efforts to diligently and in good faith obtain or cause Lessee/Lender and/or Lessee/Lender's trustee in bankruptcy to obtain: (a) an extension of the period during which this Lease may be assumed or rejected; or (b) an abandonment of the Leasehold Estate with the approval of the bankruptcy court pursuant to Section 554 of the Bankruptcy Code, as amended; or (c) an assumption of this Lease pursuant to Section 365 of the Bankruptcy Code, as amended.

7.5 **Lender's Right to a New Lease.** In the event that, notwithstanding the Lender's compliance with the provisions of Section 7.4 above, this Lease shall terminate prior to the natural expiration of the Term, as a result of an actual or deemed rejection of this Lease under any provision of the Bankruptcy Code (Title 11, United States Code) or any successor law having similar effect, then, and in any such event, such Lender (or the Lender holding a first mortgage if more than one) or its nominee or designee shall thereupon have the option to obtain a new lease ("New Lease") of the Premises in accordance with and upon the following terms and conditions:

- (a) **Lessor's Obligation to Enter into New Lease.** Within sixty (60) days after Lender has delivered to Lessor written request for a New Lease (such written request to be delivered to Lessor within sixty (60) days after Lender receives from Lessor written notice of the actual or deemed rejection of this Lease), Lessor shall enter into a New Lease of the Premises with such Lender, or its assignee or designee, as provided in

Section 7.5(b) immediately below; provided, however, that if Lessor receives no such written request within said sixty (60) day period, then all of Lender's rights to a New Lease hereunder shall automatically terminate.

- (b) **New Lease Terms.** Such New Lease shall be effective as of the date of the actual or deemed rejection of this Lease and shall be for the remainder of the Term at the same Annual Rent, additional rent and other charges herein provided and otherwise upon the same agreements, terms, covenants and conditions contained herein, except that the New Lease shall also include an additional indemnity paragraph under the terms of which Lessee shall indemnify and hold Lessor harmless from and against all claims, demands or liability whatsoever by whomsoever made for loss or damage arising out of or in connection with the issuance of the New Lease and will promptly reimburse Lessor for its costs and expenses, including reasonable attorney's fees, incurred in connection with the defense of any such claims. The New Lease issued hereunder shall have the same relative priority in time and rights as this Lease and have the benefit of and vest in the Lender (or Lender holding a first mortgage if more than one) all of the same rights, title, interest, powers and privileges of Lessee under this Lease. The New Lease shall, subject to the same agreements, terms, covenants and conditions contained herein, also demise to Lender or its designee all Improvements and appurtenances situated on the Premises, together with all equipment, fixtures and machinery therein.
- (c) **New Lessee's Obligations.** As a condition to and concurrently with delivery of such New Lease, the lessee named therein shall pay any and all sums which would at the time of the execution thereof be due under this Lease but for the rejection as aforesaid, shall otherwise fully remedy any existing defaults under this Lease susceptible of cure by such lessee, and shall pay to Lessor all amounts due to Lessor hereunder and all costs and expenses of Lessor incurred in connection with the enforcement of Lessor's rights hereunder, including, but not limited to, any insurance premiums paid or incurred by Lessor in order to maintain the insurance coverage required under the terms of this Lease, and the reasonable attorneys' fees, court costs and disbursements incurred by Lessor by reason of the actual or deemed rejection of this Lease and in connection with the preparation, execution and delivery of such New Lease. Any curable default which cannot be cured by such lessee until it obtains possession shall be cured by the lessee within a reasonable time, subject to extension for Force Majeure Events, after it obtains possession.
- (d) **Lender's Right to Assign New Lease.** Lender, or its affiliate, if it or its affiliate is the initial lessee under the New Lease, may assign such New Lease to any assignee of its choice which is approved by Lessor, which approval shall not be unreasonably withheld or delayed, and shall thereupon be released from all liability for the performance or observance of the covenants and conditions in such New Lease contained and on the lessee's part to be performed and observed from and after the date of such assignment, provided that a certified copy of such assignment shall be promptly provided to Lessor and that the assignee therein shall expressly assume and

agree to observe and perform all of the covenants of Lessee contained in said New Lease.

- 7.6 **No Merger.** Ownership by or for the same person of both the fee and Leasehold Estate in the Premises shall not affect the merger thereof without the prior written consent of any mortgagee of either of such estates to such merger. There shall be no merger of the Leasehold Estate with the fee estate in the Premises by reason of the fact that one Leasehold Estate may be held directly or indirectly by or for the account of any person who shall also hold directly or indirectly the fee estate, or any interest therein, nor shall there be any such merger by reason of the fact that all or any part of the Leasehold Estate may be conveyed or mortgaged to a mortgagee who shall also hold directly or indirectly the fee estate in the Premises or any interest of Lessor under this Lease.
- 7.7 **Surrender and Amendment.** No surrender (except a surrender upon the natural expiration of the Term or upon termination of this Lease by Lessor pursuant to the provisions hereof) by Lessee to Lessor, of this Lease, the Leasehold Estate or any part thereof or interest therein shall be valid or effective without the prior written consent of any then-subsisting record Lender of whose interest Lessor shall have been given written notice in accordance with the terms of this Lease. This Lease shall not be amended or modified in any way that reasonably may be deemed or construed to affect the material rights and obligations of any Lender which is a then-subsisting record mortgagee of whose interest Lessor shall have been given written notice in accordance with the terms of this Lease unless such mortgagee shall give its written consent thereto.

ARTICLE VIII DEFAULTS AND REMEDIES

- 8.1 **Events of Default.** Lessee shall be in default under this Lease upon the occurrence and continuance of any of the following events (each, an "Event of Default"):
- (a) **Payment of Rent.** If Lessee shall fail to pay any Rent or any part thereof when due, provided that Lessor shall give Lessee written notices of non-payment of said Rent with respect to each of the first two (2) occasions of such non-payment in each calendar year of the term hereof, together with a period of five (5) business days after such notice to cure any such failure, prior to the existence of an Event of Default, or
 - (b) **Payments other than Rent.** If Lessee shall fail to observe and perform faithfully any of Lessee's covenants or agreements herein contained performable by the payment of money to persons other than Lessor (other than the payment to Lessor of amounts paid by Lessor to others as provided herein, which payments shall be payments of Rent) and such default shall continue for thirty (30) days (or such other and longer applicable cure period as may be in this Lease expressly provided) after a statement therefor given by the obligee to Lessee, unless Lessee shall have taken steps in good faith in such period to remedy the same and is continuing to so act with respect thereto with diligence and continuity reasonably satisfactory to Lessor, or

- (c) **Breach of Other Agreement.** If Lessee shall fail to observe or perform faithfully any of Lessee's other covenants or agreements herein contained and such default shall continue for thirty (30) days (or such other applicable cure period as may be in this Lease expressly provided) after written notice thereof given by Lessor to Lessee unless Lessee shall have taken steps in good faith within such period to remedy the same and is continuing to act with respect thereto with diligence and continuity reasonably satisfactory to Lessor, or
- (d) **Abandonment of Premises.** If Lessee shall abandon the Premises, or
- (e) **Attachment.** If this Lease or any estate or interest of Lessee hereunder shall be sold under any attachment or execution, other than to a Lender or purchaser at foreclosure as provided herein.

8.2 **Remedies.** Upon the occurrence of any one or more of the Events of Default, Lessor may, at its election, subject to and conditioned upon the rights of any lender as provided in Article VII or any other provision hereof, terminate this Lease, or terminate Lessee's right to possession only, without terminating the Lease. Upon termination of the Lease, or upon any termination of the Lessee's right to possession without termination of the Lease, Lessee shall surrender possession and vacate the leased premises immediately, and deliver possession thereof to Lessor, and hereby grants to Lessor the full and free right, without demand or notice of any kind to Lessee (except as hereinabove expressly provided for), to enter into and upon the leased premises in such event, with or without process of law, and to repossess the leased premises at Lessor's former estate, and to expel or remove Lessee and any others who may be occupying or within the leased premises, without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, without incurring any liability for any damage resulting therefrom, and without relinquishing Lessor's rights to rent or any other right given to Lessor hereunder or by operation of law. Upon termination of the Lease, Lessor shall be entitled to recover, as damages, all rent and other sums due and payable to Lessor on the date of termination, plus (1) an amount equal to the rent and other sums provided herein to be paid by Lessee for the residue of the stated term hereof on the dates originally fixed herein for payment thereof, and (2) the cost of performing any other covenants to be performed by Lessee. If Lessor elects to terminate Lessee's right to possession only, without terminating the Lease, the Lessor may, at Lessor's option, enter into the leased premises, remove Lessee's signs and other evidence of tenancy, and take and hold possession thereof as hereinabove provided, without such entry and possession terminating the Lease or releasing Lessee, in whole or in part, from Lessee's obligations to pay the rent hereunder for the full term or from any other of its obligations under this Lease, subject to the offset of all sums received by Lessor from any reletting. Lessor may, but shall be under no obligation so to do, relet all or any part of the leased premises for such rent and upon such terms as shall be satisfactory to Lessor (including the right to relet the leased premises for a term greater or lesser than that remaining under the Lease term, the right to relet the leased premises as a part of a larger area, and the right to change the character or use made of the leased premises). For the purpose of such reletting, Lessor may decorate or make any repairs, changes, alterations or additions in or to the leased premises that may be necessary or convenient. If Lessor does not relet the leased premises, Lessee shall pay to Lessor on

demand damages equal to the amount of the rent and other sums provided herein to be paid by Lessee for the remainder of the Lease term. If the leased premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the expenses of such decorations, repairs, changes, alterations, additions, the expenses of such reletting, and the collection of the rent accruing therefrom (including, but not by way of limitation, attorneys' fees and broker's commissions), to satisfy the rent and other charges herein provided to be paid for the remainder of the Lease term, Lessee shall pay to Lessor on demand any deficiency, and Lessee agrees that Lessor may file suit to recover any sums falling due under the terms of this section from time to time. In no event shall Lessor or its assigns be entitled to recover any punitive, exemplary, or consequential damages against Lessee. Lessor hereby waives any right it has for the recovery of such damages.

- 8.3 **Non-Waiver.** Acceptance of rent by Lessor shall not be deemed a waiver by it of any breach by Lessee of any covenant herein contained or of Lessor's right to re-enter for breach of condition. Waiver by Lessor of any breach by Lessee shall not operate to extinguish the term, covenant or condition, the breach whereof has been waived, nor be deemed to be a waiver of Lessor's right to declare a forfeiture for any other breach thereof.

ARTICLE IX MISCELLANEOUS

- 9.1 **Approval and Consent.** Except as expressly provided herein, no approval or consent of Lessor required by any provision hereof shall be unreasonably or arbitrarily withheld, delayed or conditioned. Lessor shall use its reasonable best efforts to cooperate with Lessee in expediting all reasonable requests for approval or consent, and, if such approval or consent is refused, Lessor shall so state in writing and give its reasons therefor; provided, however, that in those instances wherein Lessor has reserved the arbitrary right to grant or withhold its consent or approval, no reason need be given. if Lessor shall fail to so approve or disapprove any request for approval or consent within thirty (30) days after the date on which notice of such request is given to Lessor as provided herein, together with documents and information reasonably necessary for Lessor to determine such matter (or within such other time as Lessor and Lessee shall mutually in writing agree), such request shall be deemed approved and such consent shall be deemed given.
- 9.2 **Assumption of Risk.** Lessee assumes all risk of loss or damage to furnishings, furniture, fixtures, equipment, supplies, merchandise and other property, by whomsoever owned, which is stored or placed on the Premises and does hereby agree that Lessor shall not be responsible for any loss or damage to any such property other than as a result of the gross negligence or wilful misconduct of Lessor or Lessor's agents, contractors, employees or affiliates and not at the direction or behest of Lessee, and Lessee hereby agrees to indemnify and save harmless Lessor from and against any and all claims for such loss or damage, except for damage attributable to Lessee as specified.
- 9.3 **Modification of Lease.** At Lessee's request, in the event a modification of this Lease is necessary to secure mortgage financing for the construction of the Improvements from any Lender, Lessor will agree to modify this Lease to the extent reasonably necessary to secure

such financing, provided that such modifications will not result in any lengthening of the Term nor adversely affect in any material respect any rights of Lessor under this Lease.

- 9.4 **Cancellation Not Merger.** The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation hereof, or the termination hereof by Lessor pursuant to any provision contained herein, shall not work a merger, but at the option of Lessor shall either terminate any or all existing subleases or subtenancies hereunder, including, without limitation, any life care contracts, or operate as an assignment to Lessor of any or all of such subleases or subtenancies, including, without limitation, life care contracts. Nothing herein contained shall be deemed or construed to require Lessor under any circumstances to assume or accept assignment of any life care contracts nor to permit attornment or any holding over by the holders thereof.
- 9.5 **Notices.** Any notice, demand or other communication (in this section, collectively, "notice") to Lessor, Lessee or Lender provided for or permitted by this Lease shall be given in writing (unless otherwise expressly provided), and may be: (a) mailed by United States registered or certified mail, return receipt requested, addressed to such party at its post office address herein specified or the last such address designated by such party in writing to the other; or (b) delivered personally to any officer of the party to be notified, if such party is a corporation or any general partner of a party to be notified if such is a partnership, as the case may be; or (c) sent by overnight delivery, addressed to the party to be notified at the address hereinafter specified. Any such written notice shall be deemed received at the time of such personal delivery, or at 5:00 P.M. on the third business day after being deposited with the United States mail as aforesaid, or on the business day after deposit thereof with an overnight courier delivery service, as the case may be.

Lessor: Intercity Investment Properties, Inc.
ATTN: Edwin B. Jordan, Jr.
4301 Westside Drive
Dallas, Texas 75209

Lessee: _____

Lender: _____

- 9.6 **Construction.** This Lease is the product of extensive negotiations in which Lessor and Lessee are represented by legal counsel of their choice. Lessor and Lessee enter into this Lease freely and after consultation with counsel and other professional advisors. Neither Lessor nor Lessee is acting under duress or compulsion. Accordingly, neither Lessor nor

Lessee shall be deemed the drafter of this Lease and neither this Lease nor any provision hereof shall be construed against either Lessor or Lessee as drafter.

- 9.7 **No Partnership Intended.** Lessor and Lessee agree that Lessor in no event and for no purpose is a partner of Lessee in the conduct of any of its businesses or other affairs or joint ventures or members of a joint enterprise with Lessee. The relationship of the parties is that of landlord and tenant.
- 9.8 **Governing Law and Venue.** This Lease and all of its provisions shall be governed by and construed in accordance with the law of the State of Texas other than that which would require reference to the law of another jurisdiction. The venue for any action with respect to this Lease shall be in Dallas County, Texas.
- 9.9 **Waiver of Jury Trial.** Lessor and Lessee each hereby voluntarily and knowingly waive and relinquish its right to a trial by jury in any action, proceeding or counterclaim brought by either against the other as to any matter whatsoever arising out of or in any way connected with this Lease.
- 9.10 **Time Is Of The Essence.** Time is expressly declared to be of the essence of this Lease and the performance and observance of all of the terms, covenants and conditions of this Lease.
- 9.11 **Memorandum of Lease.** Lessee shall not record this Lease without the prior written consent of Lessor, which consent Lessor may arbitrarily withhold; provided, however, that concurrently with the execution of this Lease, Lessor and Lessee shall join in the execution of a memorandum of this Lease (the "Memorandum") for the purpose of recordation in the form attached hereto as Exhibit "C" and made a part hereof and such Memorandum shall be promptly recorded in the Real Property Records of Dallas County, Texas in connection with the inception hereof.
- 9.12 **Captions and Headings.** The captions and headings of the Articles, Sections and subsections of this Lease are inserted only for convenience and reference and shall in no way define, expand or limit the scope or intent of any provisions of this Lease.
- 9.13 **Copies.** Wherever in this Lease it is provided that Lessor or Lessee shall provide a copy of any instrument, document or report, the copy shall be full, true and complete, with all of its exhibits, appendices and schedules. The recipient also shall be entitled to receive a copy of any matter cross-referenced or referred to in any instrument, document or report required to be given it hereunder.
- 9.14 **Estoppel Certificates.** Each party will, from time to time upon reasonable written request therefor from the other party or its Lender(s) or mortgagee(s), furnish to the other party or its Lender or mortgagee an estoppel certificate duly executed and acknowledged and certifying (a) that the Lease is unmodified and in full force and effect or if the Lease has been modified, is in full force and effect as modified and identifying the modifications; (b) whether or not there is, to such party's knowledge, then any default of this Lease by the other party or, to the party's knowledge, any condition which with the passage of time or delivery

of notice would become a default, and, if so specifying, the nature thereof, (c) the dates to which rent and any other charges payable under the Lease have been paid; and (d) such other information as may reasonably be requested. Lessor and Lessee will furnish their estoppel certificates without any charge.

- 9.15 **Lease Prior To Any Mortgages Or Security Interest On Fee.** At all times while this Lease remains in effect, the Lease and the Leasehold Estate established under this Lease shall be prior and superior to any mortgages or other security interests granted by Lessor on Lessor's fee simple interest in the Land.
- 9.16 **Lessor's Representations and Warranties.** Lessor represents and warrants to Lessee, which representations and warranties shall survive the commencement of this Lease, that the person signing this Lease on behalf of Lessor is authorized to do so, that Lessor has full right and authority to enter into this Lease, and that the execution, consent or acknowledgment of no other person is necessary in order to validate the execution of this Lease by Lessor. Upon full execution, this Lease shall be valid, legally binding and enforceable against Lessor according to the terms of this Lease.
- 9.17 **Lessee's Representations and Warranties.** Lessee represents and warrants to Lessor, which representations and warranties shall survive the commencement of this Lease, that the person signing this Lease on behalf of Lessee is authorized to do so, that Lessee has full right and authority to enter into this Lease, and that the execution, consent or acknowledgment of no other person is necessary in order to validate the execution of this Lease by Lessee. Upon full execution, this Lease shall be valid, legally binding and enforceable against Lessee according to the terms of this Lease.
- 9.18 **Entire Agreement, Binding Effect.** This Lease and those provisions of the Option Agreement continuing thereunder as provided therein and those leases and service contracts to be assumed by Lessee hereunder constitute a complete integration of all prior agreements between Lessor and Lessee and the entire agreement of Lessor and Lessee, and supersedes all oral and written agreements and understandings made and entered into by the parties or their agents. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by each of them. This Lease shall be binding upon and inure to the benefit of the Lessor and Lessee and their respective successors and assigns or permitted assigns. Whenever the term "Lessee" shall refer to more than one person or entity, the covenants and agreements of the Lessee shall be jointly and severally binding upon each such person or entity.

Lessor:

INTERCITY INVESTMENT PROPERTIES, INC.

By: _____
Edwin B. Jordan, Jr. _____

Lessee:

By: _____

Name: _____

Title: _____

EXHIBIT "A"
TO
GROUND LEASE

The Land

TRACT I

Being Lots 1 thru 7, Block 8/5464 of PRESTONVILLE, an Addition to the City of DALLAS, DALLAS County, Texas, according to the Plat thereof recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas.

TRACT II

Being Lots 1 thru 8, Block 9/5464 of PRESTONVILLE, an Addition to the City of DALLAS, DALLAS County, Texas, according to the Plat thereof recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas.

Provided, if abandonment is successful and the Owner acquires title to the alleyways and part of Beauregard Drive, both within the above described area, the portion thereof abandoned by the City of Dallas and acquired by Owner shall be a part of the Land subject to lease.

(TO BE REPLACED WHEN THE LAND IS REPLATTED)

EXHIBIT "B"
TO
GROUND LEASE

Permitted Exceptions

EXHIBIT "C"
TO
GROUND LEASE

Ground Lease Memorandum

EXHIBIT "D"
TO
GROUND LEASE

Essential Areas

DECLARATION OF RESTRICTIONS

STATE OF CALIFORNIA §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF MARIN §

WHEREAS, THE NEW HAMILTON PARTNERSHIP, L.P. a Delaware limited partnership ("Declarant"), is the owner of record of that certain tract of real property more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Restricted Property");

WHEREAS, COURTYARD MANAGEMENT CORPORATION, a Delaware corporation ("Owner"), is the owner of record of that certain tract of real property adjacent to the Restricted Property (the "Adjacent Property") which is more particularly described on Exhibit "B" attached hereto and made a part hereof; and,

WHEREAS, Owner purchased the Adjacent Property on the condition that Declarant would place certain restrictions against the Restricted Property as hereinafter set forth, which restrictions are intended to benefit Owner and its successors-in-interest as owners of the Adjacent Property.

NOW, THEREFORE, for and in consideration of the premises, the sufficiency of which is hereby acknowledged by Declarant, Declarant does hereby publish, declare and impose the following restrictions upon the Restricted Property:

1. For a period of five (5) years from and after the date on which Owner commences operation of its lodging facility on the Adjacent Property, the Restricted Property shall not be used for hotel, motel or any other type of transient lodging purposes, except any such use by Marriott International, Inc. or any subsidiaries thereof.

2. The restrictions set forth herein shall be deemed to be "covenants running with the land" and shall burden the Restricted Property for the benefit of Owner and its successors-in-interest as owners of the Adjacent Property.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Restrictions as of the
____ day of _____, 1997.

DECLARANT:

THE NEW HAMILTON PARTNERSHIP, L.P.,
a Delaware limited partnership

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____ §
____ §
COUNTY OF _____ §

On _____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed this instrument.

Witness my hand and official seal.

Signature: _____

EXHIBIT "A"

DECLARATION OF RESTRICTIONS - Exhibit "A"

15409_1 (88738/019)

Exhibit "C"
Title Policy Commitment

TO
GROUND LEASE OPTION AGREEMENT

Lawyers Title Insurance Corporation

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

COMMITMENT FOR TITLE INSURANCE

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We, LAWYERS TITLE INSURANCE CORPORATION will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule B and Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, expedited delivery expenses.

The Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

AMERICAN TITLE COMPANY
6029 Beltline Road @ Preston, Suite 250
Dallas, TX 75240

Charles S. Badgett • Carole M. Badgett
Phone: 972/789-8400 Fax: 972/789-8029

Lawyers Title Insurance Corporation

By: *Janet A. Alpert*
President

Attest: *[Signature]*
Secretary.

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.

LAWYERS TITLE INSURANCE CORPORATION
COMMITMENT FOR TITLE INSURANCE
SCHEDULE A

Case No. 97 BC 445017-W (00004)

Effective Date of Commitment: July 17, 1997, 8:00 o'clock a.m.
Issue Date: August 8, 1997

1. The Policy or policies to be issued are:
 - (a) OWNER POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount: \$ TO BE DETERMINED
Proposed Insured: TO BE DETERMINED
 - (b) TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE
--ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount: \$
Proposed Insured:
 - (c) MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount: \$
Proposed Insured:
Proposed Borrower:
 - (d) MORTGAGEE TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
Binder Amount: \$
Proposed Insured:
Proposed Borrower:
 - (e) OTHER:
Policy Amount: \$
Proposed Insured:
2. The interest in the land covered by this commitment is:
FEE SIMPLE
3. Record title to the land on the Effective Date appears to be vested in:
CORRIGAN PROPERTIES, INC., a Texas corporation
4. Legal description of land:
See Exhibit A attached hereto and made a part hereof for all purposes.

LAWYERS TITLE INSURANCE CORPORATION

EXHIBIT A

TRACT I

Being Lots 1 thru 7, Block 8/5464 of PRESTONVILLE, an Addition to the City of DALLAS, DALLAS County, Texas, according to the Plat thereof recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas.

TRACT II

Being Lots 1 thru 8, Block 9/5464 of PRESTONVILLE, an Addition to the City of DALLAS, DALLAS County, Texas, according to the Plat thereof recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas.

Case No. 97 BC 445017-W (00004)

DOC# 1

LAWYERS TITLE INSURANCE CORPORATION

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

ITEM 1 OF SCHEDULE B IS HEREBY DELETED IN ITS ENTIRETY.

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any of any spouse of any insured. (Applies to the Owner Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across the area.

(Applies to Owner Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year 1997, and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is shown to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Mortgagee Policy only.)
9. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):

Rights of parties in possession. (Owner's Title Policy only)
10. Lease of laundry facilities granted to UNITED COIN METER COMPANY, INC. by instrument dated March 31, 1976, filed May 19, 1976, recorded in Volume 76097, Page 2079, Deed Records, DALLAS County, Texas.

- Affects Tract I.
11. The following easement(s) and/or building lines, as shown on plat recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas, to-wit:

(CONT. ON SCH. B, PAGE 2)

LAWYERS TITLE INSURANCE CORPORATION

SCHEDULE B (page 2)

- a. 25 foot building line along the East property line of Lots 2, 4, 6, Block 8/5464.
 - b. 25 foot building line along the North property line of Lots 1 and 2, Block 8/5464.
 - c. 25 foot building line along the West property property line of Lots 1, 3, 5 and 7, Block 8/5464.
 - d. 25 foot building line along the South property line property line of Lots 6 and 7, Block 8/5464.
 - Affects Tract I.
12. The following easement(s) and/or building lines, as shown on plat recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas, to-wit:
- a. 25 foot building line along the East property property line of Lots 2, 4, 6 and 8, Block 9/5464.
 - b. 25 foot building line along the North property property line of Lots 1 and 2, Block 9/5464.
 - c. 25 foot building line along the West property property line of Lots 1, 3, 5 and 7, Block 9/5464.
 - d. 25 foot building line along the South property property line of Lots 7 and 8, Block 9/5464.
 - Affects Tract II.
13. Right of Entry granted to WARNER AMEX CABLE COMMUNICATIONS, INC. by instrument dated December 2, 1981, filed June 23, 1982, recorded in Volume 82123, Page 0112, Deed Records, DALLAS County, Texas.
- Affects both Tracts.
14. Rights of tenants in possession, as tenants only, under any unrecorded rental or lease agreements.
15. Rights of the public, the State of Texas and the municipality in and to that portion of subject property, if any, lying within the boundaries of any roadway, public or private.
16. Easements, or claims of easements, which are not recorded in the public records. (Owner's Title Policy only)
17. Any and all matters which would be shown on a current, correct survey of the property.

LAWYERS TITLE INSURANCE CORPORATION

SCHEDULE C

Your Policy will not cover loss, costs, attorneys fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - all standby fees, taxes, assessments and charges against the property have been paid,
 - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialman's liens have attached to the property,
 - there is legal right of access to and from the land,
 - (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. Deed of Trust executed by PRESTONVILLE APARTMENTS NO. 10, INC. to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$120,600.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated January 18, 1949, filed of record on January 19, 1949, and recorded in Volume 1971, Page 471, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

 - Affects Tract I (Lot 1).
6. Deed of Trust executed by PRESTONVILLE APARTMENTS NO. 15, INC., a corporation, to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$152,900.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated January 18, 1949, filed of record on January 19, 1949, and recorded in Volume 1971, Page 474, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

 - Affects Tract I (Lot 6).
7. Deed of Trust executed by FRANKLIN MANOR APTS. INC. NO. 8 to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$123,467.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated January 18, 1949, filed of record on January 18, 1949, and recorded in Volume 1971, Page 384, Deed of Trust Records, DALLAS County, Texas.

(CONT. ON SCH. C, PAGE 2)

LAWYERS TITLE INSURANCE CORPORATION

SCHEDULE C (page 2)

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract II (Lot 9).

8. Deed of Trust executed by FRANKLIN MANOR APTS. INC. NO. 1 to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$125,229.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated January 18, 1949, filed of record on January 19, 1949, and recorded in Volume 1971, Page 445, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract II (Lot 1).

9. Deed of Trust executed by FRANKLIN MANOR APTS. INC. NO. 4 to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$189,921.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated February 15, 1949, filed of record on February 16, 1949, and recorded in Volume 1976, Page 587, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract II (Lot 4).

10. Deed of Trust executed by FRANKLIN MANOR APTS. INC. NO. 6 to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$189,256.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated February 15, 1949, filed of record on February 16, 1949, and recorded in Volume 1976, Page 591, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract II (Lot 9).

11. Deed of Trust executed by FRANKLIN MANOR APTS. INC. NO. 2 to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$125,391.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated February 15, 1949, filed of record on February 16, 1949, and recorded in Volume 1976, Page 594, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract II (Lot 2).

12. Deed of Trust executed by FRANKLIN MANOR APTS. INC. NO. 5 to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPASNY in the payment of one note in the principal sum of \$190,500.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated December 21, 1948, filed of record on December 22, 1948, and recorded in Volume 1966, Page 164, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The

(CONT. ON SCH. C, PAGE 3)

LAWYERS TITLE INSURANCE CORPORATION

SCHEDULE C (page 3)

Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract II (Lot 5).

13. Deed of Trust executed by FRANKLIN MANOR APTS. INC. NO. 7 to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$125,700.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated December 21, 1949, filed of record on December 22, 1949, and recorded in Volume 1966, Page 167, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract II (Lot 7).

14. Deed of Trust executed by FRANKLIN MANOR APTS., INC. NO. 3 to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$100,370.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated December 21, 1948, filed of record on December 22, 1948, and recorded in Volume 1966, Page 170, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract II (Lot 3).

15. Deed of Trust executed by PRESTONVILLE APARTMENTS NO. 16, INC. to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$119,000.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated November 23, 1948, filed of record on November 24, 1948, and recorded in Volume 1959, Page 403, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract I (Lot 7).

16. Deed of Trust executed by PRESTONVILLE APARTMENTS NO. 11, INC. to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$118,800.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated November 23, 1948, filed of record on November 24, 1948, and recorded in Volume 1959, Page 407, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

- Affects Tract I (Lot 2).

17. Deed of Trust executed by PRESTONVILLE APARTMENTS NO. 13, INC. to T. L. BRADFORD, JR., Trustee(s), securing SOUTHWESTERN LIFE INSURANCE COMPANY in the payment of one note in the principal sum of \$183,300.00, and other indebtedness and performance as therein provided, which Deed of Trust is dated February 16, 1949, filed of record on February 16, 1949, and recorded in Volume 1977, Page 11, Deed of Trust Records, DALLAS County, Texas.

It appears the above lien may be barred by the statute of limitation. The Company requires confirmation from record owner that there is no unrecorded renewal or extension of same and that same is in fact paid and/or barred.

(CONT. ON SCH. C, PAGE 4)

LAWYERS TITLE INSURANCE CORPORATION

SCHEDULE C (page 4)

- Affects Tract I (Lot 4).

18. Company requires submission of/and recording of proof of the passage of title (i.e. deed, name change or merger) from Corrigan Properties, Inc., a Texas corporation, grantee in Deed recorded in Volume 69194, Page 65, Deed Records, DALLAS County, Texas, into Intercity Investments Properties, which has said property rendered for taxes in its name.
19. Company requires a resolution by the Board of Directors authorizing the transaction and showing proof of authority of those acting on its behalf.
20. Company must be furnished satisfactory proof from the Secretary of State of Texas that Corrigan Properties, Inc., a Texas corporation, and Intercity Investments Properties, Inc., is a corporation in good standing and is authorized to do business in the State of Texas.

AMERICAN TITLE COMPANY

Countersigned By: 
Authorized Officer or Agent

Page 8-Schedule C (Rev. 1-1-93)
DOC# 1
Case No. 97 BC 445017-W (00004)

Valid only if Schedule A And E
And Cover Page are Attached

LAWYERS TITLE INSURANCE CORPORATION
SCHEDULE D

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The following individuals are directors and/or officers, as indicated, of Lawyers Title Insurance Corporation, a wholly owned subsidiary of Lawyers Title Corporation:

President & Chief Operating Officer	Directors	Directors
Janet A. Alpert	Janet A. Alpert	William H. Goodwyn, Jr
	Kenneth Astheimer	Russell W. Jordan, III
	James L. Boren, Jr.	Charles W. Keith
Secretary	G. William Evans	Eugene F. Lanuzza
John M. Carter	Frederick H. Hemphill, Jr.	Charles H. Foster, Jr.
Senior Vice President, Treasurer and Chief Financial Officer		
G. William Evans		

2. The following disclosures are made by the Title Insurance Agent issuing this commitment: The following individuals are directors and/or officers, as indicated, of ATCOD, INC. dba American Title Company ("ATC").

Shareholders: American Title Group, Inc.

Officers:	Michael D. Richards	President - Dallas Division
	Harvey C. Coggins	President - Fort Worth Division
	Linda C. Brown	Controller
	Thomas G. Naler	Executive Vice President, Corporate Counsel
	Gayle Lynch	Executive Vice President
	Doug Collins	Executive Vice President

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving any sum from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:

Owners Policy	\$
Mortgagee Policy	\$
Tax Modification	\$
Survey Modification	\$
Endorsement Charges	\$
Total	\$TO BE DETERMINED

Of this total amount: \$.00 (17.7500%) will be paid to the policy issuing Title Insurance Company; \$.00 (82.2500%) will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

AMOUNT	TO WHOM	FOR SERVICES
(.0000%)		
(.0000%)		
(.0000%)		

* The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the State Board of Insurance.

DELETION OF ARBITRATION PROVISION
(Not applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$1,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The Arbitration provision in the Policy is as follows:

"Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this Policy, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less SHALL BE arbitrated at the request of either the Company or the Insured, unless the insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the rules in effect at the Date of Policy shall be binding upon the parties. The award may include attorney's fees only if the laws of the state in which the land is located permit a court to award attorney's fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the rules may be obtained from the Company upon request."

I request the deletion of the Arbitration provision.

SIGNATURE _____

DATE _____

LAWYERS TITLE INSURANCE CORPORATION
TEXAS TITLE INSURANCE INFORMATION

<p>Title Insurance insures you against loss resulting from certain risks to your title.</p> <p>The Commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The Commitment is a legal document. You should review it carefully to completely understand it before your closing date.</p>	<p>El seguro de titulo le asegura en relacion a perdidas resultantes de ciertos riesgos que pueden afectar el titulo de su propiedad.</p> <p>El Compromiso para Segura de Titulo es la promesa de la compania aseguradora de titulos de emitir la poliza de seguro de titulo. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y enterderlo completamente antes de la fecha para finalizar su transaccion.</p>
--	---

Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown on Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

EXCEPTIONS are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

EXCLUSIONS are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

CONDITIONS are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the State Board of Insurance by calling the Title Insurance Company at 1-800-442-7067 or by calling the title insurance agent that issued the Commitment. The State Board of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the Policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the Policy. Some of the changes to consider are:

Request amendment of the "area and boundary" exception (Schedule B, para-

(CONTINUED ON NEXT PAGE)

LAWYERS TITLE INSURANCE CORPORATION

TEXAS TITLE INSURANCE INFORMATION
(CONTINUED)

graph 2). To get this amendment, you must furnish a survey. On the Owner Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company, your policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments, or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy.

Allow the Company to add an exception to "rights of parties in possession". If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection.

If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

IMPORTANT NOTICE	AVISO IMPORTANTE
FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL OUR TOLL-FREE TELEPHONE NUMBER	PARA INFORMACION, O PARA SOMETER UNA QUEJA LLAME AL NUMERO GRATIS
1-800-442-7067	1-800-442-7067
ALSO, YOU MAY CONTACT THE TEXAS DEPARTMENT OF INSURANCE AT:	TAMBIEN PUEDE COMUNICARSE CON EL DEPARTAMENTO DE SEGUROS DE TEXAS AL:
1-800-252-3439 to obtain information on:	1-800-252-3439 para obtener informacion sobre:
1. filing a complaint against an insurance company or agent,	1. como someter una queja en contra de una compania de seguros o agente de seguros,
2. whether an insurance company or agent is licensed,	2. si una compania de seguros o agente de seguros tiene licencia,
3. complaints received against an insurance company or agent,	3. quejas recibidas en contra de una compania de seguros o agente de seguros,
4. policyholder rights, and	4. los derechos del asegurado, y
5. a list of consumer publications and services available through the Department.	5. una lista de publicaciones y servicios para consumidores disponibles a traves del Departamento.
YOU MAY ALSO WRITE TO:	TAMBIEN PUEDE ESCRIBIR AL:
THE TEXAS DEPARTMENT OF INSURANCE P.O. BOX 149104 AUSTIN, TEXAS 78714-9104 FAX NO. (512) 475-1771	DEPARTAMENTO DE SEGUROS DE TEXAS P.O. BOX 149104 AUSTIN, TEXAS 78714-9104 FAX NO. (512) 475-1771

Exhibit "D"
Blanket Conveyance, Bill of Sale and Assignment

EXHIBIT "D"

BLANKET CONVEYANCE, BILL OF SALE AND ASSIGNMENT

This Blanket Conveyance, Bill of Sale and Assignment is entered into by and between _____ ("Purchaser") and **INTERCITY INVESTMENT PROPERTIES, INC.** ("Seller").

Recitals:

A. Concurrently with the execution and delivery of this instrument, Seller is leasing to Purchaser by Ground Lease all of that certain parcel of real property, together with improvements thereon, generally known as a part of Preston Village Apartments situated in Dallas County, Texas (hereinafter called the "Property"), more particularly described in Exhibit A attached hereto and made a part hereof for all purposes.

B. It is the desire of Seller to hereby convey, transfer, set over and assign unto Purchaser all of Seller's right, title and interest in the following:

(i) All fixtures, furniture, carpeting, draperies, appliances, building supplies, equipment, machinery, inventory and other items of personal property presently owned by Seller and presently affixed, attached to, placed or situated upon the Property and use in connection with the ownership, operation and occupancy of the Property (the "Personal Property"); however, the Personal Property does not include such property which is owned by tenants of the Property or owned by third parties and leased to Seller;

(ii) All leasing, service, supply and maintenance contracts ("Contracts") relating to the Property; and

(iii) All tenant lease agreements ("Leases") affecting the Property, together with all security deposits ("Security Deposits") of tenants occupying the Property for which Seller is liable under the Leases.

C. The Personal Property, the Contracts, the Leases, the Security Deposits, and all other right, title and interest of Seller intended to be conveyed, transferred, set-over or assigned by this instrument are hereinafter collectively referred to as the "Transferred Properties."

CONVEYANCE, ASSIGNMENT AND AGREEMENT

D. For and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby CONVEY, TRANSFER, SET-OVER AND ASSIGN unto Purchaser the Transferred Properties upon the following terms and conditions:

1. IT IS UNDERSTOOD AND AGREED THAT, OTHER THAN ITS OWNERSHIP OF THE PROPERTY AND ITS RIGHT TO TRANSFER THE TRANSFERRED PROPERTIES TO PURCHASER, SELLER IS NOT MAKING AND SPECIFICALLY

DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRANSFERRED PROPERTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE TRANSFERRED PROPERTIES INCLUDING, WITHOUT LIMITATION: (1) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE TRANSFERRED PROPERTIES AND PARTICULARLY WITH REGARD TO THE PROJECT; (2) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY OF THE TRANSFERRED PROPERTIES; AND (3) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE TRANSFERRED PROPERTIES. PURCHASER AGREES THAT, WITH RESPECT TO THE TRANSFERRED PROPERTIES, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY AGENT OF SELLER. PURCHASER REPRESENTS THAT IT IS KNOWLEDGEABLE WITH RESPECT TO REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS AND THAT PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE TRANSFERRED PROPERTIES, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAID INSPECTIONS BY PURCHASER, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. PURCHASER FURTHER ACKNOWLEDGES THAT SELLER HAS NOT MADE AND DOES NOT MAKE ANY WARRANTIES OR REPRESENTATIONS REGARDING THE QUALIFICATIONS OR EXPERTISE OF THE RESPECTIVE PARTIES CONDUCTING ANY SURVEY OR STUDY FOR PURCHASER AND THAT SELLER HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION WITH RESPECT THERETO. PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER HAS TRANSFERRED TO PURCHASER, AND PURCHASER HAS ACCEPTED THE TRANSFERRED PROPERTIES "AS IS, WHERE IS" WITH ALL FAULTS, AND PURCHASER FURTHER KNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE TRANSFERRED PROPERTIES BY SELLER, ANY AGENT OF SELLER OR ANY THIRD PARTY. THE TERMS AND CONDITIONS OF THIS PARAGRAPH SHALL EXPRESSLY SURVIVE THE CLOSING AND DELIVERY OF THIS BLANKET CONVEYANCE, BILL OF SALE AND ASSIGNMENT AND SHALL BE INCORPORATED INTO THE LEASE. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE TRANSFERRED PROPERTIES FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN.

2. This Conveyance, Assignment and Agreement is made and accepted expressly subject to the Ground Lease of even date herewith, executed by Seller, as Lessor, leasing the Property to Purchaser, as Lessee.

3. Purchaser hereby accepts the conveyance and assignment to Purchaser of the Transferred Properties and hereby assumes all of Seller's rights and obligations under the Transferred Properties.

4. This Blanket Conveyance, Bill of Sale and Assignment and the covenants, conditions and agreements herein applies to, inures to the benefit of, and binds Seller and Purchaser, and their respective heirs, legatees, devisees, administrators, executors, successors and assigns.

5. Seller hereby represents and warrants to Purchaser as follows:

(a) as to the Leases, (i) that Seller is the owner of and is transferring all of the rights of lessor named in such Leases, and (ii) that the assignment hereunder is made without recourse as to Seller as to the performance of any party after the date hereof under said Leases; and

(b) as to the Contracts, (i) that Seller is the owner of such rights subject to the rights of other parties thereunder and the terms thereof, and (ii) that the assignment hereunder is made without recourse as to Seller as to the performance of any party under such Contracts.

EXECUTED the ____ day of _____, _____, to be effective the
____ day of _____, _____.

SELLER

INTERCITY INVESTMENT PROPERTIES, INC.

By: _____
Edwin B. Jordan, Jr., President

PURCHASER

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The above instrument was personally acknowledged before me on the _____ day of _____, _____, by Edwin B. Jordan, Jr., President of **INTERCITY INVESTMENT PROPERTIES, INC.**, a Texas corporation, on behalf of said corporation.

Notary Public

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The above instrument was personally acknowledged before me on the _____ day of _____, _____, by _____, _____ of _____, _____, on behalf of said _____.

Notary Public

**Exhibit “E”
Disclaimer**

EXHIBIT "E"

DISCLAIMER

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The undersigned, _____, a _____, as Lessee, in connection with the execution of the Ground Lease by and between the undersigned and **INTERCITY INVESTMENT PROPERTIES, INC.**, as Lessor, is aware that **INTERCITY INVESTMENT PROPERTIES, INC.**, is executing the Ground Lease based upon the representations contained herein and, but for these representations, Lessor would not sign the Ground Lease.

IT IS UNDERSTOOD AND AGREED THAT, OTHER THAN ITS OWNERSHIP OF THE PROPERTY AND ITS RIGHT TO LEASE THE PROPERTY TO LESSEE, LESSOR IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, AVAILABILITY OF ACCESS (SPECIFICALLY MAKING NO WARRANTY OF COMPLIANCE WITH THE REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT OF 1990) INGRESS OR EGRESS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY INCLUDING, WITHOUT LIMITATION: (1) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABLE OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY AND PARTICULARLY WITH REGARD TO THE PROJECT; (2) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY OF THE PROPERTY; AND (3) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY. LESSEE AGREES THAT, WITH RESPECT TO THE PROPERTY, LESSEE HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF LESSOR OR ANY AGENT OF LESSOR. LESSEE REPRESENTS THAT IT IS KNOWLEDGEABLE WITH RESPECT TO REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF LESSEE'S CONSULTANTS AND THAT LESSEE WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAID INSPECTIONS BY LESSEE, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY LESSEE'S INSPECTIONS AND INVESTIGATIONS. LESSEE FURTHER ACKNOWLEDGES THAT LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTIES OR REPRESENTATIONS REGARDING: (1) THE TRUTH OR ACCURACY OF ANY SURVEY OR STUDY AND/OR (2) THE QUALIFICATIONS OR EXPERTISE OF THE RESPECTIVE PARTIES CONDUCTING SAME AND THAT LESSOR HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION WITH RESPECT THERETO. LESSEE ACKNOWLEDGES AND AGREES THAT, UPON CLOSING, LESSOR SHALL LEASE TO

LESSEE, AND LESSEE SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS" WITH ALL FAULTS, AND LESSEE FURTHER KNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLATERAL TO OR AFFECTING THE PROPERTY BY LESSOR, ANY AGENT OF LESSOR OR ANY THIRD PARTY. THE TERMS AND CONDITIONS OF THIS PARAGRAPH SHALL EXPRESSLY SURVIVE THE CLOSING AND SHALL NOT MERGE THEREIN AND SHALL BE INCORPORATED INTO THE LEASE. LESSOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN.

SIGNED this _____ day of _____, _____.

LESSEE

a _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The above instrument was personally acknowledged before me on the _____ day of _____, _____, by _____, _____ of _____, on behalf of said _____.

Notary Public

Exhibit "F"
Indemnity Agreement

EXHIBIT "F"

INDEMNITY AGREEMENT

This Agreement is made by and between **INTERCITY INVESTMENT PROPERTIES, INC.** ("Lessor") and _____, ("Lessee").
In consideration of the promises contained herein, Lessee agrees as follows:

1. Lessor has assigned and delivered to Lessee all Security Deposits in connection with any tenants upon the property described in Exhibit A attached hereto.
2. Attached hereto are the Tenant Notice Letters executed by Lessee which letters acknowledge receipt of and responsibility for the Tenant Security Deposits.
3. Lessee agrees to indemnify Lessor and hold Lessor harmless from any and all claims, causes of action, damages, judgments and expenses incurred or suffered by Lessor as a result of any claim made by any tenant asserting a right to a Security Deposit referred to in the attached Tenant Notice Letters.

SIGNED this _____ day of _____, _____.

LESSOR

INTERCITY INVESTMENT PROPERTIES, INC.

By: _____
Edwin B. Jordan, Jr., President

LESSEE

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The above instrument was personally acknowledged before me on the _____ day of _____, _____, by Edwin B. Jordan, Jr., President of **INTERCITY INVESTMENT PROPERTIES, INC.**, as the act of said corporation.

Notary Public

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The above instrument was personally acknowledged before me on the _____ day of _____, _____, by _____, _____ of _____, on behalf of said _____.

Notary Public

**NORTHWEST LIFECARE
COMMISSION AGREEMENT**

This Agreement made this 5th day of November, 1997, by and between STEVE DONOSKY COMPANY ("Broker") and NORTHWEST LIFECARE JOINT VENTURE, a Texas Joint Venture ("Northwest"), and its assigns. _____

WITNESSETH THAT:

WHEREAS, Broker has assisted Northwest in negotiations regarding an option agreement (the "Option Agreement") to enter into a ground lease agreement (the "Lease") with Intercity Investment Properties, Inc. ("IIP");

WHEREAS, Broker and Northwest acknowledge that inherent in the negotiations between Northwest and IIP is the expectation that the Option Agreement will be assigned by Northwest to a lessee ("Lessee") pursuant to the Option Agreement and that Lessee will assume all obligations of Northwest thereunder including the commissions the subject hereof; and

WHEREAS, Northwest and Broker anticipate that Lessee will enter into the Lease with IIP, Northwest and Broker desire to set out their agreement with regard to the brokerage commission to be received by Broker in the event the Lease is consummated,

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Broker and Northwest hereby agree as follows:

1. In the event (and only in the event) that the Lease is agreed to, executed and delivered, then Northwest and its assigns shall thereupon be obligated to pay to Broker, as provided below, a cash commission ("Primary Commission") equal to two and one-half percent (2.5%) of Base Rentals (as below defined) due to IIP during the term of the Lease. "Base Rentals" shall mean the annual rental however and whenever paid in all events to IIP pursuant to the Lease, including any and all escalations thereto. The Primary Commission shall be payable contemporaneously with the payment of the Base Rental after commencement of the Lease.

2. The payment of the final installment of the Primary Commission by Northwest or its assigns shall fully satisfy all obligations to the Broker. All expenses incurred by Broker in connection with the Option Agreement, the Lease or otherwise will be the sole responsibility of Broker. Notwithstanding any other provision herein, it is expressly understood and agreed that the obligation of Northwest and its assigns to pay a commission arising out of consummation of or otherwise with respect to the option agreement and the Lease with IIP shall, in all events, be limited to the amount payable as the Primary Commission (collectively, the "Commissions"). Broker agrees that in the event of any such conflicting or additional claims for commissions with respect to the Lease, Northwest may tender the Commissions to a court of competent jurisdiction

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for such court's determination as to the proper recipient of the Commissions without further obligation to Broker by Northwest.

3. The Primary Commission shall become due and payable only when, as and if the Lease is duly executed and delivered between Lessee and IIP.

4. Northwest and its assigns reserve the right, in their sole and absolute discretion and for any reason whatsoever, to accept or reject any proffered lease transaction at any time up to the execution and delivery of the pertinent documents.

5. This Agreement is expressly assignable by Northwest. In the event Lessee or other entity shall expressly assume in writing the obligations of Northwest with respect to the Commissions, Northwest shall be relieved of any obligation and responsibility with respect to the payment of the Commissions without the prior written consent of Broker. This Agreement is expressly assignable by Broker.

6. All covenants shall, to the extent relevant to such periods, survive the execution and delivery and the subsequent assignment by Northwest of the Option Agreement and the execution and delivery of the Lease by Lessee, and shall, in addition, survive the payment of all or part of the Commissions to Broker.

7. Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) United States Main, postage prepaid, registered or certified mail, or (d) prepaid telegram or telex (provided that such telegram or telex is confirmed by expedited delivery service or by mail in the manner previously described) addressed as follows:

To Broker:

Steve Donosky Company
12221 Merit, Suite 1750
Dallas, Texas 75251

with a copy to:

Louis N. Lee, III
McCue & Lee, P.C.
Three Lincoln Centre
5430 LBJ Freeway, Suite 1050
Dallas, Texas 75240

To Northwest:

Northwest Lifecare Associates, Ltd.
Attn: Alan T. Gregory
4403 Loma Alta
Dallas, Texas 75205
Facsimile No.: (214) 526-0614

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and

Greystone Communities, Inc.
Attn: Michael B. Lanahan
222 West Las Colinas Boulevard
Suite 2100
Irving, Texas 75039

with a copy to:

Walter H. Allen, Esq.
McManemin & Smith
600 North Pearl Street, Suite 1600
Dallas, Texas 75201
Facsimile No. (214) 953-0695

or to such other address or to the attention of such other persons as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of telegram or telex, upon receipt.

8. Commissions shall be paid to Broker by delivery of good funds via a check or otherwise to the address of Broker specified in the preceding paragraph or such other address as hereafter shall be designated in writing by Broker.

9. This Agreement is binding upon and inures to the benefit of Northwest and Broker and their respective heirs, devisees, personal representatives, successors and assigns, including but not limited to Lessee or other entity. This Agreement shall be construed under the laws of the State of Texas, and is performable in Dallas County, Texas. A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision and any determination that the application of any provision of this Agreement to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. This Agreement constitutes the entire agreement between the parties hereto and no amendment or modification hereof shall be effective unless made by agreement in writing executed by Northwest and Broker.

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GREYSTONE

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Nov 12 '99 15:11 P.05

EXECUTED as of the date first above written.

NORTHWEST:

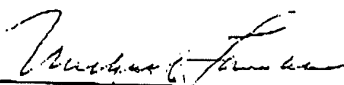
NORTHWEST LIFECARE JOINT VENTURE
a Texas joint venture

By: Northwest Lifecare Associates, Ltd.
a Texas corporation, Joint Venturer

By: 
Alan T. Gregory, General Partner


and

By: Greystone Communities, Inc.
a Texas corporation, Joint Venturer

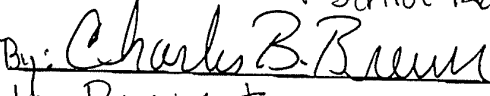
By: 
Michael B. Lanahan, President

BROKER:

STEVE DONOSKY COMPANY

By: 
Steve Donosky, Principal

This Agreement and the obligations hereunder with respect to the payment of the Commissions to Broker are hereby expressly accepted and assumed by the undersigned effective as of the date set forth below.

LESSEE: Northwest Senior Housing Corporation
By: 
His: PRESIDENT

Dated: 11/15/99

By: _____

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DONOSKY 00083

ASSIGNMENT OF GROUND LEASE OPTION AGREEMENT

THIS ASSIGNMENT OF GROUND LEASE OPTION AGREEMENT made this 20TH day of May, 1999, by NORTHWEST LIFECARE JOINT VENTURE (hereinafter called "Assignor"), to NORTHWEST SENIOR HOUSING CORPORATION, a Texas not-for-profit corporation (hereinafter called "Assignee");

WITNESSETH:

Assignor, in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid and other good and valuable consideration paid by Assignee, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, ASSIGN, TRANSFER and SET OVER unto Assignee, the entire leasehold estate and option rights under that certain Ground Lease Option Agreement (hereinafter called the "Option") dated September 9, 1997 by and between Interlity Investments Properties, Inc. as owner/lessor and Assignor as optionee/lessee covering the property described in the Option, together with all rights, titles and options conferred thereby.

In consideration of the foregoing assignment, Assignee hereby expressly assumes and agrees to keep, perform and fulfill all of the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by Assignor under the Option.

Assignor hereby represents and warrants unto Assignee that Assignor is the owner of, and has good and marketable title to, the option/leasehold interest assigned hereby; that Assignor has performed no act or executed any other instrument which might prevent Assignee from enjoying and exercising any of the rights under the Option; that Assignor has not executed or granted any modifications or extensions whatsoever of the Option that the Option is valid and subsisting and in full force and effect; and that there are no defaults now existing under the Option and no event has occurred and no condition exists which with the passage of time or the giving of notice, or both, would constitute such a default.

IN WITNESS WHEREOF, this Assignment of Lease is executed as of the date first

NORTHWEST LIFECARE JOINT VENTURE
By: Greystone Communities, Joint Venturer

By: Michael B. Lanahan
Michael B. Lanahan, President

Post-It [®] brand fax transmittal memo 7671		# of pages >	
To	Steve Donosky	From	MYC
Co.		Co.	
Dept.		Phone	214-526-2642
Fax	972-333-5651	Fax	

NORTHWEST SENIOR HOUSING CORPORATION,
a Texas not-for-profit corporation

By: Charles B. Brewer
Charles B. Brewer, President

08052 00001 DALLAS 1000217.1

GROUND LEASE

Between

**Intercity Investment Properties, Inc.,
a Texas corporation
“Lessor”**

and

**Northwest Senior Housing Corporation,
a Texas not-for-profit corporation
“Lessee”**

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"B"	Permitted Title Exceptions (Section 1.21)	
"C"	Ordinance for Abandonment of Beauregard Drive (Section 5.6)	
"D"	Essential Areas (Section 6.2)	
"E"	Ground Lease Memorandum (Section 9.11)	

GROUND LEASE

THIS GROUND LEASE (the "Lease") is made and entered into as of the ____ day of November, 1999, by and between INTERCITY INVESTMENT PROPERTIES, INC., a Texas corporation, whose principal place of business and office address is 4301 Westside Drive, Suite 100, Dallas, Texas 75209-6546, Attention: Edwin B. Jordan, Jr. ("Lessor") and Northwest Senior Housing Corporation, a Texas not-for-profit corporation, whose principal place of business and post office address is Attention: Charles B. Brewer, 2711 LBJ Freeway, Suite 950, Dallas, Texas 75234 ("Lessee").

PREAMBLE AND STATEMENT OF PURPOSE

Lessor is the owner of a fee simple absolute interest in certain real property (the "Land") containing approximately 16.25 acres and located at the Northwest Corner of the intersection of Thackery Road and Northwest Highway in the City of Dallas, Dallas County, Texas, which is further and legally described on Exhibit "A," attached hereto and by this reference incorporated herein and made a part hereof.

Lessee desires to lease the Land from Lessor for the term described herein and on the other terms and conditions hereinafter set forth in order to develop and construct a residential retirement Project thereon as provided herein.

Lessor agrees to lease the Land to Lessee on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual agreements and covenants hereinafter set forth and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Lessor and Lessee, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

For purposes of this Lease, the terms defined in this Article and throughout the remainder of this Lease, when written with initial capital letters, shall have the meanings given to them in this Article or in such definitions throughout this Lease and no other meaning. Such terms may be used in the singular or plural or in varying tenses, but such variations shall not affect their meanings so long as such terms are written with initial capital letters. When such terms are used in this Lease but are written without initial capital letters, such terms shall have the meaning they have in common usage.

- 1.1 **"CPI Adjustment"** means each adjustment to each amount set forth in this Lease as subject to CPI Adjustment, as the same may have been previously adjusted (the "Base Amount") effective as provided herein and calculated by comparing the CPI last published prior to the initial date specified for each such amount (the "Base Index"), with the CPI last published

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prior to the current date on which such amount is due to be adjusted hereunder (the "Current Index") to calculate the CPI Factor, hereinafter defined. The amount of any adjustment shall be set by multiplying the Base Amount by the CPI Factor; provided, however, that no such CPI Adjustment shall be less than two and one-half percent (2.5%) per year nor more than five percent (5%) per year. Lessor shall give written notice of any adjusted amount to Lessee within thirty (30) days after its calculation.

- 1.2 **"Annual Rent"** has the meaning set forth in Section 4.1 hereof.
- 1.3 **"Bond Indenture"** means collectively, the documents evidencing and securing the indebtedness incurred by or on behalf of the Lessee in connection with the acquisition, construction, improving and equipping of the Project or refinancing thereof.
- 1.4 **"CPI"** means the Consumer Price Index for All Urban Consumers (Base Year 1986 = 100) for the Dallas/Fort Worth Standard Metropolitan Statistical Area, published by the United States Department of Labor, Bureau of Labor Statistics. If the CPI is changed so that the base year differs from that used above, the index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the index is discontinued or revised during the Term, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the index had not been discontinued or revised.
- 1.5 **"CPI Factor"** is a fraction (carried to 4 decimal places), the numerator of which is the Current Index and the denominator of which is the Base Index.
- 1.6 **"Commencement Date"** means the date first above written and is the date on which this Lease becomes effective.
- 1.7 **"Default Interest Rate"** means an interest rate of eighteen percent (18%) per year; provided, however, that in no event shall the interest charged hereunder exceed the maximum lawful rate of interest then allowed by law.
- 1.8 **"Existing Improvements"** means a portion of the Preston Village apartment complex and all other Improvements to the Land existing as of the date hereof.
- 1.9 **"Force Majeure Event"** means and refers to all acts wholly beyond the control of Lessor and Lessee, including, without limitation, acts of God, war, riots, earthquakes, floods, hurricanes and windstorms.
- 1.10 **"Governmental Authority" or "Governmental Authorities"** means any federal, state, city, county, administrative or other governmental authority which now or hereafter has jurisdiction, review, approval or consent rights relating to the construction, development, ownership, control or operation of the Project on the Property or the use of the Premises for any purpose in connection with its current use, use for the Project or any other use.
- 1.11 **"Hazardous Materials" and "Hazardous Materials Laws"** have the meanings set forth in Section 5.25 hereof.

- 1.12 **“Improvements”** means and includes all buildings and other improvements, including without limitation, the Existing Improvements, and any replacement improvements, by whomsoever made, now existing or at any time hereafter during the Term placed on the Land.
- 1.13 **“Insurance Trustee”** means the trust company with principal offices in Dallas, Texas, selected by Lessor and Lessee pursuant to Section 5.13 below.
- 1.14 **“Land”** means and includes all of that certain parcel of real property described in Exhibit “A” attached hereto and incorporated herein by this reference, having a gross area of 16.25 acres, more or less and, if abandonment thereof is successful, including alleyways and that portion of Beauregard Street surrounded by the remainder of the Land.
- 1.15 **“Lease”** means this Lease and all Exhibits hereto, as the same may from time to time hereafter be amended in accordance with its terms.
- 1.16 **“Leasehold Estate”** means the leasehold estate created by the execution and delivery of this Lease.
- 1.17 **“Lender”** has the meaning provided in Section 7.1 hereof.
- 1.18 **“Lessee”** means Northwest Senior Housing Corporation, a Texas not-for-profit corporation, and includes any pronoun used in place thereof, the singular or plural number and its successors and permitted assigns.
- 1.19 **“Lessor”** means Intercity Investment Properties, Inc., a Texas corporation, and shall include any pronoun used in place thereof, the masculine or feminine, the singular or plural number, and its successors and assigns, according to the context thereof.
- 1.20 **“Option Date”** means the Effective Date, as defined therein, of that certain Ground lease Option Agreement (the “Option Agreement”) executed by and between Lessor, as Optionor, and Lessee, as Optionee, granting Lessee the option to enter into this Lease as provided therein, which date is September 9, 1997.
- 1.21 **“Permitted Title Exceptions”** means those encumbrances and other matters listed on Exhibit “B” attached hereto and made a part hereof and any and all additional encumbrances approved in writing by Lessee.
- 1.22 **“Person”** means any natural person, corporation, limited liability company, limited partnership, limited liability partnership, general partnership, tenancy in common, joint venture, association, business trust, real estate investment trust or other entity or organization, and any combination of any of them.
- 1.23 **“Premises”** shall be deemed or taken to include (except where such meaning would be clearly repugnant to the context) the Land and all Improvements.

- 1.24 **“Project”** means the continuing care retirement center life care concept project to be developed on the Land by Lessee, which is anticipated to provide a range of living options for elderly Residents varying along a continuum from independent living through increasing health care needs; the Project is currently anticipated to be a first class three (3) story retirement center containing approximately 220 independent living units (the “Independent Living Center”), an assisted living center consisting of approximately 77 assisted living units (the “Assisted Living Center”), a health center consisting of approximately 60 skilled nursing beds (the “Health Center”) and an approximately 25,000 square foot Commons Building.
- 1.25 **“Resident”** means a resident or prospective resident in the Project.
- 1.26 **“Space Leases”** means any and all subleases of space in the Project to be made between Lessee and any subtenants of Lessee upon completion of construction of the Project.
- 1.27 **“Term”** has the meaning set forth in Article III hereof.

ARTICLE II DEMISE

- 2.1 **Grant of Lease.** Lessor, in consideration of the rent herein reserved and of the covenants and conditions herein contained and on the part of Lessee to be observed and performed and upon and subject to the terms and conditions hereinafter set forth, does hereby demise and lease unto Lessee, and Lessee does hereby lease from Lessor, the Premises, including all of the Land and the Existing Improvements, together with any and all appurtenances, rights and benefits relating thereto and to the use and occupancy thereof.
- 2.2 **Disclaimer.** IT IS UNDERSTOOD AND AGREED THAT, OTHER THAN ITS OWNERSHIP OF THE PREMISES AND ITS RIGHT TO LEASE THE PREMISES TO LESSEE, LESSOR IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, AVAILABILITY OF ACCESS (SPECIFICALLY MAKING NO WARRANTY OF COMPLIANCE WITH THE REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT OF 1990) INGRESS OR EGRESS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PREMISES INCLUDING, WITHOUT LIMITATION: (1) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PREMISES AND PARTICULARLY WITH REGARD TO THE PROJECT; (2) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY OF THE PREMISES; AND (3) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PREMISES. LESSEE AGREES THAT, WITH RESPECT TO THE PREMISES, LESSEE HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY

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REPRESENTATION OR WARRANTY OF LESSOR OR ANY AGENT OF LESSOR. LESSEE REPRESENTS THAT IT IS KNOWLEDGEABLE WITH RESPECT TO REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF LESSEE'S CONSULTANTS AND THAT LESSEE WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PREMISES, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAID INSPECTIONS BY LESSEE, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY LESSEE'S INSPECTIONS AND INVESTIGATIONS. LESSEE FURTHER ACKNOWLEDGES THAT LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTIES OR REPRESENTATIONS REGARDING: (1) THE TRUTH OR ACCURACY OF ANY SURVEY OR STUDY AND/OR (2) THE QUALIFICATIONS OR EXPERTISE OF THE RESPECTIVE PARTIES CONDUCTING SAME AND THAT LESSOR HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION WITH RESPECT THERETO. LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR IS LEASING TO LESSEE, AND LESSEE IS ACCEPTING THE PREMISES "AS IS, WHERE IS" WITH ALL FAULTS, AND LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PREMISES BY LESSOR, ANY AGENT OF LESSOR OR ANY THIRD PARTY. LESSOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PREMISES FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN.

- 2.3 **Quiet Enjoyment.** Subject to the Permitted Title Exceptions and the terms and provisions of this Lease, Lessor covenants, as against the claims of all Persons whomsoever claiming by, through or under the Lessor, that Lessee shall have and enjoy throughout the Term the exclusive and undisturbed possession of the Property, without hindrance, ejection or molestation by any Person.
- 2.4 **Possession of the Property.** Actual possession of the Property under this Lease will be delivered to Lessee upon the Commencement Date, subject only to the Permitted Title Exceptions.
- 2.5 **Other Leases.** Except for leases of portions of the Existing Improvements to residential leasehold tenants and as provided herein, Lessor has not leased or granted any other similar leasehold rights in the Property to others.

ARTICLE III TERM

The term ("Term") of this Lease shall be a term of Fifty-five (55) years, commencing on the Commencement Date and continuing thereafter until the fifty-fifth (55th) anniversary of the Commencement Date unless extended by agreement of the parties or sooner terminated as herein provided.

ARTICLE IV RENTAL

4.1 **Annual Rent.** Lessee shall pay over to Lessor for each and every year during the Term, net over and above all taxes, assessments and other charges hereunder payable by Lessee, Annual Rent (the "Annual Rent") as hereinafter set forth.

- (a) From the Commencement Date through that date (the "Rent Escalation Date") which is the first to occur of: six (6) months after the date (the "Occupancy Date") on which a certificate of occupancy for the Improvements constituting the Project is issued by the City of Dallas, or thirty (30) months after the Commencement Date, the Annual Rent (the "Initial Annual Rent") shall be \$1,200,000.00, subject to adjustment and payment in installments as hereinafter provided.
- (b) Commencing on the Rent Escalation Date and continuing through that date (the "Stabilized Rent Date") which is the first to occur of: thirteen (13) months after the Occupancy Date, or thirty-seven (37) months after the Commencement Date, the Annual Rent (the "Escalated Annual Rent") shall be \$1,600,000.00, subject to adjustment and payment in installments as herein after provided.
- (c) Commencing on the Stabilized Rent Date and continuing through the Term of this Lease, the Annual Rent (the "Stabilized Annual Rent") shall be \$2,000,000.00, subject to adjustment and payment in installments as hereinafter provided.

4.2 **Rent Adjustment.** The Annual Rent shall be increased as hereinafter provided:

- (a) The Initial Annual Rent shall be increased on the Commencement Date by the CPI Factor, provided that the per annum increase shall not be less than two and one-half percent (2.5%) nor more than five percent (5%).
- (b) The Escalated Annual Rent shall be increased on the Rent Escalation Date by the CPI Factor from the Option Date to the Rent Escalation Date, provided that the per annum increase shall not be less than two and one-half percent (2.5%) nor more than five percent (5%).
- (c) The Stabilized Annual Rent shall be increased on the Stabilized Rent Date by the CPI Factor from the Option Date to the Stabilized Rent Date, provided that the per annum increase shall not be less than two and one-half percent (2.5%) nor more than five percent (5%).

- (d) Commencing on the Stabilized Rent Date and continuing for the entire Term of this Lease the Stabilized Annual Rent shall be increased for each next succeeding year of the term (a "Rent Year") on each anniversary of the Stabilized Rent Date (the "Rent Adjustment Date") based upon the lesser of : (i) five percent (5%) per year or (ii) the CPI Factor determined by comparing the CPI in effect for the previous Rent Adjustment Date to the CPI in effect on the current Rent Adjustment Date, multiplied by the Annual Rent in effect on the previous Rent Adjustment Date.
- 4.3 **Installment Payment of Rent.** Lessee shall pay the Annual Rent in monthly installments equal to one-twelfth (1/12) of the Annual Rent amount then in effect due and payable on or before the first (1st) day of each month during the Term, with all payments of Annual Rent pro-rated for the periods during which differing Annual Rents may apply; provided, however, that Lessee shall have a grace period for the payment of such installments of Annual Rent of five (5) business days for any two (2) monthly payments due during any calendar year, as further provided in Section 8.1(a) hereof.
- 4.4 **No Rent Reduction.** Except as provided elsewhere under those provisions of this Lease which specifically refer to rent reduction, Lessee shall not be entitled to any suspension, abatement or reduction of rent, nor to the recovery of any sums for any loss or damage by reason of noise, dust, or general inconvenience caused by construction or operations on other property owned by Lessor in the immediate area of the Property.

ARTICLE V LESSEE'S COVENANTS

Lessee hereby covenants with Lessor as follows:

- 5.1 **Rent.** Lessee will pay all Annual Rent and all other and additional payments due hereunder as payments of rent (collectively, the "Rent") hereunder to Lessor in lawful money of the United States of America at the times and in the manner aforesaid, without deduction and without any notice or demand, except as provided for herein, at the principal office of Lessor provided in the preamble hereto or at such other address as Lessor shall designate in writing from time to time.
- 5.2 **Taxes And Assessments.** Lessee will pay to each and every taxing authority before the same become delinquent all real and personal property taxes and fees in lieu thereof and assessments of every description to which the Premises or any part thereof is now or may during the Term be assessed or become liable, whether assessed to or payable by Lessor or Lessee; provided, however, that:
- (a) With respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only such installments, together with interest on unpaid balances thereof as shall become due and payable during the Term.
- (b) Such taxes and fees shall be prorated as of the Commencement Date and the date of expiration of the Term.

- (c) Any proceeding or proceedings for contesting the validity or amount of taxes, assessments, or other public charges or impositions, or to recover back from any levying authority any tax, assessment, charge or other imposition paid by Lessee as hereinabove provided may be brought by Lessee, at Lessee's own cost and expense, in the name of Lessor or in the name of Lessee, or both of them, as Lessee may deem advisable; provided, however, that (i) any such proceeding shall be brought by Lessee only after payment by Lessee as hereinabove provided of such taxes, assessments or other charges or impositions if required by law as a condition to bringing such proceeding, (ii) prior to any such proceedings, Lessee shall provide written notice thereof to Lessor, and (iii) Lessee shall provide Lessor with copies of all documents associated with all proceedings involving Lessors' name.
 - (d) If any such proceeding to contest taxes is brought by Lessee, Lessee shall indemnify and save harmless Lessor against any and all loss, costs or expenses of any kind that may be incurred by or imposed upon Lessor in connection therewith.
 - (e) If Lessee elects to contest any such tax, assessment, charge or other imposition as herein set forth, then and in such event Lessor agrees to reasonably cooperate and assist Lessee in contesting the same, provided that all reasonable costs and expenses of Lessor incurred in connection therewith shall be promptly paid by Lessee upon demand, as additional Rent.
- 5.3 **Delinquent Rent.** If Lessee shall become delinquent in the payment of any Rent and the delinquency shall continue for more than five (5) days after the expiration of any grace period provided herein, Lessee shall also pay to Lessor, as additional Rent, an amount equal to five percent (5%) of the Rent that has become delinquent; provided that if the Rent continues to be delinquent and the delinquency extends beyond ten (10) days after written demand for payment of the rent, the Lessee shall pay to Lessor, as additional Rent, an additional amount equal to ten percent (10%) of the delinquent Rent.
- 5.4 **Utility and Other Governmental and Quasi - Governmental Charges.** Except as otherwise provided in this Lease, Lessee will pay, before the same become delinquent, all governmental and quasi-governmental utility charges, including, without limitation, water and sewer charges, garbage collection charges and other charges and outgoings of every description to which the Premises or any part thereof, or Lessor or Lessee in respect thereof, may during the Term be assessed or become liable, whether assessed to or payable by Lessor or Lessee.
- 5.5 **Use of the Land.** Lessee will use the Land only for the development, construction and ownership of the Project, generally described herein, and specifically only for retirement housing or a senior living community.
- 5.6 **Improvements Required by Law.** Except as otherwise provided herein, Lessee will at Lessee's own expense during the whole of the Term make, build, maintain and repair all fences, sewers, drains, roads, curbs, sidewalks and parking areas which may be required by law to be made, built, maintained and repaired upon, or on public property adjoining or in

connection with or for the use of, the Premises or any part thereof. Attached hereto as Exhibit "C" is a proposed ordinance ("Ordinance") for the abandonment of Beauregard Drive. Lessee agrees to complete the requirements of the Ordinance, if adopted by the City of Dallas, in a timely manner and pay all costs related thereto. To the extent the Ordinance requires an indemnification of the City of Dallas, Lessee assumes the obligations of the Lessor arising during the term of this Lease. The Lessor will reasonably cooperate with the Lessee, as requested by the Lessee, in the replat, including the platting of the private drive and the street right-of-way called for in the Ordinance, provided however that the Lessee shall bear all expenses including the expenses reasonably incurred by the Lessor.

- 5.7 **Observance of Laws.** Lessee will at all times during the Term keep the Premises in a strictly safe, clean, orderly and sanitary condition, and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any Governmental Authority and applicable to Lessee's use of the Premises and said adjacent land or any improvement thereon or use thereof, and will indemnify and hold harmless Lessor against all actions, suits, damages and claims by whomsoever brought or made by reason of the nonobservance or nonperformance by Lessee of said laws, ordinances, rules and regulations or of this covenant.
- 5.8 **Repair, Maintenance and Restoration.** Except as otherwise provided for herein with respect to Lessee's rights to demolish the Existing Improvements or otherwise, Lessee will at Lessee's own expense from time to time and at all times during the Term well and substantially restore, repair, maintain, amend and keep all Improvements on the Land with all necessary reparations and amendments whatsoever in good and safe repair, order and condition, reasonable wear and tear and destruction by unavoidable casualty not herein required to be insured against excepted, provided, however, that Lessee's obligation to restore, maintain and repair the Improvements is limited to demolishing the Existing Improvements and constructing on the Land Improvements which comply with the use restriction contained in Section 5.5 hereof and maintaining such Improvements.
- 5.9 **Inspection.** Upon reasonable notice, Lessee will permit Lessor and its agents at all reasonable times during the Term to enter the Premises and examine the state of repair and condition of the Premises.
- 5.10 **Construction and Alteration of Buildings.** Lessee will not construct or place any buildings or structures, including fences and walls, or other Improvements on the Land, nor make or suffer any material additions to or structural alterations of the basic structure of any buildings thereon, nor change the grading or drainage thereof, except under the supervision of a licensed architect or structural engineer and in accordance with complete plans, specifications and detailed plot plans thereof prepared by such an architect or structural engineer and approved, as may be required, by appropriate Governmental Authorities.
- (a) Prior to commencement of construction, Lessee will provide Lessor with copies of all plans and specifications for construction of the Improvements to be constructed by Lessor, solely for Lessor's information and not for Lessor's approval.
- (b) Lessee shall commence demolition of the Existing Improvements within the first to occur of (i) sixty (60) days after the Effective Date of this Lease or (ii) thirty (30)

days after the date on which all necessary approvals have been obtained from all applicable Governmental Authorities and any and all court or administrative actions blocking any such demolition are fully resolved in Lessee's favor and not subject to appeal, provided that Lessee shall promptly and diligently pursue all actions necessary to obtain such approvals and such favorable court action.

- (c) During the initial construction of the Improvements, Lessor and any architect, engineer and other representative whom it may select to act for it, may, upon reasonable notice and at reasonable times, inspect the Improvements in the course of such construction and upon completion, and all work and materials as rendered and installed. Lessee shall keep copies of all plans, shop drawings and specifications relating to such construction on the building site and permit Lessor, its architects, engineers and other representatives to examine them at all reasonable times. In the event that during the construction of the Improvements, Lessor, or its architects, engineers and other representatives, shall reasonably determine that the materials do not substantially conform to the specifications or that the Improvements are not being constructed substantially in accordance with the approved plans, prompt notice in writing shall be given to Lessee, specifying in detail the particular deficiency, omission or other respect in which it is claimed that the construction does not conform with the plans and specifications. Upon the receipt of any such notice and confirmation by Lessee of such non-conformance, Lessee shall take such steps as shall be necessary to cause corrections to be made as to any deficiencies, omissions or otherwise, and shall immediately remove such materials and replace such construction and materials in accordance with said plans and specifications.

5.11 **Liens.** Lessee will not commit or suffer any act or neglect by which the Premises or estate of Lessee therein shall at any time during the Term become subject to any attachment, judgment, lien, charge or encumbrance whatsoever, including mechanics' and materialmen's liens, except as herein expressly provided, and will indemnify, defend, save and hold Lessor harmless from and against all loss, cost and expense with respect thereto (including reasonable attorneys' fees). If any lien for work, labor, services or materials done for or supplied to the Premises, regardless of who contracted therefor, is filed against the Premises, Lessee shall, within sixty (60) days from the date of filing thereof, cause such lien to be discharged of record, bonded off of the Land or otherwise stayed to the reasonable satisfaction of Lessor.

5.12 **Setback Lines.** Lessee will observe any setback lines affecting the Premises as now or hereafter established by any Governmental Authority having jurisdiction.

5.13 **Insurance.** At all times during the term, Lessee shall purchase and maintain, at Lessee's expense, the following insurance, in amounts not less than those specified below or such other amounts as may be required by the Bond Indenture as Lessor, Lessee and Lender may from time to time agree upon, with insurance companies and on forms reasonably satisfactory to Lessor and Lender:

- (a) **Commercial Property Insurance.** Commercial property insurance covering the Premises and all furniture, fixtures, machinery, equipment, supplies, inventory and

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any other personal property owned and/or used in Lessee's use and occupancy of the Premises, whether made or acquired at Lessee's or another's expense, in an amount equal to their full replacement cost at time of loss, without deduction for depreciation, exclusive only of the replacement cost of excavation, foundations and footings, and shall contain an Agreed Value Endorsement. All policies and certificates of insurance required hereunder shall:

- (i) contain a provision specifically naming the Lessor and Lessee's Lender as additional insureds, as their interests may appear; and
 - (ii) be specifically endorsed to provide that any proceeds of any policy in excess of \$500,000.00, subject to annual CPI Adjustment as of each anniversary of the Commencement Date of this Lease, shall be payable to a trustee as required by the Bond Indenture or, if no such payment to a trustee is required by the Bond Indenture, to a trust company, qualified under the laws of the State of Texas, as shall be designated by Lessee, subject to the approval of Lessor (which approval shall not be unreasonably withheld or delayed) as trustee and escrow agent for the custody and distribution as herein provided of all proceeds of such insurance ("Insurance Trustee"); Lessee shall pay all fees and expenses of such Insurance Trustee in connection with its services,
- (b) **Builders and Installation Risk.** Builders and installation "all risk" insurance while the Premises or any part thereof are under demolition and construction and the aggregate estimated cost of construction exceeds \$100,000.00, written on the Builders Risk Completed Value form (nonreporting full coverage), including coverage on equipment, machinery, materials, etc. not yet installed but to become a permanent part of the Improvements.
- (c) **Commercial General Liability.** Commercial general liability or commercial general liability and excess or umbrella liability insurance written on an "occurrence" form covering the use, occupancy and maintenance of the Premises and all operations of Lessee, including: Premises Operations; Independent Contractors; Products - Completed Operations; Blanket Contractual Liability; Personal Injury; Fire Legal Liability; elevator; and incidental medical malpractice liability, all pursuant to a Commercial General Liability Policy form or its equivalent. Each policy and certificate of insurance shall specifically:
- (i) contain limits for such coverage which are not less than the following for the specified categories: Bodily Injury and Property Damage Combined Single Limit - \$3,000,000 per occurrence, subject to \$3,000,000 general aggregate per policy year; \$3,000,000 products and completed operations aggregate per policy year; Personal Injury - \$1,000,000 per person/organization per policy year, subject to \$3,000,000 general aggregate per policy year; Fire Legal Liability \$250,000 per fire, subject to \$3,000,000 general aggregate per policy year; no policy shall have a deductible amount in excess of \$10,000 for any one occurrence; and

- (ii) provide the following: "This policy shall be considered to be primary liability insurance which shall apply to any loss or claim before any contribution by any insurance which Lessor, its employees and agents may have in force;" and
 - (iii) contain a provision specifically naming Lessor and Lessor's employees as additional insureds, which additional insureds shall be protected as if they were separately insured under a separate policy; provided, however, that such policy shall not require the insurer to pay any amounts in excess of the maximum limits stated herein.
- (d) **Worker's Compensation Insurance.** Worker's Compensation Insurance as required by Texas State Law.
- (e) **Umbrella Liability.** To the extent not covered by the other policies required hereunder, Umbrella Liability Insurance providing excess coverage over Commercial General Liability, Employer's Liability, and Automobile Liability Insurance. The Umbrella Liability policy shall be written on an "occurrence" form with a limit of liability of not less than \$10,000,000 per policy year, which may include coverage of multiple projects, shall provide for a self-insured retention and/or deductible no greater than \$10,000, adjusted annually based upon the CPI Adjustment for the Lease year then ending, and shall provide as follows:
- (i) The policy and certificate of insurance shall contain a provision specifically naming Lessor, and Lessor's employees and Lender as additional insureds, which additional insureds shall be protected as if they were separately insured under a separate policy; provided, however, that such policy shall not require the insurer to pay any amounts in excess of the maximum limits stated herein.
 - (ii) If and to the extent such coverage is available at commercially reasonable cost, the policy shall; (1) not specifically exclude coverage for punitive damages or claims arising out of discrimination other than employment related discrimination; (2) provide for defense expenses in addition to the limit of liability stated in the policy; and (3) provide coverage for claims resulting from alleged damage to the environment and damage or injury caused by hazardous conditions, materials or substances.
 - (iii) All exclusions endorsed on the policy are to be shown on the certificate of insurance and a copy of the exclusions attached thereto.
- (f) **Payment and Performance Bonds.** Payments and Performance Bonds in the full amount of the work to be done, as required by the Bond Indenture, for the benefit of Lessee, Lender and Lessor.
- (g) **Flood Insurance.** Flood insurance as may be required by the Bond Indenture or otherwise.

(h) **General Requirements for Insurance.**

- (i) Each policy is to be written by an insurer licensed in the State of Texas with a rating by A. M. Best Company, Inc. of A-VII or better and as otherwise required by the Bond Indenture. In the event that such rating system is altered or eliminated, then the insurer shall have a rating from a comparable rating service, comparable to such A-VII rating.
- (ii) If the limits of available liability coverage required herein become substantially reduced as a result of claim payments, Lessee immediately, at its own expense, shall purchase additional liability insurance to increase the amount of available coverage to the limits of liability coverage required by this Lease.
- (iii) If the Improvements are destroyed or damaged by a risk covered by insurance required by this Lease and the amount of the loss does not exceed FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) (subject to annual CPI Adjustment), Lessee, with the consent of Lender, may make the loss adjustment with the insurance company insuring the loss. If the loss exceeds FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00), Lessee will not settle the loss without the express prior written consent of Lessor and Lender, which consent of Lessor shall not be unreasonably withheld or delayed.
- (iv) All policies are to be specifically endorsed to provide thirty (30) days' written notice of cancellation for any reason [or ten (10) days' in the case of nonpayment of premium], coverage reduction, termination, non-renewal or material change in the coverage, scope or amount of the policy, and ten (10) days' written notice prior to lapse, which notice shall be delivered to Lessor.
- (v) All Certificates of Insurance shall specifically state that "the issuing company will mail thirty (30) days' written notice of cancellation to the certificate holder."
- (vi) At Lessor's written request, not more often than one time per year, Lessee shall deliver to Lessor current copies of the insurance policies required by this Section 5.13.
- (vii) To the extent that Lessee shall be unable, at a commercially reasonable cost and with commercially reasonable exclusions and restrictions, to obtain any insurance required by this Section 5.13, it promptly shall inform Lessor in writing of that fact and of all relevant facts and circumstances and, unless Lessor shall be able either (1) to locate or obtain such insurance for Lessee at a commercially reasonable cost or (2) to devise a commercially reasonable alternative form of assurance mutually acceptable to the parties acting in good faith and with due regard for then-prevailing business practice among prudent business persons with respect to similar risks, then Lessee shall not

be required to obtain such insurance. Lessee shall continue to make reasonable, good faith efforts to obtain such insurance in connection with each policy renewal period and shall keep Lessor reasonably informed of its efforts.

- (viii) Lessee shall add as additional insureds to the insurance policies required by this Section 5.13 such other Persons as Lessor may from time to time reasonably require, if such Persons may be so added at no additional cost.
- (i) **Certificates of Insurance.** Lessee will deposit promptly with Lessor and maintain current certificates of all insurance required to be maintained by Lessee under this Lease in Accord Form 27, or such other form as may be reasonably acceptable to Lessor.
- (j) **Waiver of Subrogation.** Each of Lessor and Lessee hereby waives, on each party's behalf and on behalf of its insurance carrier, any claim for loss or damage to tangible and intangible property which one party might otherwise have against the other party or its affiliates, arising out of any loss, injury or damage whatsoever, including loss of income or other consequential loss or damage.
- (k) **Adjustment and Adequacy of Coverage.** Pursuant to the requirements of the Bond Indenture, or, if the Bond Indenture does not so provide or provides for a less frequent review, all insurance coverages required hereunder will be reviewed, adjusted and revised at least each three (3) years during the term hereof, based upon an insurance appraisal and update completed by a qualified insurance appraiser selected or approved by Lender as provided in the Bond Indenture, or, if not so provided, as may be selected by mutual agreement of Lessor and Lessee. Lessor, its agents and employees make no representation that the limits of liability required to be carried by Lessee pursuant to this Section 5.13 are adequate to protect Lessee. If Lessee believes that any of such insurance coverage is inadequate, Lessee will obtain and maintain in force such additional insurance coverage as Lessee deems adequate, at Lessee's sole expense.

5.14 **Loss or Damage to Improvements**

- (a) **Use of Insurance Proceeds.** Subject to the provisions of this Section 5.14 and the reasonable requirements of Lessee's Lender, in every case of loss or damage to the Improvements, other than the Existing Improvements, (i) Lessee shall provide Lessor with prompt written notice thereof and periodic updates as to the status of insurance settlements and repairs, and (ii) all proceeds of any property casualty insurance (excluding the proceeds of any rental value or use and occupancy insurance of Lessee) shall be used with all reasonable speed by Lessee for rebuilding, repairing or otherwise reinstating the Improvements in a good and workmanlike manner substantially according with the original plans and elevations thereof or to a modified plan conforming to laws and regulations then in effect.

- (b) **Disbursement of Insurance Proceeds.** The Insurance Trustee shall hold any insurance proceeds payable to it, as provided in Section 5.13(a) hereof, to be applied to the cost of repair and restoration in accordance with the following:
- (i) Lessee shall furnish to the Insurance Trustee and Lessor copies of any contract or contracts which Lessee shall enter into for the making of such restoration; or, if the restoration is to be done by Lessee, a copy of all subcontracts made by Lessee in connection with such restoration and an estimate of the cost thereof, both in stages and upon completion, which shall be certified by the Lessee's architect as being reasonably accurate.
 - (ii) At the end of each month or from time to time as may be agreed upon during the progress of restoration, and upon the written request of Lessee after compliance with the conditions set forth hereinbelow, the Insurance Trustee shall pay to Lessee (or at the option of Lessee to the contractors and materialmen of Lessee for the account of Lessee) out of such award, ninety percent (90%) of the amount stated to be due. Until completion of the restoration in full, an amount equal to ten percent (10%) of the amount stated to be due shall be withheld by the Insurance Trustee unless Lessor, Lessee and Lessee's Lender jointly agree to a reduction in the retention. The amount so withheld (the "Retention") shall be paid upon the completion of the restoration.
 - (iii) At the time of each request for advance by Lessee, and as a condition precedent thereto, Lessee shall submit to the Insurance Trustee and Lessor copies of a certificate signed by Lessee and Lessee's architect not more than thirty (30) days prior to such request, in the form of AIA form G706, Certificate for Payment, or such other form as may be agreed upon by Lessee and Lessor.
 - (iv) At the completion of the restoration and following disbursement of the final advance to Lessee required to complete the payment of restoration costs, any portion of the award remaining shall be paid by the Insurance Trustee to Lessee, subject to Lessor's rights pursuant hereto and Lender's rights pursuant to the Bond Indenture. In no event, however, shall the Insurance Trustee be liable for any amount in excess of the amounts so received and held in trust.
- (c) **Lessor's Inspections.** During any restoration, Lessor and any architect, engineer and other representative whom it may select to act for it, may, upon reasonable notice and at reasonable times, inspect the Improvements in the course of such restoration and upon completion, and all work and materials as rendered and installed. Lessee shall keep copies of all plans, shop drawings and specifications relating to such restoration on the building site and permit Lessor, its architects, engineers and other representatives to examine them at all reasonable times. In the event that during the restoration of the Improvements, Lessor, or its architects, engineers and other representatives, shall determine that the materials do not substantially conform to the specifications or that the Improvements are not being restored substantially in

accordance with the approved plans, prompt notice in writing shall be given to Lessee, specifying in detail the particular deficiency, omission or other respect in which it is claimed that the restoration does not conform with the plans and specifications. Upon the receipt of any such notice, Lessee shall take such steps as shall be necessary to cause corrections to be made as to any deficiencies, omissions or otherwise, and shall immediately remove such materials and replace such construction and materials in accordance with said plans and specifications.

- 5.15 **Indemnity.** Lessee will indemnify and hold Lessor harmless from and against any and all claims and demands for loss or damage, including property damage, personal injury and wrongful death, arising out of or in connection with the use or occupancy of the Premises by Lessee or any other person under Lessee, or any accident or fire on the Premises or any nuisance made or suffered thereon (except to the extent caused by the negligence or willful misconduct of Lessor or its agents, employees, or licensees), or any failure by Lessee to keep the Premises in a safe condition, and will reimburse Lessor for all Lessor's costs and expenses, including reasonable attorneys' fees incurred in connection with the defense of any such claims, provided, however, Lessor shall indemnify and hold Lessee harmless from and against any and all claims and demands for loss or damage, including property damage, personal injury and wrongful death, or any accident or fire on the Premises or any nuisance made or suffered thereon, arising out of or in connection with or caused by the negligence or willful misconduct of Lessor or its agents, employees, or licensees and will reimburse Lessee for all Lessee's costs and expenses, including reasonable attorneys' fees incurred in connection with the defense of any such claims.

5.16 **Reimbursable Expenses**

- (a) **Lessor's Expenses.** Lessee will pay to Lessor, within thirty (30) days after the date of the giving of notice to Lessee containing statements therefor, all reasonable costs and expenses paid or incurred by Lessor, but required to be paid by Lessee under any provision hereof or paid or incurred by Lessor in enforcing any of Lessee's covenants herein contained, in remedying any breach thereof, in recovering possession of the Premises or any part thereof pursuant hereto, in collecting or causing to be paid any delinquent Rent, taxes or other charges hereunder payable by Lessee, or in connection with any action or proceeding (other than condemnation proceedings) commenced by or against Lessee to which Lessor shall without fault be made a party. All of Lessor's expenses provided in this Section 5.16(a) shall constitute additional Rent and, if not paid when due, shall bear interest at the Default Interest Rate from the date due until paid in full.
- (b) **Enforcement Expenses.** Should Lessor or Lessee reasonably retain counsel for the purpose of enforcing or preventing the breach of any provision of this Lease, including but not limited to instituting any action or proceeding to enforce any provision hereof for damages by reason of any alleged breach of any provision of this Lease, for a declaration of such party's rights or obligations hereunder or for any other judicial remedy, then the prevailing party shall be entitled to be reimbursed by

the other party for all costs and expenses reasonably incurred in connection therewith, including but not limited to reasonable attorney's fees for the services rendered to such prevailing party.

5.17 **Assignment.** Except as in this Lease expressly provided, Lessee shall not assign or mortgage this Lease without the prior written consent of Lessor. Any assignment without Lessor's prior express written consent, including Lessor's consent contained herein, shall be void.

- (a) **Consent to Assignment.** Lessor shall respond to any request for its consent to an assignment of this Lease within thirty (30) days following Lessor's receipt of all financial statements, documents or other information reasonably necessary for Lessor to make its determination. If Lessor shall fail to approve or disapprove a request for consent within such thirty (30) day period, Lessor's disapproval shall be conclusively presumed. Lessor hereby consents to the assignment by the Lessee of its rights under this Lease to any institutional trustee who is serving as mortgagee under the Bond Indenture as the same relates to the original financing of the Project, which institutional trustee will initially be Chase Bank of Texas, N.A.
- (b) **Assumption of Lease.** Any permitted assignment of this Lease shall be specifically made and therein expressly stated to be made subject to all terms, covenants and conditions of this Lease, and the assignee therein shall expressly assume and agree to all such terms, covenants and conditions.
- (c) **"Assignment" Defined.** The term "assignment" as used in this Lease shall mean and include (i) one or more sales or transfers by operation of law or otherwise by which an aggregate of more than fifty percent (50%) of (A) the total capital stock of a corporate lessee, (B) the total partnership interests of a general partnership lessee, (C) the total beneficial interests of a trust lessee, (D) the interest in the general partner of a limited partnership lessee or, if there is more than one general partner, fifty percent (50%) of the interests in all such general partners in the aggregate, shall become vested in one or more Persons who or which are not stockholders, partners or beneficiaries thereof, either legally or equitably, as of the Commencement Date or as of the date of Lessee's subsequent acquisition of this Lease by assignment, or (ii) a transfer of the membership of a nonprofit corporation, or the creation of membership potential or units in a nonprofit corporation previously not having membership, or the issuance of stock or other certificates, units or other intangible contractual rights which provide for any type of voting power to the holders in which voting rights allow the election of all or any member of the board of directors or trustees, or allow the control of all or any part of the management or the policies of the nonprofit corporation; provided that ownership of such capital stock, partnership interests and beneficial interests shall be determined in accordance with the principles enunciated in Section 544 of the Internal Revenue Code of 1986; further provided that the foregoing definition shall not apply with respect to a corporate lessee whose capital stock is listed on a recognized stock exchange.

- (d) **Assignment In Violation Of Section Is Void.** Except as otherwise expressly provided in this Lease, no assignment or other transfer of this Lease other than in accordance with this Section 5.17, whether voluntary or involuntary, by operation of law, under legal process, through receivership or bankruptcy or otherwise, shall be valid or effective. Should Lessee attempt to make or suffer to be made any assignment or other transfer of this Lease or any interest herein except as permitted by this Section 5.17, or in Article VII herein, or should any right or interest of Lessee under this Lease be attached, levied upon or seized under legal process and the same shall not be released within sixty (60) days thereafter, or, if incapable of being released within said sixty (60) day period, action for the release thereof commence within said sixty (60) day period and thereafter diligently prosecuted, then any of the foregoing events shall be deemed a default under this Lease. Lessor's consent to an assignment or other transfer of this Lease shall not constitute a waiver or release by it of any of the provisions of this Section, all of which shall apply to each successive assignment or other transfer, if any, and be binding upon each and every encumbrancer, assignee, transferee, subtenant and other successor in interest of Lessee.
- 5.18 **Subletting.** Lessee will not, except as provided herein or without the prior written consent of Lessor, rent, sublet or part with possession of the Land or any part thereof. Notwithstanding the foregoing, Lessee may, without the consent of Lessor and without the payment of additional rent, enter into life care contracts or sublet, rent or license residential apartments, rooms, living spaces in the Improvements and ancillary commercial uses reasonably related to the occupancy thereof, provided that the purpose of any such agreement is consistent with Section 5.5 of this Lease and the form of the sublease, license, life care contract, concession or rental agreement shall be commercially reasonable and consistent in all material respects with the terms and provisions of this Lease. Lessee upon request therefor promptly shall deliver a true copy of any such sublease or rental agreement to Lessor. The fees charged from time to time to Residents of the Project in connection with the issuance of life care contracts and any maintenance fees and other periodic charges shall be reasonably calculated to be sufficient to cover Lessee's monetary obligations to the Residents, to Lessee's Lender and to Lessor.
- 5.19 **Utilities.** Lessee shall be solely responsible for obtaining all necessary electricity, sewer, water and other utility services. Lessor will, at Lessee's request and without payment of additional consideration, grant easements for the construction and installation of all necessary utility services and for drainage to the providers of such services over, across or under the Land.
- 5.20 **Surrender.** Except as otherwise provided herein, upon the expiration of the Term or earlier termination of this Lease, Lessee will peaceably deliver up to Lessor possession of the Premises, including all Improvements on or above the surface of the Land, by whomsoever made, in good and safe repair, order and condition, ordinary wear and tear excepted. Lessor may, at Lessor's option, require Lessee to remove any Improvements not in good and substantial condition and repair all damage to the Land resulting from such removal. Lessee shall leave the Premises in a clean and orderly condition free of all debris and of any Hazardous Materials at termination. Upon the expiration of the Term or earlier termination

of this Lease, Lessor shall have the first right of refusal to acquire all or any part of the movable furniture, furnishings, trade fixtures and equipment for a price equal to the fair market value of any such items. In the event that Lessor and Lessee cannot agree upon the fair market value of any such item, then, they shall each select an appraiser. The two appraisers shall select a third appraiser and the fair market value shall be determined by averaging the valuations obtained from the three appraisers. Lessee may remove or cause to be removed all of the movable furniture, furnishings, trade fixtures and equipment installed in or on the Premises, or any other items the removal of which would not result in substantial and permanent damage to the Premises if Lessor has not acquired such items in accordance with the prior sentences. Any such property or Improvements that are not removed from the Premises within thirty (30) days after the termination or expiration of this Lease shall thereafter belong to Lessor without the payment of any consideration therefor. Upon the expiration of the Term or earlier termination of this Lease, Lessee shall execute, acknowledge and deliver to Lessor (if requested) a proper instrument in writing, releasing and quitclaiming to Lessor all right, title and interest of Lessee in and to the Premises. The foregoing covenants of Lessee shall survive the expiration of the Term.

- 5.21 **Holdover.** If Lessee, with the permission of the Lessor, remains in possession of the Premises after the expiration of the Term, Lessee shall be deemed to occupy the Premises only as a tenant from month-to-month, subject to all of the terms, covenants, conditions and provisions of this Lease, including rent, which are not inconsistent with a month-to-month tenancy. For any period during which Lessee may retain possession of the Premises without the permission of the Lessor or after receipt of notice of the cancellation of this Lease, the Rent payable by Lessee to Lessor for each month (or fraction thereof in excess of ten (10) days during such period), shall be equal to one hundred and fifty percent (150%) of the monthly Rent then in effect for the last full Rent Year prior to termination of this Lease.
- 5.22 **Waste or Unlawful Use.** The Lessee will not make or suffer any waste or any unlawful, improper or offensive use of the Premises or any act or gross negligence by which the Premises or any interest therein shall become liable to seizure, attachment or unpermitted lien. Upon Lessor's receipt of reasonably reliable information that the Premises have suffered waste not remedied by Lessee or are being used for any unlawful or illegal purposes or acts that Lessor reasonably determines could result in criminal or civil forfeiture of all or any portion of the Premises to the United States or the State of Texas, Lessor shall have the right to give notice of Lessor's demand on Lessee to cure such condition, and Lessor's intent to act if Lessee does not cure such condition, to Lessee and, if Lessee does not cure such condition within thirty (30) days after the date of such notice to Lessee, or commence to cure such condition within thirty (30) days after the date of such notice to Lessee and thereafter diligently pursue such cure to completion, Lessor may elect by a written notice delivered to Lessee and Lessee's Lender as provided herein, either (a) to take all such action as it reasonably shall deem necessary and appropriate to stop such waste or such illegal activity and secure the Premises against forfeiture, in which event all reasonable costs and expenses of Lessor's actions shall be payable by Lessee hereunder as additional Rent, or (b) to declare this Lease in default.

5.23 **Environmental Protection.**

- (a) **Hazardous Materials.** As used in this Lease, the term "Hazardous Materials" means any substance which:
- (i) is flammable, explosive, radioactive, toxic, corrosive, infectious, carcinogenic, mutagenic, or otherwise hazardous and is regulated by any Governmental Authority, or,
 - (ii) contains asbestos, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, or petroleum, including crude oil or any fraction thereof, or
 - (iii) contains medical waste, including syringes, controlled substances, blood and blood products, urine and urine samples, fecal matter and other toxic, infectious, polluted or contaminated substances; or
 - (iv) is classified as a pollutant, contaminant, hazardous waste, hazardous substance, hazardous material, or toxic substance under the Solid Waste Disposal Act, 42 U.S.C. §§ 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. app. §§ 1801 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. H 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 to 2655; the Safe Drinking Water Act, 42 U.S.C. §§ 300f to 300j; the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. §§ 11001 to 11050; and any similar federal, state and local laws, statutes, ordinances, codes, rules, regulations, orders or decrees relating to environmental conditions, industrial hygiene or Hazardous Materials in, on, under or upon the Premises, now in effect or hereafter adopted, published and/or promulgated (collectively, the "Hazardous Materials Laws").
- (b) **Restriction on Use of Hazardous Materials.** The Lessee shall not cause or permit any Hazardous Material to be processed, used, stored in or about, or disposed of or upon, or transported to or from, the Premises unless (i) such material is used in the ordinary course of Lessee's operations on the Premises, or (ii) the Lessee has obtained the prior written consent of the Lessor, including such consents as may be contained herein, and (iii) the processing, use, storage, disposal or transporting is strictly in accordance with Hazardous Materials Laws.
- (c) **Remediation of Release of Hazardous Materials.** If any spill, leak or release of any Hazardous Materials occurs on the Premises as a result of acts or omissions of Lessee, its employees, agents, contractors or Residents which either (i) is a violation of applicable Hazardous Materials Laws or (ii) is required to be reported to Governmental Authorities having jurisdiction over Hazardous Materials releases, Lessee promptly shall notify all appropriate Governmental Authorities and Lessor, and, at no cost to Lessor, shall fully and promptly comply with all governmental

orders, requirements, rules and regulations with respect thereto. Within ten (10) days after any such spill, leak or release, Lessee shall provide Lessor with a reasonably detailed written description of the event and of Lessee's investigation and remediation efforts to date. Within ten (10) days after receipt, Lessee shall provide Lessor with a copy of any report or analytical results relating to any such spill, leak or release. Should Lessee be required to remove any portion of the Premises as having become contaminated, then, whether or not so required by Governmental Authorities, Lessee shall either replace the removed portion of the Premises (such as soil) with uncontaminated material of substantially the same character as existed prior to contamination or otherwise accommodate such removal. Lessee shall operate the Premises in a manner designed to prevent the occurrence of any such spill, leak or release. Notwithstanding the foregoing, the obligation of Lessee hereunder shall in no case apply to any Hazardous Materials spilled, leaked, released or discharged by Lessor or any agent, employee or contractor of Lessor. In the event that a discharge or release of Hazardous Materials is not discovered until after (or is to be remediated following) expiration or termination of the Term, Lessee shall coordinate, supervise and pay for all investigation and remediation efforts and shall be granted reasonable access at reasonable times to conduct such investigations, testing and remediation efforts as are required by this Section.

- (d) **Underground Storage Tanks.** Lessee shall not install or operate on the Premises, any underground storage tank, as defined by 42 U.S.C. § 6991 or any rule or regulation issued pursuant to such statute or other rules or regulations of any applicable Governmental Authority, without the prior written consent of Lessor.
- (e) **Compliance with Governmental Requirements.** Lessee shall comply with all requirements of all Governmental Authorities from time to time applicable to the handling by Lessee of any Hazardous Materials on the Premises. If any of said requirements shall be inconsistent with each other, Lessee shall comply with the most stringent requirement.
- (f) **Permits and Approvals.** Lessee shall obtain in advance and maintain without interruption, all governmental permits or approvals required for the use, storage or handling of any Hazardous Materials permitted by this Lease for Lessee's use in connection with its permitted business, use and occupation of the Premises. Within ten (10) days after receipt, Lessee shall provide Lessor with a copy of each such permit or approval. Where a plan for remediation is required, Lessee shall not commence operations or construction of any Improvements relating thereto until such remediation plan has been approved by appropriate Governmental Authorities and Lessee has provided evidence reasonably satisfactory to Lessor of its ability to fund the estimated cost of implementing such plan. Lessee shall comply with the terms and conditions of each permit or approval.
- (g) **Notice of Actions.** Lessee shall promptly advise Lessor in writing of (i) any and all enforcement, cleanup, removal, mitigation or other governmental or regulatory action of which Lessee receives written notice and which is instituted, contemplated or threatened pursuant to any Hazardous Materials Laws affecting the Premises; and

(ii) all claims made or threatened by any third party against Lessee or the Premises of which Lessee receives written notice and which relate to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; and (iii) Lessee's discovery of any occurrence or condition on the Premises which reasonably could subject Lessee or the Premises to any restrictions on ownership, occupancy, transferability or use of the Premises under any Hazardous Materials Laws. (As used in the preceding sentence, "discovery" shall mean actual knowledge of Lessee, its agents or employees.) Within ten (10) days after receipt, Lessee shall provide to Lessor a copy of any written notice of actual violation, complaint or other communication initiating any governmental enforcement action against Lessee for any alleged violation of law or other governmental requirement relating to the use, handling or storage of Hazardous Materials. Thereafter, within ten (10) days of receipt or transmission, Lessee shall provide Lessor with a copy of all material communications received by Lessee from, or sent by Lessee to, any Governmental Authority relating to such enforcement action.

- (h) **Access to Records and the Premises.** At reasonable times and after reasonable notice (i) Lessor may inspect any records maintained by Lessee relating to Lessee's compliance or noncompliance with the provisions of this Section 5.23 of this Lease, and (ii) if, and only if, Lessor has reasonable cause to believe Lessee has breached this Section 5.23, and provides written notice of such reasonable cause to Lessee as provided herein and Lessee does not respond in writing within thirty (30) days thereafter, Lessor may enter the Premises to conduct any reasonable test, inspection or environmental audit of the Premises or Lessee's operation or use of the Premises to determine Lessee's compliance or noncompliance with the provisions of this Section 5.23. If Lessor's test, inspection or environmental audit determines that Lessee has breached this Section 5.23, Lessee will pay the cost of any such inspection, as additional Rent.
- (i) **Pre-Surrender.** Not less than two (2) years, nor more than three (3) years prior to the end of the Term, Lessor, at Lessor's cost, may have the Premises inspected and tested as described below. Such inspection and testing shall not include tests that would cause any material damage to the Improvements or materially interfere with Lessee's conduct of its business on the Premises. Such inspection and testing shall be conducted by a qualified and experienced independent inspector (the "Independent Inspector") selected by Lessor and approved by Lessee, which approval shall not be unreasonably withheld or delayed. The Independent Inspector shall report its professional opinion concerning whether the Premises satisfies all Hazardous Materials Laws. The Independent Inspector's report shall be prepared at Lessor's expense and shall be addressed and delivered to both Lessor and Lessee. In the event that the Independent Inspector reports that the Premises does not satisfy all Hazardous Materials Laws, Lessor shall develop and submit to Lessee prior to the end of the Term a proposed written plan for any further testing desired by Lessor and for any cleanup of the Premises which Lessor believes to be required, together with a schedule for accomplishing such testing and cleanup before the end of the Term. Lessee may then retain its own independent inspector, who shall work with Lessor's Independent Inspector and any and all applicable Governmental Authorities to arrive

at an agreed upon plan of remediation. Upon such agreement, Lessee, at its cost shall take such actions as are reasonably necessary to bring the Premises into material compliance with all applicable Hazardous Materials Laws, and the Independent Inspector shall report the results of the cleanup to Lessor and Lessee. If Lessee fails to fully and timely perform or cause to be performed such cleanup, Lessor may do so at Lessee's expense. The Independent Inspector's report shall be an informed professional opinion and not a warranty or guarantee on the part of the Independent Inspector.

- (j) **Vacating the Premises.** Upon Lessee vacating the Premises: (i) Lessee shall have removed and disposed of all Hazardous Materials present on the Premises (except for reasonable quantities of ordinary and lawful supplies referred to above); All such removals, repairs and remediation shall be at Lessee's sole cost and expense; and (ii) until the Independent Inspector renders its opinion that the Premises materially satisfies all Hazardous Materials Laws and all costs therefor have been paid or reimbursed by Lessee, together with interest thereon, if any, the Premises and this Lease shall not be deemed surrendered and Lessee shall continue to pay Annual Rent on the Premises as set-forth in Section 5.21 hereof for occupancy of the Premises without the permission of Lessor.
- (k) **Environmental Indemnification.** Lessee shall defend with counsel reasonably approved by Lessor, indemnify and hold harmless Lessor, its agents and employees, from and against any and all claims, charges, actions, suits, liabilities, obligations, fines and penalties (including, without limitation, claims for property damage, personal injury and wrongful death, foreseeable and unforeseeable consequential damages, punitive damages to the extent permitted by law, costs of investigation, removal, response and remediation, natural and environmental resource damage, governmental administrative actions, and reasonable attorneys' and consultants' fees and expenses), by whomsoever made and howsoever asserted which arise out of, whether directly or indirectly, or relate, whether in whole or in part, to any of the following: (i) any release or discharge of Hazardous Materials on the Premises for which Lessee is responsible under the provisions of this Lease; or (ii) any violation by Lessee, its employees, agents or contractors, of Hazardous Materials Laws on the Premises; or (iii) any release or discharge, including without limitation any migration or emanation, of any Hazardous Materials from the Premises into the surrounding lands, air and water. (Collectively, "Environmental Claims") provided however that Lessee's foregoing indemnification of Lessor against Environmental Claims shall not include any such release, discharge, violation, migration or emanation attributable to any act or omission of Lessor, its agents, employees, contractors and affiliates or not at the direction or behest of Lessee (collectively, "Non Contributory Environmental Claims"), and Lessor shall indemnify, defend with counsel reasonably approved by Lessee, and hold harmless Lessee from and against any and all such Non Contributory Environmental Claims.
- (l) **Survival.** The obligations of the parties under this Section 5.23 shall survive any termination or expiration of this Lease and any conveyance by Lessor or Lessee of their respective interests in the Premises. No release of Lessee in connection with

any such termination, expiration or conveyance shall effect a release of Lessee's obligations under this Section, unless such release makes specific reference to the obligations of Lessee under this Section.

ARTICLE VI CONDEMNATION

In case at any time or times during the Term, the Premises or any part thereof shall be required, taken or condemned, other than for failure of Lessee to comply with applicable codes, statutes and regulations, by any authority having the power of eminent domain, then and in every such case the parties hereby mutually agree as follows:

- 6.1 **Termination of Lease and Rights to Compensation.** The estate and interest of Lessee in the Premises so required, taken or condemned shall at once cease and terminate and (a) Lessee shall not by reason thereof be entitled to any claim against Lessor or others for compensation or indemnity for the Land, (b) all compensation and damages payable for or on account of the Land shall be payable to and be the sole property of Lessor, (c) all compensation and damages payable with respect to the Existing Improvements shall be payable to and be the sole property of Lessor, and (d) all compensation and damages payable for or on account of any Improvements constructed by Lessee on the Land shall be divided between Lessor and Lessee as of the date when Lessee loses the right to possession thereof, according to the ratio that the then expired and unexpired portions, respectively, of the entire Term (as though continued to its natural expiration) bear to the sum of said portions, except that Lessee's share of the award as to Improvements constructed by Lessee shall not be less than the lesser of: (i) the aggregate unpaid balances of all loans secured by authorized leasehold mortgages existing as of the date of such taking, or (ii) the total award attributable to the taking, provided that Lessee pays all such sums to Lessee's Lender, to the extent of amounts owed to such Lender.
- 6.2 **Rent Reduction.** If any portion of the Essential Area of the Premises, which shall mean those areas shown as the "Essential Areas" on Exhibit "D" attached hereto and made a part hereof, is taken or condemned and this Lease is not terminated, the Annual Rent payable for the remainder of the Term shall be reduced in the ratio that the fair market value of the Land so taken bears to the fair market value of the Land existing immediately prior to such event.
- 6.3 **Election to Terminate.** If more than thirty percent (30%) of the area of the Land, or the usable area of the Improvements, is taken or condemned, or if the area so taken or condemned shall render the remaining Land unsuitable or economically impractical for the Lessee's purposes under this Lease, Lessee at its option, exercisable upon written notice to Lessor given within sixty (60) days after such taking, may surrender this Lease to Lessor, in which event (a) any and all condemnation proceeds from the condemnation of the Improvements shall be used to repay Lessee's Lender, to the extent of Lessee's obligations to such Lender, and thereafter the balance, if any, shall belong to Lessor, (b) all interest of Lessee and Lessee's Lender in the compensation and damages payable on account of any Improvements on the Land not taken or condemned shall belong to and be the sole property of Lessor, (c) Lessee may claim and recover from the condemning authority all compensation and damage to its business or property not subject to this Lease, and to any

inventory, furnishings, equipment and trade fixtures and the cost of restoration or removal of the foregoing property, (d) Lessor shall prepare and Lessee, Lessor and Lessee's Lender shall promptly execute and deliver such instruments as reasonably shall be deemed necessary by Lessor to evidence such surrender, (e) Lessee shall not be entitled to any other compensation or payment whatsoever by Lessor on account of such taking and surrender, and (f) upon such surrender of the Lease, Lessee shall be relieved of any further obligations hereunder.

6.4 **Partial Condemnation.** In all events of partial condemnation, the proceeds of any award for Improvements and/or severance damages for the Improvements, shall be allocated between Lessor and Lessee as of the date Lessee loses the right of possession to the portion of the Premises so taken or condemned. The allocation shall be according to the ratios that the then expired and unexpired portions, respectively, of the entire Term bear to the sum of such portions; provided, however, that in no event shall Lessee's share of the Improvements proceeds be less than the lesser of : (a) the amount which results from the sum of (i) the aggregate unpaid balance of all authorized leasehold mortgage loans as of the date of such partial taking multiplied by a fraction, (A) the numerator of which is the sum of (1) total value of the Improvements as of the date of such taking minus (2) the total value of the Improvements immediately following the taking, and (B) the denominator of which is the total value of the Improvements as of the date of such taking, provided that Lessee pays all such sums to Lessee's Lender, to the extent of amounts owed to such Lender; plus, (ii) the reasonable cost of any reasonable and necessary corrective work to the Improvements resulting from the taking; or (b) the total compensation or damages awarded for the Improvements and the Land.

6.5 **Leasehold Condemnation.** The condemnation of any leasehold interest in the Premises or any part thereof shall not terminate this Lease nor excuse Lessee from full performance of its covenants for the payment of money or any other obligations hereunder capable of performance by Lessee, but in such case Lessee may claim and recover from the condemning authority all compensation and damages payable on account of its leasehold interest, including such compensation and damages as may be separately awarded or recoverable by Lessee in its own right on account of any damage by reason of condemnation to its business, its business or property not subject to this Lease, any furniture, furnishings, equipment and trade fixtures on the condemned premises, and the cost of relocation or removal thereof. If the compensation payable to Lessee by the condemning authority in any such event is less than Lessee's payment obligations hereunder, such payment obligations hereunder shall be reduced to the amount of compensation payable to Lessee. In the event the condemning authority shall fail to keep the Premises in the state of repair required by this Lease, or to perform any other covenant not calling for the payment of money, Lessee shall have ninety (90) days after the restoration of possession to Lessee within which to carry out Lessee's obligations under such covenant or covenants or, if such performance cannot reasonably be completed within said ninety (90) day period, Lessee shall have a reasonable time to perform such obligations, provided that it commences promptly and diligently prosecutes such performance.

**ARTICLE VII
PERMITTED MORTGAGES**

- 7.1 **Lessee's Right to Mortgage Leasehold Estate.** Lessee may from time to time, without further consent of Lessor, assign Lessee's leasehold estate and this Lease by way of mortgage, which mortgage shall be an "approved" or "authorized" mortgage for the purposes hereof, to secure any indebtedness of the Lessee incurred to acquire, construct, improve and equip the Project or to refinance the same, including the provision of working capital, the payment of costs of issuance and the cost of any credit or liquidity enhancement related to such indebtedness. The mortgage granted by the Lessee pursuant to the Bond Indenture is hereby deemed to be an "approved" or "authorized" mortgage. Any bank, insurance company, bondholder or other established lending institution or an institutional trustee who acts as mortgagee for the benefit of holders of, or providers of credit or liquidity enhancement with respect to, indebtedness issued in connection with the construction of the Project, any Improvements, additions to the Project, or the refinancing, advance refunding, defeasance or other satisfaction of the Bond Indenture or any other financing which complies herewith shall be deemed to be a "Lender." Any mortgage granted subsequent to the initial mortgage granted pursuant to the Bond Indenture shall require that: (a) Lessee notify Lessor in writing in advance as to each such proposed assignment, (b) the proceeds of such subsequent financing are used solely for investment in the Project or additions or improvements thereto, including the provision of working capital, the payment of costs of issuance and the payment of costs for any credit or liquidity enhancement related thereto, and for no other purpose whatsoever, (c) upon the execution of any such assignment or mortgage, a copy thereof shall be delivered promptly to Lessor, and (d) except as provided in this Article VII of this Lease, no other or further assignment of this Lease for which any provision hereof requires the written consent of Lessor shall be made without such consent.
- 7.2 **Lender's Rights.** Notwithstanding any provision of this Lease to the contrary and without the need to obtain any consent or approval from Lessor, the Lender or its assigns may enforce such an approved mortgage and acquire title to the Leasehold Estate created by this Lease in any lawful way, and pending foreclosure of an approved mortgage (or pending sale of this Lease in lieu of foreclosure of such mortgage), may take possession of and rent the Premises, and upon succeeding to the title of Lessee in the Leasehold Estate through foreclosure thereof (or upon assignment in lieu of foreclosure thereof), may without further consent of Lessor sell and assign the Leasehold Estate by assignment in which the assignee shall expressly assume and agree to observe and perform all the covenants of Lessee herein contained and such assignee may make a purchase money mortgage of this Lease to the assignor or to any bank, insurance company, other established lending institution or commercial trustee as fully as Lessee could do so hereunder, provided that upon execution of any such assignment, a copy thereof shall be delivered promptly to Lessor, that any purchase money mortgage meet the conditions contained in clauses (a) through (c) of Section 7.1 above and that except pursuant to this Article, no other or further assignment of this Lease for which any provision hereof requires the written consent of Lessor shall be made without such consent. The Lender or its assignee shall be liable to perform the obligations herein imposed on Lessee only during the period such person has possession or ownership of the Leasehold Estate. Nothing contained in any mortgage shall release or be deemed to relieve Lessee from the full and faithful observance and performance of its covenants herein

contained or from any liability for the nonobservance or nonperformance thereof, nor be deemed to constitute a waiver of any rights of Lessor hereunder, and the terms, covenants and conditions of this Lease shall control in case of any conflict with the provisions of any mortgage.

7.3 **Protection of Lender.** During the continuance in effect of any mortgage of this Lease authorized by Section 7.1 above, Lessor will not terminate this Lease because of any default on the part of Lessee to observe or perform any of the covenants or conditions herein contained if the Lender or its assigns, within one hundred twenty (120) days after Lessor has mailed (not earlier than the expiration of Lessee's right to cure the default under this Lease) to the Lender or its assigns at the last known address thereof a written notice of Lessor's intention to terminate this Lease for such cause, shall cure such default if the same can be cured by the payment of money, or, if such is not the case, shall undertake in writing to perform and shall thereafter pay all rent and other charges as and when due under this Lease and perform all other covenants of this Lease capable of performance by the Lender or its assigns until such time as this Lease shall be sold upon foreclosure of such mortgage commenced promptly and completed with due diligence. Any default (a) consisting of Lessee's failure promptly to discharge any lien, charge or encumbrance against the Premises junior in priority to such mortgage or (b) which is otherwise not susceptible to cure by Lender except upon obtaining possession of the Premises or foreclosure, shall be deemed to be duly cured if such mortgage shall be foreclosed by appropriate action instituted within said one hundred twenty (120) day period and thereafter prosecuted in a diligent and timely manner. Lessor agrees that, simultaneously with mailing or delivering any notice of default or breach under or with respect to this Lease to Lessee, Lessor will mail or deliver a copy thereof to each and every Lender at such address of which Lessor may be notified in writing.

7.4 **Assumption and Rejection.** In consideration of Lessor's agreement to the "New Lease" provisions in favor of Lender contained in Section 7.5 below, each Lender shall, by accepting its mortgage, be deemed to undertake and agree for the benefit of Lessor that, if at any time a bankruptcy proceeding shall be commenced concerning Lessee and/or the Leasehold Estate, such Lender shall, within the statutory time period or any extension thereof provided under Section 365 of the Bankruptcy Code for the rejection or assumption of leases, use its reasonable efforts to diligently and in good faith obtain or cause Lessee/Lender and/or Lessee/Lender's trustee in bankruptcy to obtain: (a) an extension of the period during which this Lease may be assumed or rejected; or (b) an abandonment of the Leasehold Estate with the approval of the bankruptcy court pursuant to Section 554 of the Bankruptcy Code, as amended; or (c) an assumption of this Lease pursuant to Section 365 of the Bankruptcy Code, as amended.

7.5 **Lender's Right to a New Lease.** In the event that, notwithstanding the Lender's compliance with the provisions of Section 7.4 above, this Lease shall terminate prior to the natural expiration of the Term, as a result of an actual or deemed rejection of this Lease under any provision of the Bankruptcy Code (Title 11, United States Code) or any successor law having similar effect, then, and in any such event, such Lender (or the Lender holding a first mortgage if more than one) or its nominee or designee shall thereupon have the option to obtain a new lease ("New Lease") of the Premises in accordance with and upon the following terms and conditions:

- (a) **Lessor's Obligation to Enter into New Lease.** Within sixty (60) days after Lender has delivered to Lessor written request for a New Lease (such written request to be delivered to Lessor within sixty (60) days after Lender receives from Lessor written notice of the actual or deemed rejection of this Lease), Lessor shall enter into a New Lease of the Premises with such Lender, or its assignee or designee, as provided in Section 7.5(b) immediately below; provided, however, that if Lessor receives no such written request within said sixty (60) day period, then all of Lender's rights to a New Lease hereunder shall automatically terminate.
- (b) **New Lease Terms.** Such New Lease shall be effective as of the date of the actual or deemed rejection of this Lease and shall be for the remainder of the Term at the same Annual Rent, additional rent and other charges herein provided and otherwise upon the same agreements, terms, covenants and conditions contained herein, except that the New Lease shall also include an additional indemnity paragraph under the terms of which Lessee shall indemnify and hold Lessor harmless from and against all claims, demands or liability whatsoever by whomsoever made for loss or damage arising out of or in connection with the issuance of the New Lease and will promptly reimburse Lessor for its costs and expenses, including reasonable attorney's fees, incurred in connection with the defense of any such claims. The New Lease issued hereunder shall have the same relative priority in time and rights as this Lease and have the benefit of and vest in the Lender (or Lender holding a first mortgage if more than one) all of the same rights, title, interest, powers and privileges of Lessee under this Lease. The New Lease shall, subject to the same agreements, terms, covenants and conditions contained herein, also demise to Lender or its designee all Improvements and appurtenances situated on the Premises, together with all equipment, fixtures and machinery therein.
- (c) **New Lessee's Obligations.** As a condition to and concurrently with delivery of such New Lease, the lessee named therein shall pay any and all sums which would at the time of the execution thereof be due under this Lease but for the rejection as aforesaid, shall otherwise fully remedy any existing defaults under this Lease susceptible of cure by such lessee, and shall pay to Lessor all amounts due to Lessor hereunder and all costs and expenses of Lessor incurred in connection with the enforcement of Lessor's rights hereunder, including, but not limited to, any insurance premiums paid or incurred by Lessor in order to maintain the insurance coverage required under the terms of this Lease, and the reasonable attorneys' fees, court costs and disbursements incurred by Lessor by reason of the actual or deemed rejection of this Lease and in connection with the preparation, execution and delivery of such New Lease. Any curable default which cannot be cured by such lessee until it obtains possession shall be cured by the lessee within a reasonable time, subject to extension for Force Majeure Events, after it obtains possession.
- (d) **Lender's Right to Assign New Lease.** Lender, or its affiliate, if it or its affiliate is the initial lessee under the New Lease, may assign such New Lease to any assignee of its choice which is approved by Lessor, which approval shall not be unreasonably withheld or delayed, and shall thereupon be released from all liability for the

performance or observance of the covenants and conditions in such New Lease contained and on the lessee's part to be performed and observed from and after the date of such assignment, provided that a certified copy of such assignment shall be promptly provided to Lessor and that the assignee therein shall expressly assume and agree to observe and perform all of the covenants of Lessee contained in said New Lease.

- 7.6 **No Merger.** Ownership by or for the same person of both the fee and Leasehold Estate in the Premises shall not affect the merger thereof without the prior written consent of any mortgagee of either of such estates to such merger. There shall be no merger of the Leasehold Estate with the fee estate in the Premises by reason of the fact that one Leasehold Estate may be held directly or indirectly by or for the account of any person who shall also hold directly or indirectly the fee estate, or any interest therein, nor shall there be any such merger by reason of the fact that all or any part of the Leasehold Estate may be conveyed or mortgaged to a mortgagee who shall also hold directly or indirectly the fee estate in the Premises or any interest of Lessor under this Lease.
- 7.7 **Surrender and Amendment.** No surrender (except a surrender upon the natural expiration of the Term or upon termination of this Lease by Lessor pursuant to the provisions hereof) by Lessee to Lessor, of this Lease, the Leasehold Estate or any part thereof or interest therein shall be valid or effective without the prior written consent of any then-subexisting record Lender of whose interest Lessor shall have been given written notice in accordance with the terms of this Lease. This Lease shall not be amended or modified in any way that reasonably may be deemed or construed to affect the material rights and obligations of any Lender which is a then-subexisting record mortgagee of whose interest Lessor shall have been given written notice in accordance with the terms of this Lease unless such mortgagee shall give its written consent thereto.
- 7.8 **Estoppel Certificate.** Upon the written request of any Lender, Lessor shall provide an estoppel certificate to such Lender in such form as may be reasonably requested by such Lender or state in writing any basis Lessor may have for being unable to provide any such estoppel certificate; provided that, in the absence of an agreement between Lessor and any such Lender as to the form of any such estoppel certificate, such a certificate which addresses the items specified in Section 9.14 of this Lease shall be deemed to satisfy this requirement.

ARTICLE VIII DEFAULTS AND REMEDIES

- 8.1 **Events of Default.** Lessee shall be in default under this Lease upon the occurrence and continuance of any of the following events (each, an "Event of Default"):
- (a) **Payment of Rent.** If Lessee shall fail to pay any Rent or any part thereof when due, provided that Lessor shall give Lessee written notices of non-payment of said Rent with respect to each of the first two (2) occasions of such non-payment in each calendar year of the term hereof, together with a period of five (5) business days after such notice to cure any such failure, prior to the existence of an Event of Default, or

- (b) **Payments other than Rent.** If Lessee shall fail to observe and perform faithfully any of Lessee's covenants or agreements herein contained performable by the payment of money to persons other than Lessor (other than the payment to Lessor of amounts paid by Lessor to others as provided herein, which payments shall be payments of Rent) and such default shall continue for thirty (30) days (or such other and longer applicable cure period as may be in this Lease expressly provided) after a statement therefor given by the obligee to Lessee, unless Lessee shall have taken steps in good faith in such period to remedy the same and is continuing to so act with respect thereto with diligence and continuity reasonably satisfactory to Lessor, or
- (c) **Breach of Other Agreement.** If Lessee shall fail to observe or perform faithfully any of Lessee's other covenants or agreements herein contained and such default shall continue for thirty (30) days (or such other applicable cure period as may be in this Lease expressly provided) after written notice thereof given by Lessor to Lessee unless Lessee shall have taken steps in good faith within such period to remedy the same and is continuing to act with respect thereto with diligence and continuity reasonably satisfactory to Lessor, or
- (d) **Abandonment of Premises.** If Lessee shall abandon the Premises, or
- (e) **Attachment.** If this Lease or any estate or interest of Lessee hereunder shall be sold under any attachment or execution, other than to a Lender or purchaser at foreclosure as provided herein.

8.2 **Remedies.** Upon the occurrence of any one or more of the Events of Default, Lessor may, at its election, subject to and conditioned upon the rights of any lender as provided in Article VII or any other provision hereof, terminate this Lease, or terminate Lessee's right to possession only, without terminating the Lease. Upon termination of the Lease, or upon any termination of the Lessee's right to possession without termination of the Lease, Lessee shall surrender possession and vacate the leased premises immediately, and deliver possession thereof to Lessor, and hereby grants to Lessor the full and free right, without demand or notice of any kind to Lessee (except as hereinabove expressly provided for), to enter into and upon the leased premises in such event, with or without process of law, and to repossess the leased premises at Lessor's former estate, and to expel or remove Lessee and any others who may be occupying or within the leased premises, without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, without incurring any liability for any damage resulting therefrom, and without relinquishing Lessor's rights to rent or any other right given to Lessor hereunder or by operation of law. Upon termination of the Lease, Lessor shall be entitled to recover, as damages, all rent and other sums due and payable to Lessor on the date of termination, plus (1) an amount equal to the rent and other sums provided herein to be paid by Lessee for the residue of the stated term hereof on the dates originally fixed herein for payment thereof, and (2) the cost of performing any other covenants to be performed by Lessee. If Lessor elects to terminate Lessee's right to possession only, without terminating the Lease, the Lessor may, at Lessor's option, enter into the leased premises, remove Lessee's signs and other evidence of tenancy, and take and hold possession thereof as hereinabove provided, without such entry and possession terminating the Lease or releasing Lessee, in whole or in part, from Lessee's obligations to pay the rent

hereunder for the full term or from any other of its obligations under this Lease, subject to the offset of all sums received by Lessor from any reletting. Lessor may, but shall be under no obligation so to do, relet all or any part of the leased premises for such rent and upon such terms as shall be satisfactory to Lessor (including the right to relet the leased premises for a term greater or lesser than that remaining under the Lease term, the right to relet the leased premises as a part of a larger area, and the right to change the character or use made of the leased premises). For the purpose of such reletting, Lessor may decorate or make any repairs, changes, alterations or additions in or to the leased premises that may be necessary or convenient. If Lessor does not relet the leased premises, Lessee shall pay to Lessor on demand damages equal to the amount of the rent and other sums provided herein to be paid by Lessee for the remainder of the Lease term. If the leased premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the expenses of such decorations, repairs, changes, alterations, additions, the expenses of such reletting, and the collection of the rent accruing therefrom (including, but not by way of limitation, attorneys' fees and broker's commissions), to satisfy the rent and other charges herein provided to be paid for the remainder of the Lease term, Lessee shall pay to Lessor on demand any deficiency, and Lessee agrees that Lessor may file suit to recover any sums falling due under the terms of this section from time to time. In no event shall Lessor or its assigns be entitled to recover any punitive, exemplary, or consequential damages against Lessee. Lessor hereby waives any right it has for the recovery of such damages.

- 8.3 **Non-Waiver.** Acceptance of rent by Lessor shall not be deemed a waiver by it of any breach by Lessee of any covenant herein contained or of Lessor's right to re-enter for breach of condition. Waiver by Lessor of any breach by Lessee shall not operate to extinguish the term, covenant or condition, the breach whereof has been waived, nor be deemed to be a waiver of Lessor's right to declare a forfeiture for any other breach thereof.

ARTICLE IX MISCELLANEOUS

- 9.1 **Approval and Consent.** Except as expressly provided herein, no approval or consent of Lessor required by any provision hereof shall be unreasonably or arbitrarily withheld, delayed or conditioned. Lessor shall use its reasonable best efforts to cooperate with Lessee in expediting all reasonable requests for approval or consent, and, if such approval or consent is refused, Lessor shall so state in writing and give its reasons therefor; provided, however, that in those instances wherein Lessor has reserved the arbitrary right to grant or withhold its consent or approval, no reason need be given. If Lessor shall fail to so approve or disapprove any request for approval or consent within thirty (30) days after the date on which notice of such request is given to Lessor as provided herein, together with documents and information reasonably necessary for Lessor to determine such matter (or within such other time as Lessor and Lessee shall mutually in writing agree), such request shall be deemed approved and such consent shall be deemed given.
- 9.2 **Assumption of Risk.** Lessee assumes all risk of loss or damage to furnishings, furniture, fixtures, equipment, supplies, merchandise and other property, by whomsoever owned, which is stored or placed on the Premises and does hereby agree that Lessor shall not be responsible for any loss or damage to any such property other than as a result of the gross

negligence or wilful misconduct of Lessor or Lessor's agents, contractors, employees or affiliates and not at the direction or behest of Lessee, and Lessee hereby agrees to indemnify and save harmless Lessor from and against any and all claims for such loss or damage, except for damage attributable to Lessee as specified.

- 9.3 **Modification of Lease.** At Lessee's request, in the event a modification of this Lease is necessary to secure mortgage financing for the construction of the Improvements from any Lender, Lessor will agree to modify this Lease to the extent reasonably necessary to secure such financing, provided that such modifications will not result in any lengthening of the Term nor adversely affect in any material respect any rights of Lessor under this Lease.
- 9.4 **Cancellation Not Merger.** The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation hereof, or the termination hereof by Lessor pursuant to any provision contained herein, shall not work a merger, but at the option of Lessor shall either terminate any or all existing subleases or subtenancies hereunder, including, without limitation, any life care contracts, or operate as an assignment to Lessor of any or all of such subleases or subtenancies, including, without limitation, life care contracts. Nothing herein contained shall be deemed or construed to require Lessor under any circumstances to assume or accept assignment of any life care contracts nor to permit attornment or any holding over by the holders thereof.
- 9.5 **Notices.** Any notice, demand or other communication (in this section, collectively, "notice") to Lessor, Lessee or Lender provided for or permitted by this Lease shall be given in writing (unless otherwise expressly provided), and may be: (a) mailed by United States registered or certified mail, return receipt requested, addressed to such party at its post office address herein specified or the last such address designated by such party in writing to the other; or (b) delivered personally to any officer of the party to be notified, if such party is a corporation or any general partner of a party to be notified if such is a partnership, as the case may be; or (c) sent by overnight delivery, addressed to the party to be notified at the address hereinafter specified. Any such written notice shall be deemed received at the time of such personal delivery, or at 5:00 P.M. on the third business day after being deposited with the United States mail as aforesaid, or on the business day after deposit thereof with an overnight courier delivery service, as the case may be.

Lessor: Intercity Investment Properties, Inc.
ATTN: Edwin B. Jordan, Jr.
4301 Westside Drive
Dallas, Texas 75209

Lessee: Northwest Senior Housing Corporation
ATTN: Charles B. Brewer
2711 LBJ Freeway
Suite 950
Dallas, Texas 75234

With copies to: Michael B. Lanahan
Greystone Communities
222 W. Las Colinas Blvd.
Suite 2100
Irving, Texas 75039

and

Peter J. Riley, Esq.
Thompson & Knight
1700 Pacific Avenue, Suite 3300
Dallas, Texas 75201-4693

Lender: Chase Bank of Texas, N.A.
Attn: Mr. Dennis Roemelin
600 Travis Street, Suite 1150
Houston, Texas 77002

- 9.6 **Construction.** This Lease is the product of extensive negotiations in which Lessor and Lessee are represented by legal counsel of their choice. Lessor and Lessee enter into this Lease freely and after consultation with counsel and other professional advisors. Neither Lessor nor Lessee is acting under duress or compulsion. Accordingly, neither Lessor nor Lessee shall be deemed the drafter of this Lease and neither this Lease nor any provision hereof shall be construed against either Lessor or Lessee as drafter.
- 9.7 **No Partnership Intended.** Lessor and Lessee agree that Lessor in no event and for no purpose is a partner of Lessee in the conduct of any of its businesses or other affairs or joint ventures or members of a joint enterprise with Lessee. The relationship of the parties is that of landlord and tenant.
- 9.8 **Governing Law and Venue.** This Lease and all of its provisions shall be governed by and construed in accordance with the law of the State of Texas other than that which would require reference to the law of another jurisdiction. The venue for any action with respect to this Lease shall be in Dallas County, Texas.
- 9.9 **Waiver of Jury Trial.** Lessor and Lessee each hereby voluntarily and knowingly waive and relinquish its right to a trial by jury in any action, proceeding or counterclaim brought by either against the other as to any matter whatsoever arising out of or in any way connected with this Lease.
- 9.10 **Time Is Of The Essence.** Time is expressly declared to be of the essence of this Lease and the performance and observance of all of the terms, covenants and conditions of this Lease.
- 9.11 **Memorandum of Lease.** Lessee shall not record this Lease without the prior written consent of Lessor, which consent Lessor may arbitrarily withhold; provided, however, that concurrently with the execution of this Lease, Lessor and Lessee shall join in the execution of a memorandum of this Lease (the "Memorandum") for the purpose of recordation in the

form attached hereto as Exhibit "E" and made a part hereof and such Memorandum shall be promptly recorded in the Real Property Records of Dallas County, Texas in connection with the inception hereof.

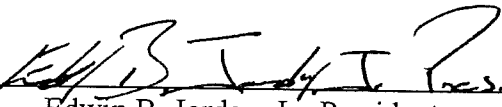
- 9.12 **Captions and Headings.** The captions and headings of the Articles, Sections and subsections of this Lease are inserted only for convenience and reference and shall in no way define, expand or limit the scope or intent of any provisions of this Lease.
- 9.13 **Copies.** Wherever in this Lease it is provided that Lessor or Lessee shall provide a copy of any instrument, document or report, the copy shall be full, true and complete, with all of its exhibits, appendices and schedules. The recipient also shall be entitled to receive a copy of any matter cross-referenced or referred to in any instrument, document or report required to be given it hereunder.
- 9.14 **Estoppel Certificates.** Each party will, from time to time upon reasonable written request therefor from the other party or its Lender(s) or mortgagee(s), furnish to the other party or its Lender or mortgagee an estoppel certificate duly executed and acknowledged and certifying (a) that the Lease is unmodified and in full force and effect or if the Lease has been modified, is in full force and effect as modified and identifying the modifications; (b) whether or not there is, to such party's knowledge, then any default of this Lease by the other party or, to the party's knowledge, any condition which with the passage of time or delivery of notice would become a default, and, if so specifying, the nature thereof, (c) the dates to which rent and any other charges payable under the Lease have been paid; and (d) such other information as may reasonably be requested. Lessor and Lessee will furnish their estoppel certificates without any charge.
- 9.15 **Lease Prior To Any Mortgages Or Security Interest On Fee.** At all times while this Lease remains in effect, the Lease and the Leasehold Estate established under this Lease shall be prior and superior to any mortgages or other security interests granted by Lessor on Lessor's fee simple interest in the Land.
- 9.16 **Lessor's Representations and Warranties.** Lessor represents and warrants to Lessee, which representations and warranties shall survive the commencement of this Lease, that the person signing this Lease on behalf of Lessor is authorized to do so, that Lessor has full right and authority to enter into this Lease, and that the execution, consent or acknowledgment of no other person is necessary in order to validate the execution of this Lease by Lessor. Upon full execution, this Lease shall be valid, legally binding and enforceable against Lessor according to the terms of this Lease.
- 9.17 **Lessee's Representations and Warranties.** Lessee represents and warrants to Lessor, which representations and warranties shall survive the commencement of this Lease, that the person signing this Lease on behalf of Lessee is authorized to do so, that Lessee has full right and authority to enter into this Lease, and that the execution, consent or acknowledgment of no other person is necessary in order to validate the execution of this Lease by Lessee. Upon full execution, this Lease shall be valid, legally binding and enforceable against Lessee according to the terms of this Lease.

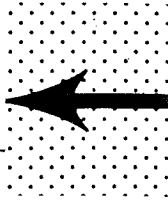
- 9.18 **Entire Agreement, Binding Effect.** This Lease and those provisions of the Option Agreement continuing thereunder as provided therein and those leases and service contracts to be assumed by Lessee hereunder constitute a complete integration of all prior agreements between Lessor and Lessee and the entire agreement of Lessor and Lessee, and supersedes all oral and written agreements and understandings made and entered into by the parties or their agents. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by each of them. This Lease shall be binding upon and inure to the benefit of the Lessor and Lessee and their respective successors and assigns or permitted assigns. Whenever the term "Lessee" shall refer to more than one person or entity, the covenants and agreements of the Lessee shall be jointly and severally binding upon each such person or entity.

Lessor:

INTERCITY INVESTMENT PROPERTIES, INC.

By:


Edwin B. Jordan, Jr., President



Lessee:

Northwest Senior Housing Corporation

By: Charles B. Brewer
Charles B. Brewer, President

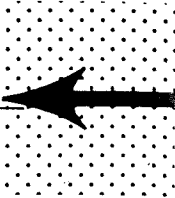


EXHIBIT "A"
TO
GROUND LEASE

The Land

TRACT I

Being Lots 1 thru 7, Block 8/5464 of PRESTONVILLE, an Addition to the City of DALLAS, DALLAS County, Texas, according to the Plat thereof recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas.

TRACT II

Being Lots 1 thru 8, Block 9/5464 of PRESTONVILLE, an Addition to the City of DALLAS, DALLAS County, Texas, according to the Plat thereof recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas.

Provided, if abandonment is successful and the Owner acquires title to, the alleyways and part of Beauregard Drive, both within the above described area, the portion thereof abandoned by the City of Dallas and acquired by Owner shall be a part of the Land subject to lease.

(TO BE REPLACED WHEN THE LAND IS REPLATTED)

EXHIBIT "B"
TO
GROUND LEASE

Permitted Exceptions

1. Standby fees, taxes and assessments by any taxing authority for the year 1999, and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.
2. Lease of laundry facilities granted to UNITED COIN METER COMPANY, INC. by instrument dated March 31, 1976, filed May 19, 1976, recorded in Volume 76097, Page 2079, Deed Records, Dallas County, Texas, as noted on the Survey.
3. The following easement(s) and/or building lines, as shown on plat recorded in Volume 12, Page 83, Map Records, Dallas County, Texas, and as shown on survey prepared by John R. Piburn, RPLS No. 3689, dated November 16, 1997, hereinafter the "Survey", to-wit:
 - a. 25 foot building line along the East property line of Lots 2, 4, 6, Block 8/5464.
 - b. 25 foot building line along the North property line of Lots 1 and 2, Block 8/5464.
 - c. 25 foot building line along the West property line of Lots 1, 3, 5 and 7, Block 8/5464.
 - d. 25 foot building line along the South property line of Lots 6 and 7, Block 8/5464.
 - e. 25 foot building line along the East property line of Lots 2, 4, 6 and 8, Block 9/5464.
 - f. 25 foot building line along the North property line of Lots 1 and 2, Block 9/5464.
 - g. 25 foot building line along the West property line of Lots 1, 3, 5 and 7, Block 9/5464.
 - h. 25 foot building line along the South property line of Lots 7 and 8, Block 9/5464.
 - i. 20 foot alleys between odd and even numbered lots.
4. Right of Entry granted to WARNER AMEX CABLE COMMUNICATIONS, INC. by instrument dated December 2, 1981, filed June 23, 1982, recorded in Volume 82123, Page 0112, Deed Records, Dallas County, Texas, as noted on the Survey.
5. Rights of tenants in possession, as tenants only, under any unrecorded written rental or lease agreements.

EXHIBIT "C"
TO
GROUND LEASE

Ordinance for Abandonment of Beauregard Drive

Attached following this cover page



CITY OF DALLAS

October 22, 1999

Intercity Investment Properties
% H. Louis Nichols
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
1800 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201

Re: Log 16758 - Abandonment Request - Beauregard Drive and alley rights-of-way

Dear Mr. Nichols:

Enclosed is a copy of a proposed ordinance which, if approved by the City Council, will abandon a portion Beauregard Drive and alley rights-of-way containing approximately 79,074 square feet of land located near Northwest Highway between Thackery Street and Edgemere Road to Intercity Investment Properties. A portion of the proposed abandoned area will be exchanged for the dedication of approximately 9,125 sq. ft. land needed for street right-of-way and approximately 21,958 sq. ft. of land dedicated as a private drive and utility easement, totaling a dedication of 31,083 sq. ft. of land.

Please review this document and, if all is acceptable, have this letter, and the "No Conflict of Interest" statement signed by the appropriate individual where indicated below and return it, along with your **cashier's check** in the amount of \$428,390 (79,074 sq. ft. - 31,083 sq. ft. = 47,991 sq. ft. X 10.50 p.s.f. X 85%, plus the \$20.00 ordinance publication fee and \$50.00 recording fees) to the attention of the undersigned.

ALL TAXES OWED MUST BE PAID AND ALL OUTSTANDING CODE VIOLATIONS MUST BE RESOLVED PRIOR TO SCHEDULING THIS ITEM FOR ANY CITY COUNCIL AGENDA.

When this letter and "No Conflict of Interest" statement are returned properly executed and said cashier's check in the amount of \$428,390 are received, this matter will be placed on the earliest possible City Council Agenda. All items must be received upon receipt, in order to make the November 10, 1999 agenda.

Thanks for your cooperation. If you have any question, please call me at 948-4086.

Sincerely,

Ernestine E. Tucker
Sr. Real Estate Specialist

enclosure:

We have reviewed the proposed ordinance attached hereto and find all of its terms and conditions acceptable and are enclosing the executed "No Conflict of Interest" statement and a **cashier's check** in the amount of \$428,390. We are still the current owners of the abutting property adjacent to the proposed abandoned area.

Intercity Investment Properties, Inc.

By:
Name: Edward B. Jordan Jr. (print)
Title: President (print)

Donosky Ex. 6

Page 45 of 69

NO "CONFLICT OF INTEREST" STATEMENT

REVISED 5-18-92

I/we _____ agree to the following:

1. Neither I/we, nor my/our spouse(s), is/are a City of Dallas officer, employee or City Council appointed member of any board or commission.
2. The grant of this application would not violate Chapter XXII, Sec. 11 of the Dallas City charter which follows:

DALLAS CITY CHARTER CHAPTER XXII, SEC. 11.

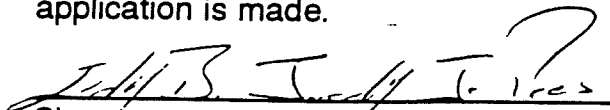
SEC. 11. FINANCIAL INTEREST OF EMPLOYEE OR OFFICER PROHIBITED.

(a) No officer or employee shall have any financial interest, direct or indirect, in any contract with the City, or be financially interested, directly or indirectly, in the sale to the city of any land, materials, supplies or services, except on behalf of the city as an officer or employee. Any violation of this section shall constitute malfeasance in office, and any officer or employee guilty thereof shall thereby forfeit the officer's or employee's office or position with the city. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the city shall render the contract involved voidable by the city manager or the city council.

(b) The alleged violations of this section shall be matters to be determined either by the trial board in the case of employees who have the right to appeal to the trial board, and by the city council in the case of other employees.

(c) The prohibitions of this section shall not apply to the participation by city employees in federally-funded housing programs, to the extent permitted by applicable federal or state law. (Amend. of 8-12-89, Prop. No. 1; Amend. of 8-12-89, Prop. No. 15)

3. If this application is made on behalf of another person, partnership, corporation or other business entity and if the undersigned or my/our spouse(s) is/are a City of Dallas officer, employee or board or commission member, I/we swear and affirm that neither I/we, nor my/our spouse(s), have financial interest, direct or indirect, with the other person, partnership, corporation or other business on whose behalf this application is made.


Signature

Printed Name: Edward B. Jacobson Jr.

Title: President

Signature

Printed Name: _____

Title: _____

ORDINANCE NO. _____

An ordinance providing for the abandonment of Beauregard Drive and alley rights-of-way located in and adjacent to City Block 8/5464 and 9/5464 in the City of Dallas and County of Dallas, Texas; providing for the quitclaim thereof to Intercity Investment Properties, Inc.; providing for the terms and conditions of the abandonment and quitclaim made herein; providing for barricading; providing for the indemnification of the City of Dallas against damages arising out of the abandonment herein; providing for the consideration to be paid to the City of Dallas; providing for the payment of the publication fee; and providing an effective date.

ooo0ooo

WHEREAS, the City Council of the City of Dallas, acting pursuant to law and upon the request and petition of Intercity Investment Properties, Inc., a Texas corporation, hereinafter referred to as **GRANTEE**, deems it advisable to abandon and quitclaim the hereinafter described tracts of land to **GRANTEE**, and is of the opinion that said street and alley rights-of-way are not needed for public use, and same should be abandoned and quitclaimed to **GRANTEE**, as hereinafter stated; and

WHEREAS, the City Council of the City of Dallas is of the opinion that the best interest and welfare of the public will be served by abandoning and quitclaiming the same to **GRANTEE** for the consideration hereinafter more fully set forth; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the tracts of land described in Exhibit A, which is attached hereto and made a part hereof, be and the same are abandoned, vacated and closed insofar as the right, title and interest of the public are concerned; subject, however, to the conditions hereinafter more fully set out.

SECTION 2. That for and in monetary consideration of the sum of **FOUR HUNDRED TWENTY-EIGHT THOUSAND THREE HUNDRED TWENTY AND NO/100 (\$428,320.00) DOLLARS** paid by **GRANTEE**, and the further consideration described in Sections 8, 9,

10, 11, and 12 the City of Dallas does by these presents FOREVER QUITCLAIM unto the said **GRANTEE**, subject to the conditions, reservations, and exceptions hereinafter made and with the restrictions and upon the covenants below stated, all of its right, title and interest in and to those certain tracts or parcels of land hereinabove described in Exhibit A. **TO HAVE AND TO HOLD** all of such right, title and interest in and to the property and premises, subject aforesaid, together with all and singular the rights, privileges, hereditaments and appurtenances thereto in any manner belonging unto the said **GRANTEE** forever.

SECTION 3. That upon payment of the monetary consideration set forth in Section 2, **GRANTEE** accepts the terms, provisions and conditions of this ordinance.

SECTION 4. That the City Controller is authorized to deposit the sum paid by **GRANTEE** pursuant to Section 2 above in the Property Management Fund 0001, Agency PGT, Balance Sheet 0519 and Property Management shall be reimbursed for the cost of obtaining the legal description, appraisal and other administrative costs incurred. The reimbursement proceeds shall be deposited in Fund 0001, Agency PGT, Org. 1301, Object 5011 and any remaining proceeds shall be transferred to the General Capital Reserve Fund 0525, Agency BMS, Org. 8888, Revenue Source 8416.

SECTION 5. That the abandonment and quitclaim provided for herein are made subject to all present zoning and deed restrictions, if the latter exist, and are subject to all existing easement rights of others, if any, whether apparent or non-apparent, aerial, surface, underground or otherwise, and are further subject to the conditions contained in Exhibit B, which is attached hereto and for all intents and purposes made a part hereof.

SECTION 6. That the terms and conditions contained in this ordinance shall be binding upon **GRANTEE**, its successors and assigns.

SECTION 7. That the abandonment and quitclaim provided for herein shall extend only to the public right, title, easement and interest, and shall be construed to extend only to that interest the Governing Body of the City of Dallas may legally and lawfully abandon and vacate.

SECTION 8. That as a condition of this abandonment and as a part of the consideration for the quitclaim to **GRANTEE** herein, **GRANTEE**, its successors and assigns, agree to indemnify, defend, release and hold the City of Dallas whole and harmless against any and all claims for damages, fines, penalties, costs or expenses to persons or property that may arise out of, or be occasioned by or from: (i) the use and occupancy of the property described in Exhibit A by **GRANTEE**, its successors and assigns; (ii) the presence, generation, spillage, discharge, release, treatment or disposition of any Hazardous Substance on or affecting the area set out in Exhibit A, (iii) all corrective actions concerning any discovered Hazardous Substances on or affecting the areas described in Exhibit A, which **GRANTEE** agrees to undertake and complete in accordance with applicable federal, state and local laws and regulations; and (iv) the abandonment, closing, vacation and quitclaim by the City of Dallas of the areas set out in Exhibit A. **GRANTEE** hereby agrees to defend any and all suits, claims, or causes of action brought against the City of Dallas on account of same, and discharge any judgement or judgments that may be rendered against the City of Dallas in connection therewith. For purposes hereof, "Hazardous Substance" means the following: (a) any "hazardous substance" under the Comprehensive, Environmental Response, Compensation Liability Act, 42 U.S.C. Section 9601 et seq., as amended, (b) any "hazardous substance" under the Texas Hazardous Substances Spill Prevention and Control Act, TEX. WATER CODE, Section 26.261 et seq., as amended, (c) petroleum or petroleum-based products (or any derivative or hazardous constituents thereof or additives thereto), including without limitation, fuel and lubricating oils, (d) any "hazardous chemicals" or "toxic chemicals" under the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., as amended, (e) any "hazardous waste" under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., as amended; and (f) any "chemical substance" under the Toxic Substance Control Act, 15 U.S.C. Section 2601 et seq., as amended. References to particular acts or codifications in this definition include all past and future amendments thereto, as well as applicable rules and regulations as now or hereafter promulgated thereunder.

SECTION 9. That as a condition of this abandonment and as a part of the consideration for the quitclaim made herein, **GRANTEE** shall:

- a) file a final replat of the adjoining properties within one year after passage of this ordinance showing the dedication of:
 - 1) not less than approximately 21, 958 square feet of land as a private drive and utility easement located in City Block 9/5464 with alignments acceptable to the Director of Public Works & Transportation. The private drive and utility easement shall expressly provide for private service easements including, but not limited to utilities, fire lanes, street lighting, government vehicle access, mail collection and delivery access and utility meter reading access; and
 - 2) approximately 8,786 square feet of land, as street rights-of-way located in City Block 9/5464; and
 - 3) three 15' X 15' corner clips at Beauregard Avenue and Thackery Street and Northwest Highway and its intersection with Edgemere Road and Thackery Street.

This final replat shall be recorded by **GRANTEE** in the Deed Records of Dallas County, Texas after its approval by the City Plan Commission of the City of Dallas. Failure to record a final replat in accordance with the term of this section shall render this ordinance null and void, and of no further effect. Further, the final replat shall be filed with the Planning and Development Department of the City of Dallas before a certified copy of this ordinance shall be delivered to **GRANTEE**; and

- b) provide and construct within two years after passage of this ordinance a private drive and utility easement containing not less than 21,958 square feet of land, adequate to serve the development as determined by the Building Official of the City of Dallas; and
 - 1) assume full responsibility for maintenance of the private drive; The private drive and utility easement is to be built within the easements to be dedicated as specified in Section 9a)1) herein, to the same specifications as a street dedicated to public use; with a minimum width of 24 feet (no curb requirement, when adjacent to parking), and a minimum width of 20 feet (with a curb requirement when not adjacent to parking). Failure by **GRANTEE**, its successors and assigns, to comply with this provision within two years from the passage of this ordinance, shall render this ordinance null and void and at no further effect; and

- 2) submit detailed plans for the private drive and utility easement to the Director of Public Works and Transportation, or his designee, for review and approval, and execute a private development contract for the construction of the proposed private drive and utility easement; and
 - 3) construct the private drive and utility easement in accordance with the approved plans and executed private development contract, and have all work accepted in writing by the Director of Public Works and Transportation or his designee. Failure to construct the private drive and utility easement as set forth herein, shall render this ordinance null and void and of no further effect; and
- c) install signs denoting the private drive as "private" in accordance with plans approved by the Director of Public Works and Transportation, or his designee; and
 - d) provide a means of access for sanitation collection acceptable to the Department of Street, Sanitation and Code Enforcement; and
 - e) locate all utility and communication facilities, including but not limited to Southwestern Bell Telephone Company facilities prior to any construction within the abandonment area; and
 - f) comply with the Uniform Fire Code and Uniform Building Code for any new construction within or adjacent to the abandoned area; and
 - g) comply with Dallas Fire Department Standard No. 4, "Security Gates" of the Uniform Fire Code, Section 10.205 for any access security gates and fencing; and
 - h) copies of the replat must be submitted to the Fire Department for review of any proposed new construction within or adjacent to the abandoned area during the routing of the replat; and
 - i) contact the Local One Call System at 1-800/344-8377 and Lone Star Gas at 214/426-7051 at least 48 hours prior to any construction; and

SECTION 10. That as a condition of this abandonment and as a part of the consideration for the quitclaim made herein, the private drive and utility easement, as set forth in Section 9a), is restricted to residential uses only, for a period of forty years from the date of

passage of this ordinance, unless such use restriction is sooner removed by ordinance duly passed by the City Council of the City of Dallas and payment of the abandonment fee calculated in accordance with the requirements of the Dallas City Code at the time of request. Upon receipt of a certified copy of this ordinance **GRANTEE** shall record this ordinance in the Deed Records of Dallas County, Texas. Failure by **GRANTEE**, its successors and assigns to comply with these restrictions shall render this ordinance null and void and of no further effect. The City shall have the exclusive right to enforce these use restrictions, by any lawful means, including filing an action in a court of competent jurisdiction at law or at equity, against **GRANTEE** or any other person violating or attempting to violate these use restrictions.

SECTION 11. That as a condition of this abandonment and as a part of the consideration for the quitclaim to **GRANTEE** herein, **GRANTEE** shall, keep and maintain the existing streets and alleys described in Exhibit A open and usable for emergency vehicle access (police, fire and ambulance services) and governmental vehicle access (mail collection, sanitation collection, utility meter access, etc.) during any demolition and any redevelopment of the abutting properties until the new private drive is dedicated and constructed by **GRANTEE** and accepted by the City. The governmental vehicular access reserved herein shall terminate upon the completion of construction and acceptance of the new private drive by the City.

SECTION 12. That as a condition of the abandonment and as a part of the consideration for the quitclaim made herein, **GRANTEE**, shall, upon the filing of a final replat as set forth in Section 9a) close, barricade and/or place signs in the areas described in Exhibit A in accordance with detailed plans approved by the Director of Public Works and Transportation, subject to providing for adequate access for emergency vehicles (police, fire and ambulance services). **GRANTEE's** responsibility for keeping the area described in Exhibit A closed, barricaded (except to emergency vehicles) and/or signs in place shall continue until the street improvements and intersection returns are removed by **GRANTEE**, its successors and assigns, to the satisfaction of the Director of Public Works & Transportation.

SECTION 13. That the City Secretary is hereby authorized and directed to certify a copy of this ordinance for recordation in the Deed Records of Dallas County, Texas, which certified copy shall be delivered to the Property Management Director, or her designee. Upon receipt of the monetary consideration set forth in Section 2, plus the fee for the publishing of this ordinance, which **GRANTEE** shall likewise pay, and the filing of the final replat set forth in Section 9a), the Property Management Director, or her designee: (i) shall deliver to **GRANTEE** a certified copy of this ordinance, and (ii) is authorized to prepare and deliver a QUITCLAIM DEED with regard to the areas abandoned herein, should such be requested by **GRANTEE** hereunder, same to be executed by the City Manager on behalf of the City of Dallas, attested by the City Secretary and approved as to form by the City Attorney. The Property Management Director, or her designee, shall be the sole source for receiving certified copies of this ordinance for one year after its passage. -

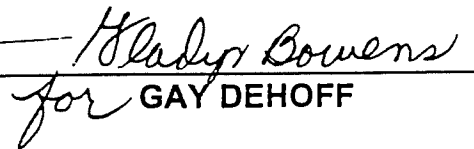
SECTION 14. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:
MADELEINE B. JOHNSON,
City Attorney

PROPERTY MANAGEMENT DIRECTOR

BY


Assistant City Attorney


for GAY DEHOFF

Passed _____

EXHIBIT A

TRACT 1

STREET ABANDONMENT
33,206 sq. ft. (0.7623 acres)
BEAUREGARD DRIVE
between Blocks 9/5464 and 8/5464
City of Dallas
Dallas County, Texas

BEING a 33,206 square feet (0.7623 acre) tract of land situated in the J.M. McDowell Survey, Abstract No. 922, Dallas County, Texas, further being all of that portion of Beauregard Drive (50' R.O.W.) which lies between Block 9/5464 and Block 8/5464 of Prestonville Addition, an addition to the City of Dallas according to the plat thereof recorded in Volume 12, Page 83, Map Records, Dallas County, Texas, bounded on the north by the south line of Bandera Avenue (60' R.O.W.) and on the south by the north line of Northwest Highway (150' R.O.W.), and being more particularly described as follows:

BEGINNING at a brass highway monument found for corner in the north line of said northwest highway and being the southeast corner of said Block 9/5464, further being the southeast corner of Lot 8, Block 9/5464, of said addition as conveyed to Corrigan Properties, Inc. (subsequently renamed InterCity Investment Properties, Inc.) by Special Warranty Deed recorded in Volume 69194, Page 0065, Deed, Records, Dallas County, Texas;

THENCE N00°28'33"E departing the north line of said Northwest Highway and along the east lines of Lots 8, 6, 4, and 2 of Block 9/5464 as conveyed to Corrigan Properties, Inc. by said Special Warranty Deed, a distance of 664.12 feet to a 5/8" iron rod with red cap stamped "RPLS 4625" set for corner in the south line of the aforementioned Bandera Avenue and being the northeast corner of said Block 9/5464;

THENCE S89°44'30"E along the said south line of Bandera Avenue, a distance of 50.00 feet to a 5/8" iron rod with red cap stamped "RPLS 4625" set for corner at the northwest corner of the aforementioned Block 8/5464; s.w.

SHT 1 of 3

EXHIBIT A TRACT 1

THENCE S00°28'33"W departing the said south line of Bandera Avenue and along the west lines of Lots 1,3,5, and 7 of Block 8/5464 as conveyed to Corrigan Properties, Inc. by said Special Warranty Deed, a distance of 664.13 feet to a brass highway monument found for corner in the north line of the aforementioned Northwest Highway and being the southwest corner of said Block 8/5464;

THENCE N89°44'00"W along the said north line of Northwest Highway, a distance of 50.00 feet to the POINT OF BEGINNING and containing 33,206 square feet or 0.7623 acres of land, more or less.

*Bearings are based upon the north line of Northwest Hwy. (N89°44'00"W) as recorded by plat of PRESTONVILLE ADDITION in Vol.12, Pg.83, Map Records, Dallas County, Texas.

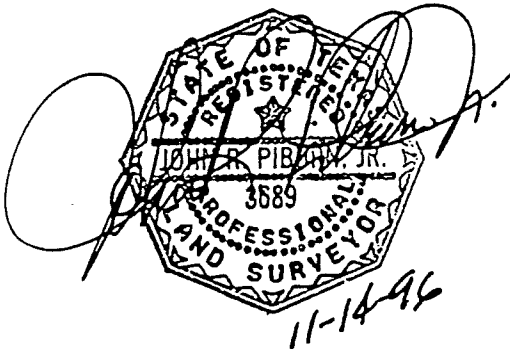


Exhibit 6 Page 56 of 69

STREET ABANDONMENT

EXHIBIT A TRACT 1

33,206 sq. ft. (0.7623 acres)

BEAUREGARD DRIVE

between Blocks 9/5464 and 8/5464

City of Dallas

Dallas County, Texas

100 200

SCALE: 1" = 100'

NOTES:

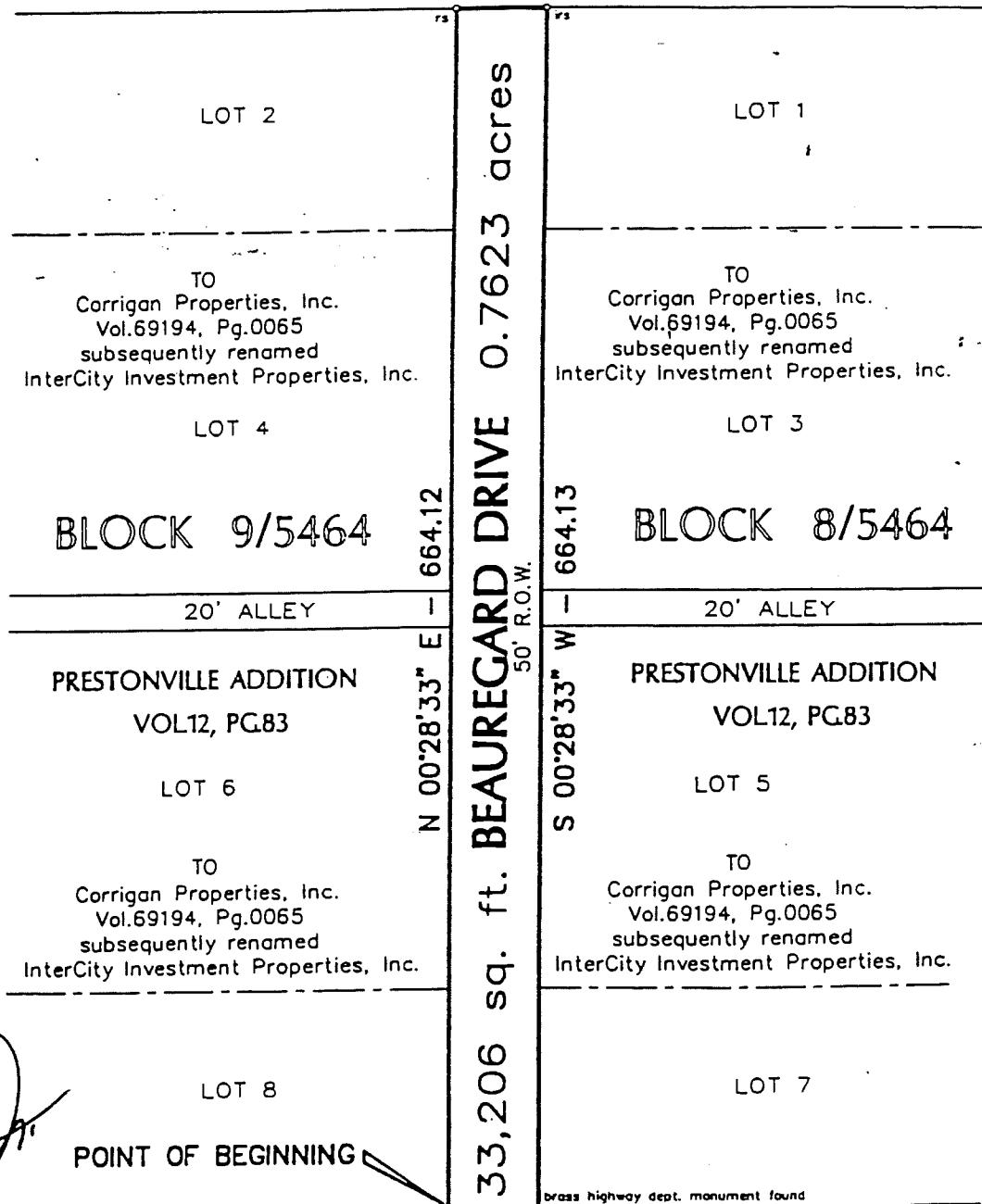
irs = 5/8" iron rod w/red cap
stamped "RPLS 4625"

Bearings are based upon the
north line of Northwest Hwy.
(N89°44'00"W) as recorded
by plat of PRESTONVILLE
ADDITION in Vol.12, Pg.83,
Map Records, Dallas County,
Texas.

BANDERA AVENUE

60' R.O.W.

S 89°44'30" E
50.00



BLOCK 9/5464

BLOCK 8/5464

20' ALLEY

20' ALLEY

PRESTONVILLE ADDITION
VOL12, PG.83

PRESTONVILLE ADDITION
VOL12, PG.83

LOT 6

LOT 5

TO
Corrigan Properties, Inc.
Vol.69194, Pg.0065
subsequently renamed
InterCity Investment Properties, Inc.

TO
Corrigan Properties, Inc.
Vol.69194, Pg.0065
subsequently renamed
InterCity Investment Properties, Inc.

LOT 8

LOT 7

POINT OF BEGINNING

brass highway dept. monument found

brass highway dept. monument found

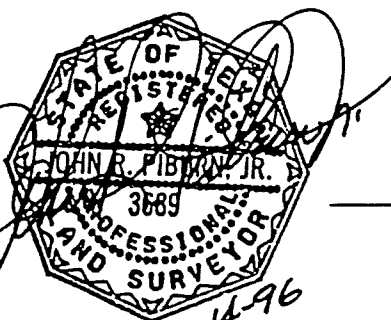
N 89°44'00" W
50.00

NORTHWEST HIGHWAY

150' R.O.W.

Donosky Ex. 6
Page 56 of 69

SHT 3 of 3



11-14-96

EXHIBIT A TRACT 2

ALLEY ABANDONMENT
23,202 sq. ft. (0.5326 acres)
Block 9/5464
City of Dallas
Dallas County, Texas

BEING a 23,202 square feet (0.5326 acre) tract of land situated in the J.M. McDowell Survey, Abstract No. 922, Dallas County, Texas, further being all of those two 20' Alleys which lie within Block 9/5464 of Prestonville Addition, an addition to the City of Dallas according to the plat thereof recorded in Volume 12, Page 83, Map Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 60d nail set for corner in the north line of Northwest Highway (150' R.O.W.) and being the southeast corner of Lot 7, Block 9/5464;

THENCE N00°28'33"E departing the said north line of Northwest Highway and along the east lines of Lots 7 and 5 of Block 9/5464, as conveyed to Corrigan Properties, Inc. (subsequently renamed InterCity Investment Properties, Inc.) by Special Warranty Deed recorded in Volume 69194, Page 0065, Deed Records, Dallas County, Texas, a distance of 321.68 feet to a pk nail set for corner at the northeast corner of said Lot 5;

THENCE N89°44'30"W along the north line of said Lot 5, a distance of 248.00 feet to an "x" cut set for corner in the east line of Edgemere Road (100' R.O.W.);

THENCE N00°28'33"E along the said east line of Edgemere Road, a distance of 20.00 feet to an "x" cut set for corner at the southwest corner of Lot 3, Block 9/5464 as conveyed to Corrigan by the aforementioned Deed;

THENCE S89°44'30"E along the south line of said Lot 3, a distance of 248.00 feet to a pk nail set for corner at the southeast corner of said Lot 3;

THENCE N00°28'33"E along the east line of said Lot 3 and the east line of Lot 1, Block 9/5464 as conveyed to Corrigan by said Deed, a distance of 322.40 feet to an "x" cut set for corner in the south line of Bandera Avenue (60' R.O.W.) at the northeast corner of said Lot 1;

THENCE S89°44'30"E along the south line of said Bandera Avenue, a distance of 20.00 feet to an "x" cut set for corner at the northwest corner of Lot 2, Block 9/5464 as conveyed to Corrigan by said Deed;

SHT 1 of 3

EXHIBIT A TRACT 2

THENCE S00°28'33"W along the west line of said Lot 2 and Lot 4 as conveyed to Corrigan by said Deed, a distance of 322.40 feet to a pk nail set for corner at the southwest corner of said Lot 4;

THENCE S89°44'30"E along the south line of said Lot 4, a distance of 248.00 feet to a pk nail set for corner in the west line of Beauregard Drive (50' R.O.W.) at the southeast corner of said Lot 4;

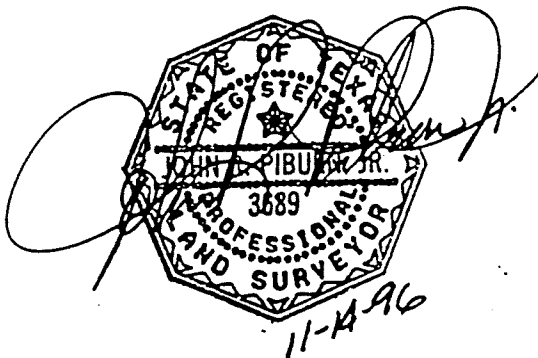
THENCE S00°28'33"W along the said west line of Beauregard Drive, a distance of 20.00 feet to an "x" cut set for corner at the northeast corner of Lot 6, Block 9/5464, as conveyed to Corrigan by the aforementioned Deed;

THENCE N89°44'30"W departing the said west line of Beauregard Drive and along the north line of said Lot 6, a distance of 248.00 feet to a pk nail set for corner at the northwest corner of said Lot 6;

THENCE S00°28'33"W along the west line of said Lot 6 and Lot 8 as conveyed to Corrigan by said Deed, a distance of 321.68 feet to an "x" cut set for corner in the aforementioned north line of Northwest Highway, at the southwest corner of said Lot 8;

THENCE N89°44'00"W along the said north line of Northwest Highway, a distance of 20.00 feet to the POINT OF BEGINNING and containing 23,202 square feet or 0.5326 acres of land, more or less.

*Bearings are based upon the north line of Northwest Hwy. (N89°44'00"W) as recorded by plat of PRESTONVILLE ADDITION in Vol.12, Pg.83, Map Records, Dallas County, Texas.



SHT 2 of 3

EXHIBIT A TRACT 3

ALLEY ABANDONMENT
22,666 sq. ft. (0.5203 acres)
Block 8/5464
City of Dallas
Dallas County, Texas

BEING a 22,666 square feet (0.5203 acre) tract of land situated in the J.M. McDowell Survey, Abstract No. 922, Dallas County, Texas, further being all of those two 20' Alleys which lie within Block 8/5464 of Prestonville Addition, an addition to the City of Dallas according to the plat thereof recorded in Volume 12, Page 83, Map Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at an "x" cut set for corner in the north line of Northwest Highway (150' R.O.W.) and being the southeast corner of Lot 7, Block 8/5464;

THENCE N00°28'33"E departing the said north line of Northwest Highway and along the east lines of Lots 7 and 5 of Block 8/5464, as conveyed to Corrigan Properties, Inc. (subsequently renamed InterCity Investment Properties, Inc.) by Special Warranty Deed recorded in Volume 69194, Page 0065, Deed Records, Dallas County, Texas, a distance of 321.76 feet to an "x" cut set for corner at the northeast corner of said Lot 5;

THENCE N89°44'30"W along the north line of said Lot 5, a distance of 248.53 feet to an "x" cut set for corner in the east line of Beauregard Drive (50' R.O.W.);

THENCE N00°28'33"E along the said east line of Beauregard Drive, a distance of 20.00 feet to a pk nail set for corner at the southwest corner of Lot 3, Block 8/5464 as conveyed to Corrigan by the aforementioned Deed;

THENCE S89°44'30"E along the south line of said Lot 3, a distance of 248.53 feet to a pk nail set for corner at the southeast corner of said Lot 3;

THENCE N00°28'33"E along the east line of said Lot 3 and the east line of Lot 1, Block 8/5464 as conveyed to Corrigan by said Deed, a distance of 322.40 feet to an "x" cut set for corner in the south line of Bandera Avenue (60' R.O.W.) at the northeast corner of said Lot 1;

THENCE S89°44'30"E along the south line of said Bandera Avenue, a distance of 20.00 feet to an "x" cut set for corner at the northwest corner of Lot 2, Block 8/5464 as conveyed to Corrigan by said Deed;

SHT 1 of 3

REVIEWED BY
June Wiley 11/15/96

EXHIBIT A TRACT 3

THENCE S00°28'33"W along the west line of said Lot 2 and Lot 4 as conveyed to Corrigan by said Deed, a distance of 322.40 feet to an "x" cut set for corner at the southwest corner of said Lot 4;

THENCE S89°44'30"E along the south line of said Lot 4, a distance of 226.60 feet to an "x" cut set for corner in the curving west line of Thackery Street (60' R.O.W.) at the southeast corner of said Lot 4;

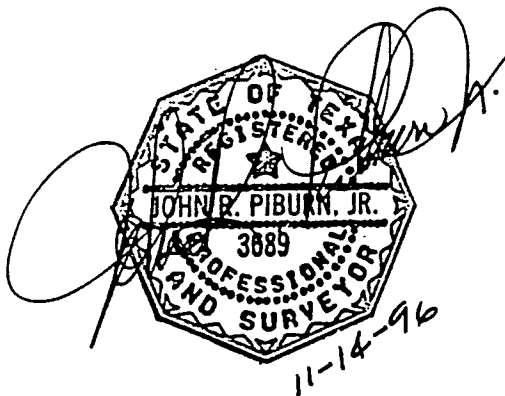
THENCE along the said west line of Thackery, with a non-tangent curve to the right which has a central angle of 04°46'33", a radius of 283.00 feet, and a chord which bears S32°15'12"W - 23.58 feet, an arc distance of 23.59 feet to an "x" cut set for corner at the northeast corner of Lot 6, Block 8/5464, as conveyed to Corrigan by the aforementioned Deed;

THENCE N89°44'30"W departing the said curving west line of Thackery Avenue and along the north line of said Lot 6, a distance of 214.18 feet to an "x" cut set for corner at the northwest corner of said Lot 6;

THENCE S00°28'33"W along the west line of said Lot 6, a distance of 321.77 feet to an "x" cut set for corner in the aforementioned north line of Northwest Highway, at the southwest corner of said Lot 6;

THENCE N89°44'00"W along the said north line of Northwest Highway, a distance of 20.00 feet to the POINT OF BEGINNING and containing 22,666 square feet or 0.5203 acres of land, more or less.

*Bearings are based upon the north line of Northwest Hwy. (N89°44'00"W) as recorded by plat of PRESTONVILLE ADDITION in Vol.12, Pg.83, Map Records, Dallas County, Texas.



SHT 2 of 3

Exhibit 6 Page 62 of 69

ALLEY ABANDONMENT

EXHIBIT A TRACT 3

22,666 sq. ft. (0.5203 acres)

Block 8/5464

City of Dallas

Dallas County, Texas

100 200

SCALE: 1" = 100'

NOTES:

Bearings are based upon the north line of Northwest Hwy. (N89°44'00"W) as recorded by plat of PRESTONVILLE ADDITION in Vol.12, Pg.83, Map Records, Dallas County, Texas.

BANDERA AVENUE

60' R.O.W.

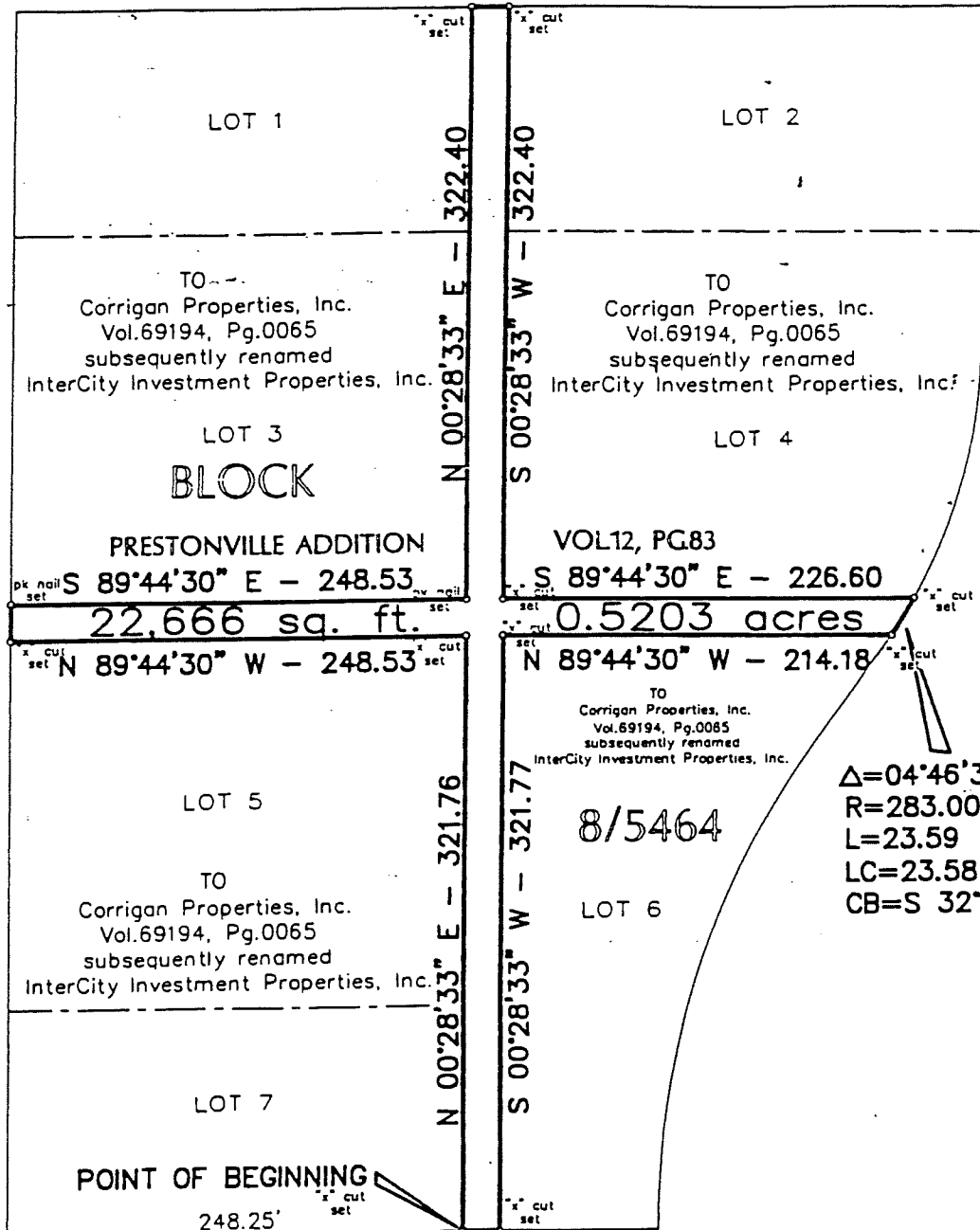
S 89°44'30" E
20.00THACKERY STREET
60' R.O.W.

BEAUREGARD DRIVE

50' R.O.W.

N 00°28'33" E

20.00



NORTHWEST HIGHWAY

150' R.O.W.

Donosky Ex. 6

Page 62 of 69

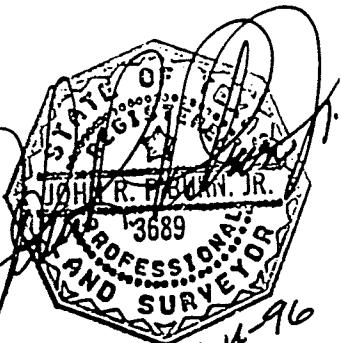


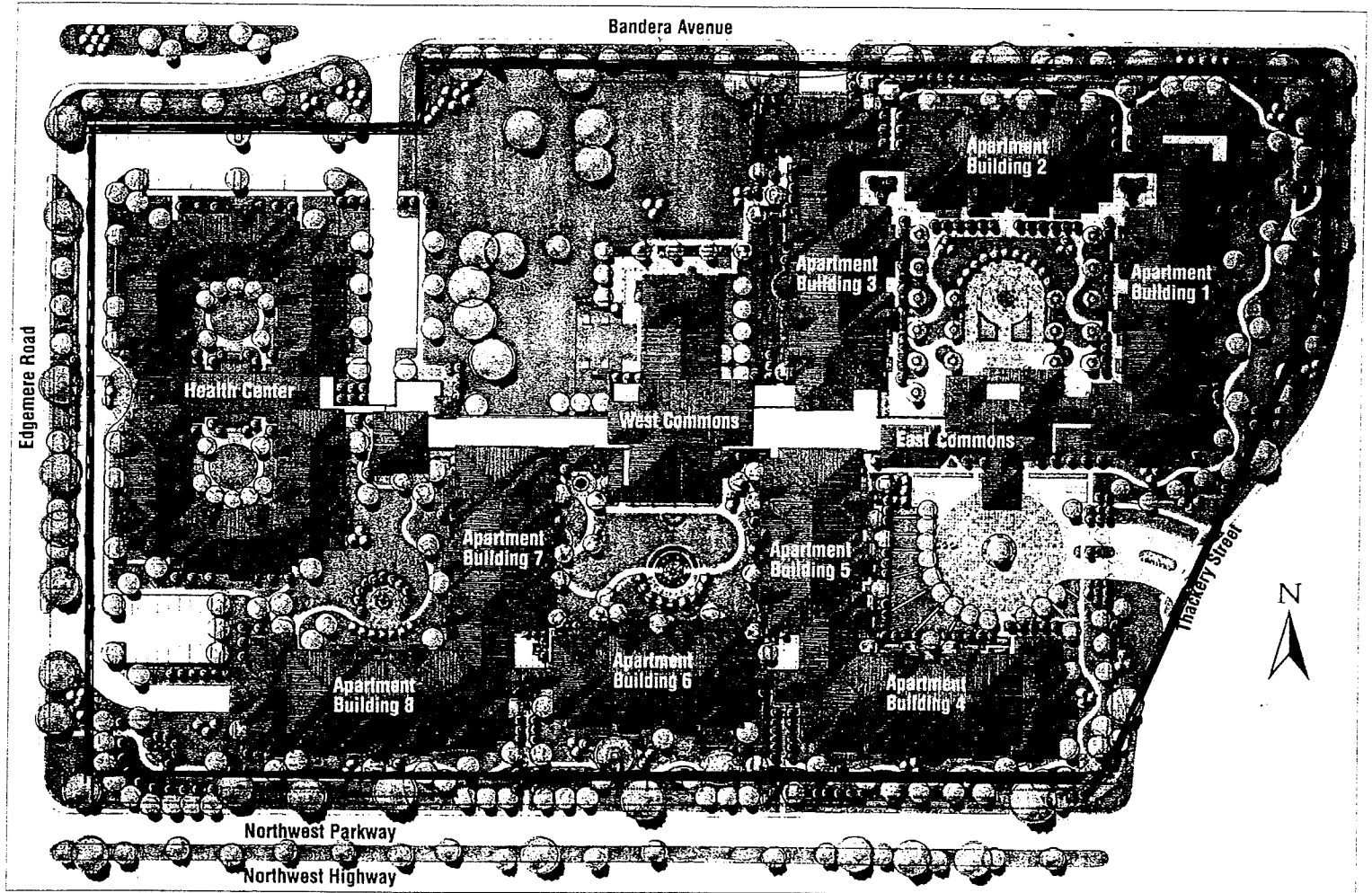
EXHIBIT B

ADDITIONAL ABANDONMENT PROVISIONS

That as a condition hereof, this abandonment is subject to any existing utilities or communication facilities, including water and wastewater lines, gas lines, and storm sewers ("Facilities"), presently located within the abandoned area, owned and/or operated by the City of Dallas or any utility or communications company, public or private, ("Utility") and to any vested rights presently owned by any Utility for the use of the abandoned area for Facilities presently located within the boundaries of said abandoned area; and the relocation, removal or adjustment of any or all such Facilities, if such relocation, removal or adjustment is made necessary by **GRANTEE's** (whether one or more natural persons or legal entities) use of said subject property, shall be at the expense of **GRANTEE** herein, or **GRANTEE's** successors and assigns. It is the intent of the foregoing that there shall be hereby reserved and excepted unto the City of Dallas, and not abandoned or conveyed hereunder, and to which the abandonment herein is made expressly subject, an easement for the Facilities, for each Utility, which, at the time of this abandonment, presently owns and/or operates Facilities over, under, through, across and along the abandoned area. No buildings shall be constructed or placed upon, over or across the easement. Any Utility shall have the right to remove and keep removed all or parts of any buildings which may in any way endanger or interfere with the construction, maintenance or efficiency of its respective Facilities lying within the easement, and each Utility shall have the full right to remove and keep removed all or parts of any buildings, fences, trees, or other improvements or growths which in any way may endanger or interfere with the construction, maintenance and efficiency of its respective system and shall at all times have the full right of ingress and egress to or from and upon the easement for the purpose of constructing, relocating, inspecting, patrolling, maintaining and adding to or removing all or part of its Facilities without the necessity at any time of procuring the permission of anyone. All Utility easements are retained in the present owners until removal and relocation of the Facilities. Should the relocation or removal of the Facilities require the obtaining of new easements, the acquisition of same shall be at the expense of **GRANTEE**, **GRANTEE's** successors and assigns. If any of the Facilities (or relocations thereof) are allowed to remain on such property, such easements and building restrictions shall remain thereon. Upon removal or relocation of all of the Facilities any easements reserved or created herein, relating to such removed or relocated Facilities, shall terminate, and any building restrictions herein created shall cease.

EXHIBIT "D"
TO
GROUND LEASE

Essential Areas



Site Plan for Edgemere

ESSENTIAL AREAS Inside boundaries

38
uu

EXHIBIT "E"
TO
GROUND LEASE

Ground Lease Memorandum

EXHIBIT "A"
TO
MEMORANDUM OF GROUND LEASE

The Land

TRACT I

Being Lots 1 thru 7, Block 8/5464 of PRESTONVILLE, an Addition to the City of DALLAS, DALLAS County, Texas, according to the Plat thereof recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas.

TRACT II

Being Lots 1 thru 8, Block 9/5464 of PRESTONVILLE, an Addition to the City of DALLAS, DALLAS County, Texas, according to the Plat thereof recorded in Volume 12, Page 83, Map Records, DALLAS County, Texas.

Provided, if abandonment is successful and the Owner acquires title to the alleyways and part of Beauregard Drive, both within the above described area, the portion thereof abandoned by the City of Dallas and acquired by Owner shall be a part of the Land subject to lease.

(TO BE REPLACED WHEN THE LAND IS REPLATTED)

MEMORANDUM OF GROUND LEASE

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

THIS MEMORANDUM OF GROUND LEASE (the "Memorandum") is made and entered into as of the ____ day of November, 1999, by and between **INTERCITY INVESTMENT PROPERTIES, INC.**, a Texas corporation, whose principal place of business and office address is 4301 Westside Drive, Suite 100, Dallas, Texas 75209-6546, Attn: Edwin B. Jordan, Jr. (the "Lessor") and **NORTHWEST SENIOR HOUSING CORPORATION**, a Texas not-for-profit corporation, whose principal place of business and office address is Attention: Charles B. Brewer, 2711 LBJ Freeway, Suite 950, Dallas, Texas 75234 (the "Lessee").

This Memorandum provides notice to the public that Lessor and Lessee have entered into a certain Ground Lease (the "Ground Lease"), of even date herewith, pursuant to the terms of which Lessor has leased to Lessee, and Lessee has accepted from Lessor, certain real property (the "Land") containing approximately 16.25 acres of land, generally located at the northwest corner of the intersection of Thackery Road and Northwest Highway in the City of Dallas, Dallas County, Texas, as further and legally described in Exhibit "A" attached hereto and made a part hereof.

The Ground Lease is for a term of fifty-five (55) years, commencing on the date hereof and continuing thereafter until the fifty-fifth (55th) anniversary of such date, unless extended by agreement of the parties or sooner terminated as provided in the Ground Lease.

All rights, duties, responsibilities and obligations of Lessor and Lessee with respect to the Land and the Leasehold Estate created therein are specified in the Ground Lease and any person having an interest in the Land is hereby notified to contact Lessor and/or Lessee with respect thereto.

EXECUTED as of the day and year first set forth above.

LESSOR:

INTERCITY INVESTMENT PROPERTIES, INC.,
a Texas corporation

By: _____
Edwin B. Jordan, Jr., President

[Executed by Lessee on the attached Signature Page]

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of November, 1999, by Edwin B. Jordan, Jr., the President of Intercity Investment Properties, Inc., a Texas corporation, on its behalf.

(SEAL)

Notary Public

Lessee's Signature Page to Memorandum of Ground Lease

LESSEE:

NORTHWEST SENIOR HOUSING
CORPORATION,
a Texas not-for-profit corporation

By:

Charles B. Brewer, President

STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of November, 1999, by Charles B. Brewer, the President of Northwest Senior Housing Corporation, a Texas not-for-profit corporation, on its behalf.

(SEAL)

Notary Public

NORTHWEST SENIOR HOUSING CORPORATION

NORTHWEST SENIOR RESORTS							
VENDOR I.D.	NAME	PAYMENT NUMBER	CHECK DATE				
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
Broker fee on land pmt @ closing							

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVE., #2100
IRVING, TEXAS 75039CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

1023

DATE

AMOUNT

11/19/99

\$1,232.93

PAY One thousand two hundred thirty two and 93/100 Dollars

TO THE ORDER OF Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

⑈001023⑈ ⑆111001150⑆ ⑈435079186865⑈

Nov 2019 →
2000

NORTHWEST SENIOR HOUSING CORPORATION

1037

VENDOR I.D.	NAME	PAYMENT NUMBER	CHECK DATE				
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
Broker fee on December land payment							

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVE., #2100
IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

1037

DATE
12/3/99

AMOUNT
\$2,642.00

PAY Two thousand six hundred forty two and 00/100 Dollars

TO THE ORDER OF Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205



Charles B. Brown

⑈001037⑈ ⑆111001150⑆ ⑈435079186865⑈

Donosky Ex. 7

NORTHWEST SENIOR HOUSING CORPORATION 222 W. LAS COLINAS BLVE., #2100 IRVING, TEXAS 75039		CHASE BANK OF TEXAS, N.A. IRVING, TEXAS 32-115/1110	1075
PAY Two Thousand Six Hundred Forty Two Dollars And 00 Cents		DATE 12/16/1999	AMOUNT \$2,642.00
TO THE ORDER OF Steve Donosky Company 25 Highland Park Village PMB 100-228 Dallas, TX 75205		1075 435079185855	

NORTHWEST SENIOR HOUSING CORPORATION		1075
VENDOR ID SHVE	NAME Steve Donosky Company	PAYMENT NUMBER 1075
CHECK DATE 12/16/1999	AMOUNT \$2,642.00	DISCOUNT \$0.00
DATE 12/16/1999	AMOUNT PAID \$2,642.00	WHITE-OFF \$0.00
OUR VOUCHER NUMBER BROKEN FILE JAN 95	DATE 12/16/1999	NET \$2,642.00

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	
STEVE	Steve Donosky Company		1/24/2000	1121

OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
	BROKER FEE FEB 00	1/24/2000	\$2,642.00	\$2,642.00	\$0.00		\$2,642.00

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION
 222 W. LAS COLINAS BLVE., #2100
 IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 32-115/1110

1121

DATE 1/24/2000

AMOUNT
 \$2,642.00

AY Two Thousand Six Hundred Forty Two Dollars And 00 Cents

OTHER ORDER FROM
 Steve Donosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205

Charles B. Brewer

⑈001121⑈ ⑆111001150⑆ ⑈435079186865⑈

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
STEVE	Steve Donosky Company		3/24/2000	1216			
CUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET
	BROKER FEE APR 00	3/24/2000	\$2,642.00	\$2,642.00	\$0.00		\$2,642.00

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION
 222 W. LAS COLINAS BLVE., #2100
 IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 32-116/1110

1216

DATE
 3/24/2000

AMOUNT
 \$2,642.00

PAY Two Thousand Six Hundred Forty Two Dollars And 00 Cents

TO THE
 ORDER
 OF Steve Donosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205

Charles B. Brewster

⑈001216⑈ ⑆111001150⑆ ⑈435079188885⑈

NORTHWEST SENIOR HOUSING CORPORATION
 2100 W. LAS COLINAS BLVD., #2100
 IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 32-115/1110

1266

DATE 4/26/2000
 AMOUNT \$2,642.00

Thousand Six Hundred Forty Two Dollars And 00 Cents

Steve Donosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205

ORDER OF

⑆001266⑆ ⑆111001150⑆ ⑆12507918885⑆

Charles B. Brewer

VENDOR I.D.	NAME	PAYMENT NUMBER	CHECK DATE				
51312	Steve Donosky Company		5/26/2000	1312			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
	BROKER FEE JUN 00	5/26/2000	\$2,642.00	\$2,642.00	\$0.00		\$2,642.00
			\$2,642.00	\$2,642.00	\$0.00		\$2,642.00

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION
 222 W. LAS COLINAS BLVE., #2100
 IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 32-115/1110

1312

DATE
 5/26/2000

AMOUNT
 \$2,642.00

PAY Two Thousand Six Hundred Forty Two Dollars And 00 Cents

TO THE ORDER OF Steve Donosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205

Charles B. Brey

⑈001312⑈ ⑈111001150⑈ ⑈435079186865⑈

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
STEVE	Steve Donosky Company		6/28/2000	1353			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET
	BROKER FEE JUL 00	6/27/2000	\$2,642.00	\$2,642.00	\$0.00		\$2,642.00

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION
 222 W. LAS COLINAS BLVE., #2100
 IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 32-115/1110

1353

DATE 6/28/2000

AMOUNT
 \$2,642.00

PAY Two Thousand Six Hundred Forty Two Dollars And 00 Cents

TO THE ORDER OF Steve Donosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205

Charles B. Brewster

⑈001353⑈ ⑆111001150⑆ ⑈435079188885⑈

VENDOR I.D.	NAME	PAYMENT NUMBER	CHECK DATE	1383			
1383	Steve Donosky Company		7/19/2000				
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET
	BROKER FEE AUG 00	7/19/2000	\$2,642.00	\$2,642.00	\$0.00		\$2,642.00
			\$2,642.00	\$2,642.00	\$0.00		\$2,642.00

AMOUNT

NORTHWEST SENIOR HOUSING CORPORATION 222 W. LAS COLINAS BLVE., #2100 IRVING, TEXAS 75039		CHASE BANK OF TEXAS, N.A. IRVING, TEXAS 32-115/1110	1383
		DATE 7/19/2000	AMOUNT \$2,642.00
PAY Two Thousand Six Hundred Forty Two Dollars And 00 Cents			
TO THE ORDER OF Steve Donosky Company 25 Highland Park Village PMB 100-228 Dallas, TX 75205	Charles B. Brewer		
⑈001383⑈ ⑆111001150⑆ ⑈135079186865⑈			

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	1433			
STEVE	Steve Donosky Company		8/24/2000				
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
	BROKER FEE SEPT 00	8/18/2000	\$2,642.00	\$2,642.00	\$0.00		\$2,642.00

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION
 222 W. LAS COLINAS BLVE., #2100
 IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 32-115/1110

1433

8/24/2000

AMOUNT
 \$2,642.00

PAY Two Thousand Six Hundred Forty Two Dollars And 00 Cents

TO THE
 ORDER
 OF
 Steve Donosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205



Charles B. Brewster

⑈001433⑈ ⑆111001150⑆ ⑈435079186865⑈

NORTHWEST SENIOR HOUSING CORPORATION 222 W. LAS COLINAS BLVE., #2100 IRVING, TEXAS 75039		CHASE BANK OF TEXAS, N.A. IRVING, TEXAS 32-115/1110		1479
PAY		DATE	AMOUNT	
Two Thousand Six Hundred Forty Two Dollars And 00 Cents		9/15/2000	\$2,642.00	
TO THE ORDER OF		Charles B. Brewster		
Steve Donosky Company 25 Highland Park Village PMB 100-228 Dallas, TX 75205		#001479# 1211001150# #435079186665#		

NORTHWEST SENIOR HOUSING CORPORATION

Exhibit 7 Page 12 of 259

1523

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	1523			
STEVE	Steve Donosky Company		10/23/2000				
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
	BROKER FEE NOV 00	10/23/2000	\$2,642.00	\$2,642.00	\$0.00		\$2,642.00
			\$2,642.00	\$2,642.00	\$0.00		\$2,642.00

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION

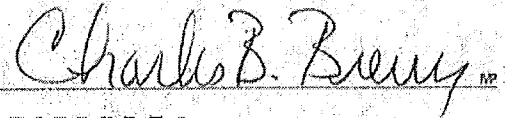
222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

1523

DATE 10/23/2000

AMOUNT
\$2,642.00

PAY Two Thousand Six Hundred Forty Two Dollars And 00 Cents

TO THE
ORDER
OFSteve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

⑈001523⑈ ⑆111001150⑆ ⑈435079186865⑈

NORTHWEST SENIOR HOUSING CORPORATION

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	1573			
STEVE	Steve Donosky Company		11/29/2000	1573			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET
	ADD'L NOV. 00	11/29/2000	\$54.74	\$54.74	\$0.00		\$54.74
	BROKER FEE DEC 2000	11/29/2000	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30

NORTHWEST SENIOR HOUSING CORPORATION
222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

1573

DATE
11/29/2000

AMOUNT
\$2,814.04

LY Two Thousand Eight Hundred Fourteen Dollars And 04 Cents

THE
PER Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Charles B. Brewster

⑈001573⑈ ⑈1111001150⑈ ⑈435079186865⑈

NORTHWEST SENIOR HOUSING CORPORATION

VENDOR ID:	NAME	PAYMENT NUMBER	CHECK DATE				1614
STEVE	Steve Donosky Company		1/1/2001	1614			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
	BROKER FEE JAN 2001	1/1/2001	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
			\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
COMMENT							

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

1614

DATE
1/1/2001

AMOUNT
\$2,759.30

PAY Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

TO THE
ORDER
OF
Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205



Charles B. Brees

⑈001614⑈ ⑆111001150⑆ ⑈435079186865⑈

2001

NORTHWEST SENIOR HOUSING CORPORATION

VENDOR ID.	NAME	PAYMENT NUMBER	CHECK DATE	1661			
STEVE	Steve Donosky Company		1/18/2001				
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
	BROKER FEE FEB 2001	1/17/2001	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
			\$2,759.30	\$2,759.30	\$0.00		\$2,759.30

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

1661

DATE
1/18/2001

AMOUNT
\$2,759.30

Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Charles B. Bunch

Donosky Ex. 7
Page 15 of 259

NORTHWEST SENIOR HOUSING CORPORATION
222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-1157110

1711

DATE
2/22/2001

AMOUNT

\$2,759.30

PAY
Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

TO THE
ORDER
OF

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205



Charles B. Brewer

⑆00171⑆ ⑆111001150⑆ ⑆435079186865⑆

1770

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
STEVE	Steve Donosky Company		3/27/01	1770			
Officejet R Series Professional Printer/Fax/Copier/Scanner							
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
Last Fax	BROKER FEE APR 2001	3/14/01	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
Date	Time	Identification	Duration	Pages	Type	Result	
04-03-01	02:05P		00:46	0	Received	No fax	
			\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
COMMENT							

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-116/1110

1770

DATE
3/27/01AMOUNT
\$2,759.30

PAY Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

TO THE ORDER OF
Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205*Charles B Brewer* RP

⑈001770⑈ ⑆111001150⑆ ⑈435079186865⑈

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
SLAVE	Steve Donosky Company		4/24/01	1812			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
	BROKER FEE MAY 2001	4/24/01	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
			\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
COMMENT							

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

181

DATE
4/24/01AMOUNT
\$2,759.30

PAY

Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

TO THE
ORDER OFSteve Donosky Company
225 Highland Park Village
PMB 100-228
Dallas, TX 75205

⑈001812⑈ ⑆111001150⑆ ⑈435079186865⑈

NORTHWEST SENIOR HOUSING CORPORATION

Exhibit 7 Page 19 of 259

1861

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
STEVE	Steve Donosky Company		5/23/01	1861			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET
	BROKER FEE VON 2001	5/22/01	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

1861

DATE

5/23/01

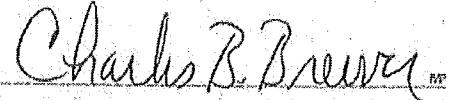
AMOUNT

\$2,759.30

PAY Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

TO THE
ORDER
OF

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205



⑈001861⑈ ⑆111001150⑆ ⑈435079186865⑈

NORTHWEST SENIOR HOUSING CORPORATION
222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

1915

DATE

AMOUNT

6/26/01

\$2,759.30

Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

THE
IER Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Charles R. Brown

⑈001915⑈ ⑆111001150⑆ ⑈435079186865⑈

SOLVENT

DAY



Charles B Brewy.

0001945 1112001150 435079186865

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
STEVE	Steve Donosky Company		8/23/01	2010			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET
	BROKER FEE SEPT 2001	8/20/01	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
			\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
COMMENT							

NORTHWEST SENIOR HOUSING CORPORATION
 222 W. LAS COLINAS BLVD., #2100
 IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 92-115/1110

2010

DATE

AMOUNT

8/23/01

\$2,759.30

PAY

Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

TO THE
 ORDER
 OF

Steve Donosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205

Charles B Brewer

⑈002010⑈ ⑆111001150⑆ ⑈135079186865⑈

VENDOR I.D.	NAME	PAYMENT NUMBER	CHECK DATE				
STEVE	Steve Donosky Company		9/18/01	2058			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET
	BROKER FEE OCT 2001	9/14/01	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
			\$2,759.30	\$2,759.30	\$0.00		\$2,759.30

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION
 222 W. LAS COLINAS BLVD., #2100
 IRVING, TEXAS 76039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 32-115/1110

2058

DATE

AMOUNT

9/18/01

\$2,759.30

PAY Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

TO THE ORDER OF Steve Donosky Company
 25 Highland Park Village
 FMB 100-228
 Dallas, TX 75205

Charles B. Brewer

⑈002058⑈ ⑆111001150⑆ ⑈435079186865⑈

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
STEVE	Steve Donosky Company		10/29/01			2118	
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET
	BROKER FEE NOV 2001	10/23/01	\$2,759.30	\$2,759.30	\$0.00		\$2,759.30
			\$2,759.30	\$2,759.30	\$0.00		\$2,759.30

COMMENTS

NORTHWEST SENIOR HOUSING CORPORATION
222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

2118

DATE _____

AMOUNT

10/29/01

\$2,759.30

PAY Two Thousand Seven Hundred Fifty Nine Dollars And 30 Cents

TO THE
ORDER
OF

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Charles B. Brewer

002118 001150 435079186865

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE					
STEVE	Steve Donosky Company		11/26/01	2197				
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE OFF	NET	
	ADD'L NOV 2001	11/17/01	\$45.64	\$45.64	\$0.00		\$45.64	
	BROKER FEE DEC 2001	11/26/01	\$2,857.15	\$2,857.15	\$0.00		\$2,857.15	
			\$2,902.79	\$2,902.79	\$0.00		\$2,902.79	

COMMENT

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVD., #2100
 IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
 IRVING, TEXAS
 32-115/1110

2197

DATE

AMOUNT

11/26/01

\$2,902.79

PAY

Two Thousand Nine Hundred Two Dollars And 79 Cents

TO THE
 ORDER
 OF

Steve Donosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205



Charles B. Breury

⑈002197⑈ ⑆111001150⑆ ⑈435079186865⑈

NORTHWEST SENIOR HOUSING CORPORATION

2258

VENDOR I.D.	NAME	PAYMENT NUMBER	CHECK DATE			
STSVL	Steve Donosky Company					
			2258			
		1/1/02				
CUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF
	BROKER FEE JAN 2002	1/1/02	\$2,857.15	\$2,857.15	\$0.00	
	</					

NORTHWEST SENIOR HOUSING CORPORATION

222 W. LAS COLINAS BLVD., #2100
IRVING, TEXAS 75039

CHASE BANK OF TEXAS, N.A.
IRVING, TEXAS
32-115/1110

DATE

1/1/02

AMOUNT

\$2,857.15

PAY

Two Thousand Eight Hundred Fifty Seven Dollars And 15 Cents

TO THE
ORDER
OF

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Charles B. Bauer

⑈002258⑈ ⑆11001150⑆ ⑈435079186865⑈

COMMENT

002323 1111001150 435079186865

E D G E M E R E
 8523 Thackery Street, Dallas, TX 75225
 JP Morgan Chase Bank
 Arlington Office
 500 East Border
 Arlington, TX 76010
 32-115
 1110
 March 01, 2002
 Pay to the order of
 Steve Denosky Company
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205
 000002223
 000002223
 \$ 2,857.15
 Two thousand eight hundred fifty seven and 15/100 dollars
 AUTHORIZED SIGNATURE
 110011501 457077338511

1091

32-115-57
1110

DATE 4-1-2002

\$ 2,859.15

DOLLARS

PAY TO THE ORDER OF STEVE DONOSKY COMPANY

NORTHWEST SENIOR HOUSING CORPORATION
OPERATING ACCOUNT
P.O. 214-285-9100
8201 PRESTON ROAD, SUITE 265
DALLAS, TX 75225

Two Thousand Eight Hundred Fifty Seven and 15/100

Vendor	000156	APRIL 2002 PAYMENT	2859.15

THIS CHECK IS DELIVERED FOR PAYMENT ON THE ACCOUNTS LISTED

100109100110011501145707733851

CHASE
JPMorgan Chase Bank
500 East Border Street
Arlington, TX 76010

1091

[illegible][illegible]

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 30 of 259

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
072002	July lease payment	07/01/2002	3,809.53	0.00	3,809.53
Totals:				0.00	3,809.53
Check Date: 06/26/2002 Check #: 0000003014				0.00	3,809.53

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
072002	July lease payment	07/01/2002	3,809.53	0.00	3,809.53
Totals:				0.00	3,809.53
Check Date: 06/26/2002 Check #: 0000003014				0.00	3,809.53

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

000003014

8523 Thackery Street Dallas, TX 75225

June 26, 2002

Pay to the order of

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Three thousand eight hundred nine and 53/100 dollars

\$ 3,809.53

Donosky Ex. 7
Page 31 of 259

IF Deposit Credit Bank
Attn: Payroll Office
500 East 10th
Arlington, TX 76010

0000003231

July 31, 2002

Three thousand eight hundred and 53/100

Pay to the order of

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

4523 Thriftway Street, Dallas, TX 75225

45707723385

0000003231

45707723385

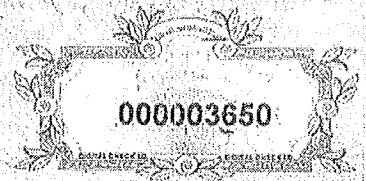
Steve Donosky Company				Vendor Code: 000156	
Invoice No.	Description	Date	Amount	Discount	Net Amount
07312002	Lease Payment	07/31/2002	3,809.53	0.00	3,809.53
Totals:				0.00	3,809.53
Check Date: 07/31/2002	Check #: 0000003231				

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
08262002	Lease Payment	08/26/2002	3,809.53	0.00	3,809.53
Check Date: 08/27/2002 Check #: 0000003650 Totals:				3,809.53	0.00 3,809.53

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
08262002	Lease Payment	08/26/2002	3,809.53	0.00	3,809.53
Check Date: 08/27/2002 Check #: 0000003650 Totals:				3,809.53	0.00 3,809.53

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-116
1110



August 27, 2002

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

Pay to the order of

Three thousand eight hundred nine and 53/100 dollars... \$**3,809.53

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 33 of 259



000003876

TM

September 23, 2002

***Three thousand eight hundred nine and 53/100 dollars...

AUTHORIZED SIGNATURE

Steve Donosky Company				Vendor Code: 000156	
Invoice No.	Description	Date	Amount	Discount	Net Amount
09232002	Lease Payment	09/23/2002	3,809.53	0.00	3,809.53
Check Date:	09/23/2002	Check #:	0000003876	Totals:	
			3,809.53	0.00	3,809.53

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Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
10252002	Lease Payment	10/25/2002	3,809.53	0.00	3,809.53
Check Date: 10/25/2002 Check #: 0000004181 Totals:				3,809.53	0.00 3,809.53

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
10252002	Lease Payment	10/25/2002	3,809.53	0.00	3,809.53
Check Date: 10/25/2002 Check #: 0000004181 Totals:				3,809.53	0.00 3,809.53

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-116
1170



October 25, 2002TM

Pay to the order of

***Three thousand eight hundred nine and 53/100 dollars ...

\$*****3,809.53

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

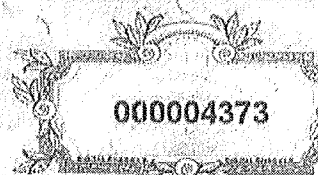
Sign
AUTHORIZED SIGNATURE

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110



November 25, 2002

Pay to the order of

***Four thousand two hundred seventy five and 69/100
dollars

\$*****4,275.69

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

⑈00004373⑈ ⑆111001150⑆ 45707773385⑈

Steve Donosky Company

Invoice No.	Description	Date	Amount	Vendor Code:	000156
				Discount	Net Amount
11252002	Land lease payment	11/25/2002	4,275.69	0.00	4,275.69
			Totals:	4,275.69	0.00
					4,275.69

Check Date: 11/25/2002 Check #: 0000004373 Totals: 4,275.69 0.00 4,275.69

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32-115
1110

TM

December 23, 2002

8523 Thackery Street, Dallas, TX 75225

***Four thousand seven hundred seventy two and 93/100 dollars

\$*****4,772.93

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 37 of 259

Steve Donosky Company				Vendor Code:	000156
Invoice No	Description	Date	Amount	Discount	Net Amount
01272003		01/27/2003	4,772.93	0.00	4,772.93
Check Date: 01/29/2003 Check #: 0000004899 Totals:				4,772.93	0.00 4,772.93

Steve Donosky Company				Vendor Code:	000156
Invoice No	Description	Date	Amount	Discount	Net Amount
01272003		01/27/2003	4,772.93	0.00	4,772.93
Check Date: 01/29/2003 Check #: 0000004899 Totals:				4,772.93	0.00 4,772.93

JP Morgan Chase Bank
Arlington Office
600 East Border
Arlington, TX 76010

32-115
1110



January 29, 2003

Pay to the order of

***Four thousand seven hundred seventy two and 93/100
dollars

\$*****4,772.93

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 38 of 259

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
02182003		02/18/2003	4,772.93	0.00	4,772.93
Check Date: 02/26/2003 Check #: 0000005071 Totals:				4,772.93	0.00 4,772.93

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
02182003		02/18/2003	4,772.93	0.00	4,772.93
Check Date: 02/26/2003 Check #: 0000005071 Totals:				4,772.93	0.00 4,772.93

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010



February 26, 2003

Pay to the order of

***Four thousand seven hundred seventy two and 93/100
dollars \$4,772.93

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
03212003		03/21/2003	4,772.93	0.00	4,772.93
Check Date: 03/25/2003 Check #: 0000005338 Totals:				4,772.93	0.00 4,772.93

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
03212003		03/21/2003	4,772.93	0.00	4,772.93
Check Date: 03/25/2003 Check #: 0000005338 Totals:				4,772.93	0.00 4,772.93

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-116
1110

000005338

March 25, 2003

Pay to the order of

***Four thousand seven hundred seventy two and 93/100
dollars

\$4,772.93

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 40 of 259

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
04212003		04/21/2003	4,772.93	0.00	4,772.93
Check Date: 04/22/2003 Check #: 0000005517 Totals:				4,772.93	0.00 4,772.93

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
04212003		04/21/2003	4,772.93	0.00	4,772.93
Check Date: 04/22/2003 Check #: 0000005517 Totals:				4,772.93	0.00 4,772.93

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8529 Thackery Street, Dallas, TX 75226

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110



April 22, 2003

Pay to the order of

***Four thousand seven hundred seventy two and 93/100
dollars

\$ 4,772.93

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 41 of 259

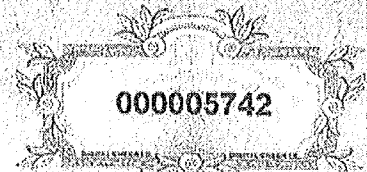
Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
05222003		05/22/2003	4,772.93	0.00	4,772.93
Check Date: 05/27/2003 Check #: 0000005742 Totals:				4,772.93	0.00 4,772.93

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
05222003		05/22/2003	4,772.93	0.00	4,772.93
Check Date: 05/27/2003 Check #: 0000005742 Totals:				4,772.93	0.00 4,772.93

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110

May 27, 2003

Pay to the order of

***Four thousand seven hundred seventy two and 93/100
dollars

\$*****4,772.93

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 42 of 259

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
06202003		06/20/2003	4,772.93	0.00	4,772.93
Check Date: 06/24/2003 Check #: 0000005934 Totals:				4,772.93	0.00 4,772.93

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
06202003		06/20/2003	4,772.93	0.00	4,772.93
Check Date: 06/24/2003 Check #: 0000005934 Totals:				4,772.93	0.00 4,772.93

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



June 24, 2003TM

Pay to the order of

***Four thousand seven hundred seventy two and 93/100
dollars

\$*****4,772.93

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
AUTHORIZED SIGNATURE

[illegible][illegible]

32-115
1110

July 31, 2003TM

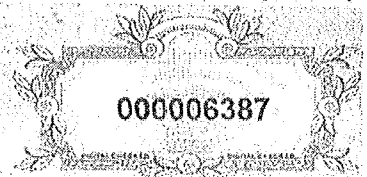
Donosky Ex. 7
Page 44 of 259

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
08222003	lease payment	08/22/2003	4,772.93	0.00	4,772.93
Check Date: 08/26/2003 Check #: 0000006387 Totals:				4,772.93	0.00 4,772.93

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
08222003	lease payment	08/22/2003	4,772.93	0.00	4,772.93
Check Date: 08/26/2003 Check #: 0000006387 Totals:				4,772.93	0.00 4,772.93

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110



August 26, 2003

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

Pay to the order of

***Four thousand seven hundred seventy two and 93/100
dollars \$*****4,772.93

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Steve Donosky
AUTHORIZED SIGNATURE

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
09192003	lease payment	09/19/2003	4,772.93	0.00	4,772.93
Check Date: 09/23/2003 Check #: 0000006573 Totals:				4,772.93	0.00 4,772.93

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
09192003	lease payment	09/19/2003	4,772.93	0.00	4,772.93
Check Date: 09/23/2003 Check #: 0000006573 Totals:				4,772.93	0.00 4,772.93

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110



September 23, 2003

Pay to the order of

***Four thousand seven hundred seventy two and 93/100
dollars

\$*****4,772.93

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
AUTHORIZED SIGNATURE

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
10222003	lease payment	10/22/2003	4,937.62	0.00	4,937.62
Check Date: 10/24/2003 Check #: 0000006868 Totals:				4,937.62	0.00 4,937.62

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
10222003	lease payment	10/22/2003	4,937.62	0.00	4,937.62
Check Date: 10/24/2003 Check #: 0000006868 Totals:				4,937.62	0.00 4,937.62

CPI 3.45%
ADJUSTMENT

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110



October 24, 2003

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

Pay to the order of

***Four thousand nine hundred thirty seven and 62/100
dollars

\$ 4,937.62

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
AUTHORIZED SIGNATURE

Exhibit 7 Page 48 of 259

Steve Donosky Company

				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
11212003	lease payment	11/21/2003	5,002.70	0.00	5,002.70
Check Date: 11/25/2003			Check #: 0000007081	Totals:	5,002.70
					0.00
					5,002.70

				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
11212003	lease payment	11/21/2003	5,002.70	0.00	5,002.70
Check Date: 11/25/2003			Check #: 0000007081	Totals:	5,002.70
					0.00
					5,002.70

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110

000007081

November 25, 2003TM

Pay to the order of

***Five thousand two and 70/100 dollars

\$*****5,002.70

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 48 of 259

Steve Donosky Company				Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Net Amount
01022004	lease payment	01/02/2004	5,002.70	0.00	5,002.70
Check Date:	01/02/2004	Check #:	000000	0.00	5,002.70

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Donosky Ex. 7
Page 49 of 259

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Donosky Ex. 7
Page 50 of 259

Steve Donosky Company					Vendor Code:		000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
02202004	lease	02/20/2004	5,002.70	0.00	0.00	5,002.70	
Check Date: 02/24/2004		Check #: 0000007713	Totals:	5,002.70	0.00	0.00	5,002.70

Steve Donosky Company					Vendor Code:		000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
02202004	lease	02/20/2004	5,002.70	0.00	0.00	5,002.70	
Check Date: 02/24/2004		Check #: 0000007713	Totals:	5,002.70	0.00	0.00	5,002.70

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-116
1110

0000007713

February 24, 2004™

Pay to the order of

***Five thousand two and 70/100 dollars

\$*****5,002.70

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 51 of 259

E D G E M E R E

500 East Border
Arlington, TX 76010

32415
1110

0000007938

March 23, 2004

Five thousand two and 70/100 dollars.

\$*****5,002.70

8523 Thackery Street, Dallas, TX 75225

Pay to the order of

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

11000000793811100115014570777338511

Security Features Included. Details on Back.

Steve Donosky Company				Vendor Code: 000156	
Invoice No.	Description	Date	Amount	Discount	Withheld
03222004	lease	03/22/2004	5,002.70	0.00	0.00
Totals:			5,002.70	0.00	0.00
Check Date: 03/23/2004			Check #: 0000007938	Net Amount: 5,002.70	

Vendor Code:

000156

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Vendor Code:

000156

[illegible]

0000008174

32-115
1110

April 29, 2004 Tld

***Five thousand two and 70/100 dollars

\$ 5,002.70

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 53 of 259

000156

Check Date:	05/26/2004	Check #:	0000008407	Totals:	5,002.70	0.00	0.00	5,002.70
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000156

Check Date:	05/26/2004	Check #:	0000008407	Totals:	5,002.70	0.00	0.00	5,002.70
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Donosky Ex. 7
Page 54 of 259

Steve Donosky Company					Vendor Code:		000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
06252004	lease July	06/25/2004	5,002.70	0.00	0.00	5,002.70	
Check Date: 06/29/2004 Check #: 0000008657 Totals:					5,002.70	0.00	0.00 5,002.70

Steve Donosky Company					Vendor Code:		000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
06252004	lease July	06/25/2004	5,002.70	0.00	0.00	5,002.70	
Check Date: 06/29/2004 Check #: 0000008657 Totals:					5,002.70	0.00	0.00 5,002.70

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110

0000008657

June 29, 2004 TM

Pay to the order of

***Five thousand two and 70/100 dollars

\$*****5,002.70

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]

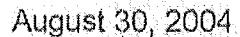
AUTHORIZED SIGNATURE

CHASE JPMorgan Chase Bank 500 East Border Street Arlington, TX 76010	NORTHWEST SENIOR HOUSING CORPORATION		1330	
	OPERATING ACCOUNT			
	8523 THACKERY ST. PH. 214-615-7035			
	DALLAS, TX 75225			
			DATE <u>7-28-04</u>	
PAY TO THE ORDER OF <u>STEVE DONOSKY</u>		\$ <u>5,002.70</u>		
<u>FIVE THOUSAND TWO AND 70/100</u>		DOLLARS		
<u>LEASE PAYMENT</u>				
<u>8/04</u>				
<u>6500-00</u>				
THIS CHECK IS DELIVERED FOR PAYMENT ON THE ACCOUNTS LISTED				
⑈001330⑈ ⑆111001150⑆ ⑈15707773385⑈				

[illegible][illegible]

8523 Thackery Street, Dallas, TX 75225

32-115
1110



***Five thousand two and 70/100 dollars

\$*****5,002.70

Gray, David

Donosky Ex. 7
Page 57 of 259

1394

NORTHWEST SENIOR HOUSING CORPORATION

OPERATING ACCOUNT
8623 THACKERY ST. PH. 214-815-7035
DALLAS, TX 75225

DATE 10-1-04

32-115/167
1110

PAY TO THE ORDER OF Steve Donosky Company

\$ 5,002 20

FIVE THOUSAND TWO AND 20/100

DOLLARS

Security Features
Check for them

October 2004

6500-00

THIS CHECK IS DELIVERED FOR PAYMENT ON THE ACCOUNTS LISTED

Greg Hart

MP

⑈001394⑈ ⑆1111001150⑆ ⑈1.5707773385⑈

CHASE
JPMorgan Chase Bank
500 East Border Street
Arlington, TX 76010

Steve Donosky Company

Steve Donosky Company

Exhibit 7 Page 59 of 259

Vendor Code:		000156				
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
Nov 04		11/01/2004	5,061.06	0.00	0.00	5,061.06

Steve Donosky Company					Vendor Code:		000156	
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount		
Nov 04		11/01/2004	5,061.06	0.00	0.00	5,061.06		
Check Date: 10/26/2004			Check #: 0000009605	Totals:	5,061.06	0.00	0.00	5,061.06

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



October 26, 2004

Pay to the order of

Five thousand sixty one and 00/100 dollars

\$ 5,061.06

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Steve Donosky Company					Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
120104	Dec 2004	12/01/2004	5,127.77	0.00	0.00	5,127.77
Check Date: 11/17/2004		Check #: 0000009770	Totals:	5,127.77	0.00	0.00
						5,127.77

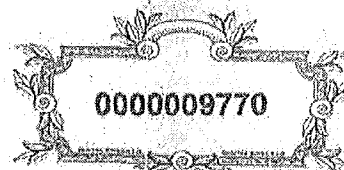
Steve Donosky Company					Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
120104	Dec 2004	12/01/2004	5,127.77	0.00	0.00	5,127.77
Check Date: 11/17/2004		Check #: 0000009770	Totals:	5,127.77	0.00	0.00
						5,127.77

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110



November 17, 2004TM

Pay to the order of

Five thousand one hundred twenty seven and 77/100 dollars **5,127.77

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 60 of 259

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Donosky Ex. 7
Page 61 of 259

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Donosky Ex. 7
Page 62 of 259

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0000010764

March 01, 2005

***Five thousand one hundred twenty seven and 77/100 dollars

\$*****5,127.77

Leon Hart
AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 63 of 259

Steve Donosky Company					Vendor Code:		000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
04/01/2005		04/01/2005	5,127.77	0.00	0.00	5,127.77	
Check Date: 03/29/2005		Check #: 0000010929	Totals:	5,127.77	0.00	0.00	5,127.77

Steve Donosky Company					Vendor Code:		000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
04/01/2005		04/01/2005	5,127.77	0.00	0.00	5,127.77	
Check Date: 03/29/2005		Check #: 0000010929	Totals:	5,127.77	0.00	0.00	5,127.77

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110

March 29, 2005

Pay to the order of

***Five thousand one hundred twenty seven and 77/100
dollars

\$*****5,127.77

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

⑈0000010929⑈ ⑆111001150⑆ 45707773385⑈

Donosky Ex. 7
Page 64 of 259

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Donosky Ex. 7
Page 65 of 259

Invoice No:	Description	Date	Amount	Discount	Withheld	Net Amount
06/01/2005		06/01/2005	5,127.77	0.00	0.00	5,127.77
Check Date:	05/25/2005	Check #:	0000011468	Totals:	5,127.77	0.00
					0.00	5,127.77

[illegible]

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
06/01/2005		06/01/2005	5,127.77	0.00	0.00	5,127.77
<div> <div>Check Date: 05/25/2005</div> <div>Check #: 000001.1468</div> <div>Totals:</div> <div>5,127.77</div> <div>0.00</div> <div>0.00</div> <div>5,127.77</div> </div>						

[illegible]

8523 Thackery Street, Dallas, TX 75225

32-115
1110

71

May 25, 2005

Pay to the order of

***Five thousand one hundred twenty seven and 77/100 dollars

*****5,127.77

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Iroy Hart

AUTHORIZED SIGNATURE

00000 11168 11100 1150 45707773385

Donosky Ex. 7
Page 66 of 259

Steve Donosky Company					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2005	July	07/01/2005	5,127.77	0.00	0.00	5,127.77
Check Date: 06/21/2005			Check #: 0000011672	Totals:	5,127.77	0.00
					0.00	5,127.77

Steve Donosky Company					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2005	July	07/01/2005	5,127.77	0.00	0.00	5,127.77
Check Date: 06/21/2005			Check #: 0000011672	Totals:	5,127.77	0.00
					0.00	5,127.77

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110

0000011672

June 21, 2005

Pay to the order of

***Five thousand one hundred twenty seven and 77/100
dollars

\$*****5,127.77

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Joy Hart
AUTHORIZED SIGNATURE

⑈0000011672⑈ ⑈111001150⑈ 45707773385⑈

Donosky Ex. 7
Page 67 of 259

Account Number

City

THANK YOU FOR BANKING WITH US! ANN

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Donosky Ex. 7
Page 69 of 259

Steve Donosky Company					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
10/01/2005		10/01/2005	5,127.77	0.00	0.00	5,127.77
Check Date: 09/26/2005			Check #: 0000012377	Totals:	5,127.77	0.00
					0.00	5,127.77

Steve Donosky Company					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
10/01/2005		10/01/2005	5,127.77	0.00	0.00	5,127.77
Check Date: 09/26/2005			Check #: 0000012377	Totals:	5,127.77	0.00
					0.00	5,127.77

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110



September 26, 2005TM

Pay to the order of

***Five thousand one hundred twenty seven and 77/100
dollars

\$*****5,127.77

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Tracy Hart

AUTHORIZED SIGNATURE

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Donosky Ex. 7
Page 70 of 259

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*****5,247.41

Jay Hart
SIGNATURE

AUTHORIZED SIGNATURE

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32-115
1110

December 21, 2005

Five thousand three hundred eighty four and 15/100 dollars	\$**5,384.15
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Tracy Hart

AUTHORIZED SIGNATURE

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Donosky Ex. 7
Page 73 of 259

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EXHIBIT 13369

EXHIBIT 13369

32-115
1110

***Five thousand three hundred eighty four and 15/100 dollars.

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 74 of 259

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PROTECTOR PATENT

0000013519

REGISTERED PATENT

32-115
1110

February 22, 2006

Five thousand three hundred eighty four and 15/100 dollars **\$5,384.15

AUTHORIZED SIGNATURE

0000013549 0111001150 45707773385

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Donosky Ex. 7
Page 76 of 259

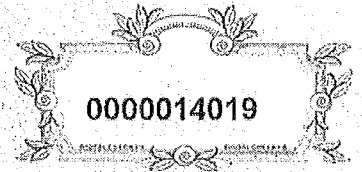
Steve Donosky Company					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
05/01/2006		05/01/2006	5,384.15	0.00	0.00	5,384.15
Check Date: 04/28/2006		Check #: 0000014019	Totals:	5,384.15	0.00	0.00
				5,384.15		

Steve Donosky Company					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
05/01/2006		05/01/2006	5,384.15	0.00	0.00	5,384.15
Check Date: 04/28/2006		Check #: 0000014019	Totals:	5,384.15	0.00	0.00
				5,384.15		

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010



April 28, 2006

Pay to the order of

***Five thousand three hundred eighty four and 15/100
dollars \$*****5,384.15

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Gray Hunt

AUTHORIZED SIGNATURE

⑈0000014019⑈ ⑈111001150⑈ 45707773385⑈

Donosky Ex. 7
Page 77 of 259

Steve Donosky Company						Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
06/01/2006		06/01/2006	5,384.15	0.00	0.00	5,384.15	
Check Date:	06/01/2006	Check #:	0000014271	Totals:	5,384.15	0.00	5,384.15

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U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

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Five thousand three hundred eighty four and 15/100 dollars	\$**5,384.15
--	-----------------

Tracy Hart

AUTHORIZED SIGNATURE

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Donosky Ex. 7
Page 78 of 259

Steve Donosky Company					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
7/01/2006		07/01/2006	5,384.15	0.00	0.00	5,384.15
Check Date: 06/29/2006			Check #: 0000014480	Totals:	5,384.15	0.00
					0.00	5,384.15

Steve Donosky Company					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2006		07/01/2006	5,384.15	0.00	0.00	5,384.15
Check Date: 06/29/2006			Check #: 0000014480	Totals:	5,384.15	0.00
					0.00	5,384.15

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010

32-115
1110

0000014480

June 29, 2006

Pay to the order of

***Five thousand three hundred eighty four and 15/100
dollars \$***5,384.15

Steve Donosky Company
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

Steve Donosky

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Donosky Ex. 7
Page 79 of 259

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8523 Thackery Street, Dallas, TX 75225

32-115
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July 27, 2006

***Five thousand three hundred eighty four and 15/100 dollars

\$*****5,384.15

Ivy Hart

AUTHORIZED SIGNATURE

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Donosky Ex. 7
Page 80 of 259

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PATENTED

TRADE

T.M.

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August 23, 2006

Five thousand three hundred eighty four and 15/100 dollars	\$**5,384.15
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Tracy Hunt

AUTHORIZED SIGNATURE

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Donosky Ex. 7
Page 81 of 259

E D G E M E R E

JP Morgan Chase Bank
Arlington Office
500 East Border
Arlington, TX 76010



8523 Thackery Street, Dallas, TX 75225

32-115
1110

September 27, 2006

Pay to the order of

***Five thousand three hundred eighty four and 15/100
dollars

\$*****5,384.15

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Tracy Hart
AUTHORIZED SIGNATURE

⑈0000015146⑈ ⑆111001150⑆ 45707773385⑈

STEVE DONOSKY COMPANY					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
10/01/2006	October	10/01/2006	5,384.15	0.00	0.00	5,384.15
Check Date: 09/27/2006 Check #: 0000015146 Totals:			5,384.15	0.00	0.00	5,384.15

STEVE DONOSKY COMPANY					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
10/01/2006	October	10/01/2006	5,384.15	0.00	0.00	5,384.15
Check Date: 09/27/2006 Check #: 0000015146 Totals:			5,384.15	0.00		5,384.15

Donosky Ex. 7

Page 82 of 259

STEVE DONOSKY COMPANY					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
11/01/2006		11/01/2006	5,446.97	0.00	0.00	5,446.97
Check Date: 10/27/2006			Check #: 0000016203	Totals:	5,446.97	0.00
					0.00	5,446.97

STEVE DONOSKY COMPANY					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
11/01/2006		11/01/2006	5,446.97	0.00	0.00	5,446.97
Check Date: 10/27/2006			Check #: 0000016203	Totals:	5,446.97	0.00
					0.00	5,446.97

La Salle Bank, NA
Chicago, IL 60661



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710

8523 Thackery Street, Dallas, TX 75225

October 27, 2006

Pay to the order of

Five thousand four hundred forty six and 97/100 dollars	\$**5,446.97
--	-----------------

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Tracy Hart

AUTHORIZED SIGNATURE

⑈0000016203⑈ ⑆071000505⑆ 5800939380⑈

Donosky Ex. 7
Page 83 of 259

STEVE DONOSKY COMPANY					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
12/01/2006		12/01/2006	5,518.76	0.00	0.00	5,518.76
Check Date: 12/01/2006		Check #: 0000016462	Totals:	5,518.76	0.00	0.00
						5,518.76

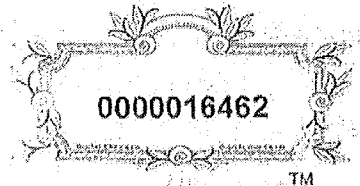
STEVE DONOSKY COMPANY					Vendor Code:	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
12/01/2006		12/01/2006	5,518.76	0.00	0.00	5,518.76
Check Date: 12/01/2006		Check #: 0000016462	Totals:	5,518.76	0.00	0.00
						5,518.76

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

250
710

Edgemere, 8523 Thackery Street, Dallas, TX 75225



Pay to the order of

Five thousand five hundred eighteen and 76/100 dollars \$**5,518.76

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Isy Hart
AUTHORIZED SIGNATURE

000000 1646 21 007 1000 50 51 5800939380

Donosky Ex. 7
Page 84 of 259

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Donosky Ex. 7
Page 85 of 259.

Vendor: 000156

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Vendor: 000156

[illegible]

E D G E M E R E

January 24, 2007

***Five thousand five hundred eighteen and 76/100 dollars

\$*****5,518.76

Greg Hart

AUTHORIZED SIGNATURE

11000001688011 10710005051 580093938011

Donosky Ex. 7
Page 86 of 259

STEVE DONOSKY COMPANY							Vendor: 000166
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
03/01/2007		03/01/2007	5,518.76	0.00	0.00	5,518.76	
Check Date: 02/23/2007 Check #: 0000017103 Totals:			5,518.76	0.00	0.00	5,518.76	

STEVE DONOSKY COMPANY							Vendor: 000166
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
03/01/2007		03/01/2007	5,518.76	0.00	0.00	5,518.76	
Check Date: 02/23/2007 Check #: 0000017103 Totals:			5,518.76	0.00	0.00	5,518.76	

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

Edgemere, 8523 Thackery Street, Dallas, TX 75225

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February 23, 2007

Pay to the order of

Five thousand five hundred eighteen and 76/100 dollars \$**5,518.76

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Tracy Hart

AUTHORIZED SIGNATURE

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Donosky Ex. 7
Page 87 of 259

Security features included. Details on Back.

Vendor: 000156

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Vendor: 000156

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E D G E M E R E

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\$*****5,518.76

Gray Hart

AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 89 of 259

STEVE DONOSKY COMPANY

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
06/01/2007		06/01/2007	5,518.76	0.00	0.00	5,518.76
Check Date: 05/24/2007 Check #: 0000017831 Totals:			5,518.76	0.00	0.00	5,518.76

STEVE DONOSKY COMPANY

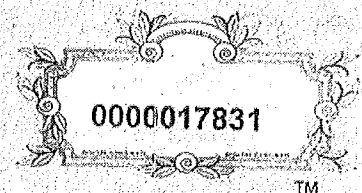
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
06/01/2007		06/01/2007	5,518.76	0.00	0.00	5,518.76
Check Date: 05/24/2007 Check #: 0000017831 Totals:			5,518.76	0.00	0.00	5,518.76

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

250
710



Pay to the order of

***Five thousand five hundred eighteen and 76/100 dollars

*****5,518.76

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Steve E. Donosky
AUTHORIZED SIGNATURE

Donosky Ex. 7
Page 90 of 259

0000017831 0710005051 5800939380

STEVE DONOSKY COMPANY					Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2007		07/01/2007	5,518.76	0.00	0.00	5,518.76
Check Date: 06/28/2007 Check #: 0000018083 Totals:			5,518.76	0.00	0.00	5,518.76

STEVE DONOSKY COMPANY					Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2007		07/01/2007	5,518.76	0.00	0.00	5,518.76
Check Date: 06/28/2007 Check #: 0000018083 Totals:			5,518.76	0.00	0.00	5,518.76

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



June 28, 2007

Pay to the order of

***Five thousand five hundred eighteen and 76/100 dollars

\$*****5,518.76

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Steve Donosky
AUTHORIZED SIGNATURE

0000018083 0710005051 5800939380

Donosky Ex. 7
Page 91 of 259

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STEVE DONOSKY COMPANY						Vendor Code	000156
Invoice No.:	Description	Date	Amount	Discount	Withheld	Net Amount	
08/01/2007		08/01/2007	5,518.76	0.00	0.00	5,518.76	
Check Date:	08/02/2007	Check #:	0000018372	Totals:	5,518.76	0.00	0.00
							5,518.76

Donosky Ex. 7
Page 92 of 259

STEVE DONOSKY COMPANY					Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
09/01/2007		09/01/2007	5,518.76	0.00	0.00	5,518.76
Check Date: 08/30/2007			Check #: 0000018573	Totals:	5,518.76	0.00
					0.00	5,518.76

STEVE DONOSKY COMPANY					Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
09/01/2007		09/01/2007	5,518.76	0.00	0.00	5,518.76
Check Date: 08/30/2007			Check #: 0000018573	Totals:	5,518.76	0.00
					0.00	5,518.76

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

Pay to the order of

***Five thousand five hundred eighteen and 76/100 dollars

\$*****5,518.76

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Deborah A. Trainor
AUTHORIZED SIGNATURE

⑈0000018573⑈ ⑆071000505⑆ 5800939380⑈

Donosky Ex. 7
Page 93 of 259

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Donosky Ex. 7
Page 94 of 259

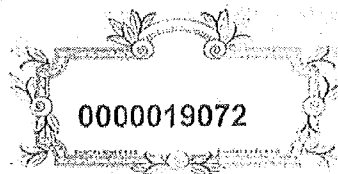
STEVE DONOSKY COMPANY						Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
11/01/2007	November 2007	11/01/2007	5,583.14	0.00	0.00	5,583.14	
Check Date: 10/25/2007		Check #: 0000019072	Totals:	5,583.14	0.00	0.00	5,583.14

STEVE DONOSKY COMPANY						Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
11/01/2007	November 2007	11/01/2007	5,583.14	0.00	0.00	5,583.14	
Check Date: 10/25/2007		Check #: 0000019072	Totals:	5,583.14	0.00	0.00	5,583.14

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



250
710

October 25, 2007

Pay to the order of

***Five thousand five hundred eighty three and 14/100
dollars \$*****5,583.14

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

John B. F...

AUTHORIZED SIGNATURE

⑈0000019072⑈ ⑆071000505⑆ 5800939380⑈

Donosky Ex. 7
Page 95 of 259

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Donosky Ex. 7
Page 96 of 259

STEVE DONOSKY COMPANY

Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
01/01/2008		01/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 12/28/2007 Check #: 0000019646 Totals:			5,656.73	0.00	0.00	5,656.73

STEVE DONOSKY COMPANY

Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
01/01/2008		01/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 12/28/2007 Check #: 0000019646 Totals:			5,656.73	0.00	0.00	5,656.73

La Salle Bank, NA
Chicago, IL 60651

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



December 28, 2007

Pay to the order of

***Five thousand six hundred fifty six and 73/100 dollars**

\$*****5,656.73

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

⑈0000019646⑈ ⑆071000505⑆ 5800939380⑈

Donosky Ex. 7
Page 97 of 259

STEVE DONOSKY COMPANY

Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
02/01/2008		02/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 01/24/2008 Check #: 0000019902 Totals:			5,656.73	0.00	0.00	5,656.73

STEVE DONOSKY COMPANY

Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
02/01/2008		02/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 01/24/2008 Check #: 0000019902 Totals:			5,656.73	0.00	0.00	5,656.73

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



January 24, 2008

Pay to the order of

***Five thousand six hundred fifty six and 73/100 dollars...

\$*****5,656.73

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Lucrecia L. Dady
AUTHORIZED SIGNATURE

⑈0000019902⑈ ⑆071000505⑆ 5800939380⑈

Donosky Ex. 7
Page 98 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156				
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount		
03/01/2008		03/01/2008	5,656.73	0.00	0.00	5,656.73		
Check Date:	02/28/2008	Check #:	0000020237	Totals:	5,656.73	0.00	0.00	5,656.73

E D G E M E R E

0000020237

8523 Thackery Street, Dallas, TX 75225

February 28, 2008

Pay to the order of

***Five thousand six hundred fifty six and 73/100 dollars.

\$*****5,656.73

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]

AUTHORIZED SIGNATURE

①00000 20 23 7① ②07 1000 50 5② 5800939380②

Donosky Ex. 7
Page 99 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
04/01/2008		04/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 03/27/2008 Check #: 0000020487 Totals:				5,656.73	0.00	0.00
						5,656.73

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
04/01/2008		04/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 03/27/2008 Check #: 0000020487 Totals:				5,656.73	0.00	0.00
						5,656.73

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

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0000020487

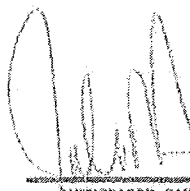
March 27, 2008

Pay to the order of

***Five thousand six hundred fifty six and 73/100 dollars**

\$*****5,656.73

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205



AUTHORIZED SIGNATURE

⑈0000020487⑈ ⑈071000505⑈ 5800939380⑈

Donosky Ex. 7
Page 100 of 259

Vendor Code: 000156

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Vendor Code: 000156

			Totals:	5,656.73	0.00	0.00	5,656.73
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0000020845

May 01, 2008

***Five thousand six hundred fifty six and 73/100 dollars .

\$*****5,656.73

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AUTHORIZED SIGNATURE

①0000020845① ②071000505② 5800939380①

Donosky Ex. 7
Page 101 of 259

Exhibit 7 Page 102 of 259

STEVE DONOSKY COMPANY

Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
06/01/2008		06/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 05/29/2008 Check #: 0000021118 Totals:			5,656.73	0.00	0.00	5,656.73

STEVE DONOSKY COMPANY

Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
06/01/2008		06/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 05/29/2008 Check #: 0000021118 Totals:			5,656.73	0.00	0.00	5,656.73

La Salle Bank, NA
Chicago, IL 60601

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

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0000021118

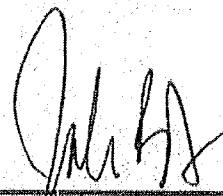
May 29, 2008

Pay to the order of

***Five thousand six hundred fifty six and 73/100 dollars...

\$*****5,656.73

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205



AUTHORIZED SIGNATURE

⑈0000021118⑈ ⑈071000505⑈ 5800939380⑈

Donosky Ex. 7
Page 102 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2008		07/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 07/03/2008 Check #: 0000021403 Totals:			5,656.73	0.00	0.00	5,656.73

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2008		07/01/2008	5,656.73	0.00	0.00	5,656.73
Check Date: 07/03/2008 Check #: 0000021403 Totals:			5,656.73	0.00	0.00	5,656.73

La Salle Bank, NA
Chicago, IL 60681

E D G E M E R E

8523 Thiackery Street, Dallas, TX 75225

Pay to the order of

***Five thousand six hundred fifty six and 73/100 dollars . .

0000021403

July 03, 2008

\$*****5,656.73

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

AUTHORIZED SIGNATURE

⑈0000021403⑈ ⑆071000505⑆ 5800939380⑈

Donosky Ex. 7
Page 103 of 259

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Donosky Ex. 7
Page 104 of 259

Check Date:	08/29/2008	Check #:	0000021919	Totals:	5,656.73	0.00	0.00	5,656.73
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Check Date:	08/29/2008	Check #:	0000021919	Totals:	5,656.73	0.00	0.00	5,656.73
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La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

Pay to the order of


STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

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August 29, 2008

***Five thousand six hundred fifty six and 73/100 dollars

\$*****5,656.73



AUTHORIZED SIGNATURE

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Donosky Ex. 7
Page 105 of 259

Vendor Code: 000156

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Vendor Code: 000156

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0000022175

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September 24, 2008

***Five thousand six hundred fifty six and 73/100 dollars .

\$*****5,656.73

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AUTHORIZED SIGNATURE

⑈0000022175⑈ 120710005051 5800939380⑈

Donosky Ex. 7
Page 106 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
11/01/2008		11/01/2008	5,788.72	0.00	0.00	5,788.72
Check Date: 10/30/2008 Check #: 0000022504 Totals:			5,788.72	0.00	0.00	5,788.72

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
11/01/2008		11/01/2008	5,788.72	0.00	0.00	5,788.72
Check Date: 10/30/2008 Check #: 0000022504 Totals:			5,788.72	0.00	0.00	5,788.72

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

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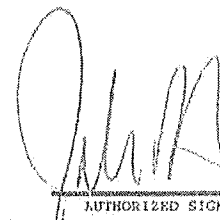
October 30, 2008

Pay to the order of

***Five thousand seven hundred eighty eight and 72/100
dollars

\$*****5,788.72

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205


AUTHORIZED SIGNATURE

⑈0000022504⑈ ⑈071000505⑈ 5800939380⑈

Donosky Ex. 7
Page 107 of 259

Vendor Code: 000156

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Vendor Code: 000156

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$$\frac{2.50}{710}$$


0000022712

***Five thousand nine hundred thirty nine and 56/100 dollars

OK

APPROVED SIGNATURE


Donosky Ex. 7
Page 108 of 259

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
01/01/2009		01/01/2009	5,939.56	0.00	0.00	5,939.56

STEVE DONOSKY COMPANY

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
01/01/2009		01/01/2009	5,939.56	0.00	0.00	5,939.56
<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> 2009 </div>						
Check Date:	12/31/2008	Check #:	00000		0.00	5,939.56
Check Date: 12/31/2008 Check #: 00000 Amount: 5,939.56 Discount: 0.00 Withheld: 0.00 Net Amount: 5,939.56						

E D G E M E R E

$$\frac{2.50}{710}$$


0000023039

December 31, 2008

***Five thousand nine hundred thirty nine and 56/100 dollars

\$*****5,939.56

Leon E. Dato
AUTHORIZED SIGNATURE

11000002303911 150710005051 580093938011

Donosky Ex. 7
Page 109 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
02/01/2009		02/01/2009	5,939.56	0.00	0.00	5,939.56
Check Date: 01/29/2009 Check #: 0000023307 Totals:			5,939.56	0.00	0.00	5,939.56

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
02/01/2009		02/01/2009	5,939.56	0.00	0.00	5,939.56
Check Date: 01/29/2009 Check #: 0000023307 Totals:			5,939.56	0.00	0.00	5,939.56

La Salle Bank, NA
Chicago, IL 60661

E D G E M E R E



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710

8523 Thackery Street, Dallas, TX 75225

January 29, 2009

Pay to the order of

Five thousand nine hundred thirty nine and 56/100 dollars	\$**5,939.56
---	-----------------

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Steve Donosky
AUTHORIZED SIGNATURE

⑈0000023307⑈ ⑈071000505⑈ 5800939380⑈

Donosky Ex. 7
Page 110 of 259

STEVE DONOSKY COMPANY						Vendor Code: 000156	
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
03/01/2009 1		03/01/2009	5,939.56	0.00	0.00	5,939.56	
Check Date:	02/26/2009	Check #:	0000023586	Totals:	5,939.56	0.00	0.00
							5,939.56

Donosky Ex. 7
Page 111 of 259

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Bank of America

E D G E M E R E

 $\frac{2.3}{710}$ IL

8523 Thackery Street, Dallas, TX 75225

March 26, 2009

Pay to the order of

***Five thousand nine hundred thirty nine and 56/100 dollars

\$*****5,939.56

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Leah C. Bates
 AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

Donosky Ex. 7

000002385710 0700000390 580093938010

Page 112 of 259

†† Security features included. Details on back.

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
05/01/2009		05/01/2009	5,939.56	0.00	0.00	5,939.56
Check Date: 04/30/2009 Check #: 0000024231						

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
05/01/2009		05/01/2009	5,939.56	0.00	0.00	5,939.56
Check Date: 04/30/2009 Check #: 0000024231 Totals: 5,939.56 0.00 0.00 5,939.56						
Check #: 0000024231 Totals: 5,939.56 0.00 0.00 5,939.56						

Bank of America

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8523 Thackery Street, Dallas, TX 75225

Pay to the order of

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

0000024231

April 30, 2009

***Five thousand nine hundred thirty nine and 56/100 dollars

\$****5,939.56

[Signature]

AUTHORIZED SIGNATURE

Vendor Code: 000156

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Vendor Code: 000156

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E D G E M E R E

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***Five thousand nine hundred thirty nine and 56/100 dollars

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AUTHORIZED SIGNATURE

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Donosky-Ex. 7
Page 114 of 259

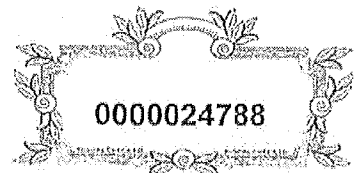
STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2009		07/01/2009	5,939.56	0.00	0.00	5,939.56

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
07/01/2009		07/01/2009	5,939.56	0.00	0.00	5,939.56
Check Date: 06/25/2009		Check #: 0000024788	Totals:	5,939.56	0.00	0.00
Check Date: 06/25/2009		Check #: 0000024788	Totals:	5,939.56	0.00	0.00

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



23 IL
710

June 25, 2009

Pay to the order of

***Five thousand nine hundred thirty nine and 56/100
dollars

\$*****5,939.56

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
AUTHORIZED SIGNATURE

0000024788 071000039 5800939380

Donosky Ex. 7
Page 115 of 259

Vendor Code: 000156

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AUTHORIZED SIGNATURE:

Donosky Ex. 7
Page 116 of 259

Donosky Ex. 7
Page 117 of 259

Vendor Code: 000156

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STEVE DONOSKY COMPANY

Vendor Code: 000156

[illegible][illegible]

Bank of America

E D G E M E R E

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710

8523 Thackery Street, Dallas, TX 75225



September 24, 2009

Pay to the order of

***Five thousand nine hundred thirty nine and 56/100 dollars

\$*****5,939.56

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205



AUTHORIZED SIGNATURE

⑈0000025741⑈ ⑈071000039⑈ 5800939380⑈

Donosky Ex. 7
Page 118 of 259

DONOSKY COMPANY

Vendor Code: 000156

Description				Date	Amount	Discount	Withheld	Net Amount
19				11/01/2009	6,008.86	0.00	0.00	6,008.86

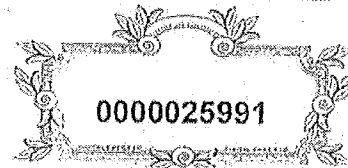
DONOSKY COMPANY

Vendor Code: 000156

Vendor Code: 000156

Description	Date	Amount	Discount	Withheld	Net Amount	
	11/01/2009	6,008.86	0.00	0.00	6,008.86	
10/22/2009	Check #: 0000025991	Totals:	6,008.86	0.00	0.00	6,008.86
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Bank of America



23
710 IL

8523 Thackery Street, Dallas, TX 75225

October 22, 2009

re order of

Six thousand eight and 86/100 dollars \$**6,008.86

THE DONOSKY COMPANY
ghland Park Village
100-228
s, TX 75205

[Signature]
AUTHORIZED SIGNATURE

Donosky Ex: 7
Page 119 of 259

0000025991 0710000391 5800939380

STEVE DONOSKY COMPANY							Vendor Code: 000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
12/01/2009		12/01/2009	6,088.05	0.00	0.00	6,088.05	
Check Date: 11/25/2009			Check #: 0000026299	Totals:	6,088.05	0.00	0.00 6,088.05

STEVE DONOSKY COMPANY							Vendor Code: 000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
12/01/2009		12/01/2009	6,088.05	0.00	0.00	6,088.05	
Check Date: 11/25/2009			Check #: 0000026299	Totals:	6,088.05	0.00	0.00 6,088.05

Bank of America

E D G E M E R E

0000026299

8523 Thackery Street, Dallas, TX 75225

November 25, 2009

Pay to the order of

***Six thousand eighty eight and 05/100 dollars

\$*****6,088.05

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Laura J. Davis
AUTHORIZED SIGNATURE

⑈0000026299⑈ ⑈071000039⑈ 5800939380⑈

Donosky Ex. 7
Page 120 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
01/01/2010		01/01/2010	6,088.05	0.00	0.00	6,088.05
Check Date: 12/29/2009			Check #: 0000026613	Totals:	6,088.05	

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Amount	Discount	Withheld	Net Amount	
01/01/2010				0.00	6,088.05	
Check Date: 12/29/2009			Check #: 0000026613	Totals:	6,088.05	

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



December 29, 2009

Pay to the order of

***Six thousand eighty eight and 05/100 dollars

\$*****6,088.05

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
Authorized Signature

⑈0000026613⑈ ⑆071000039⑆ 5800939380⑈

STEVE DONOSKY COMPANY

Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
02/01/2010		02/01/2010	6,088.05	0.00	0.00	6,088.05
Check Date: 01/29/2010 Check #: 0000026910 Totals:			6,088.05	0.00	0.00	6,088.05

STEVE DONOSKY COMPANY

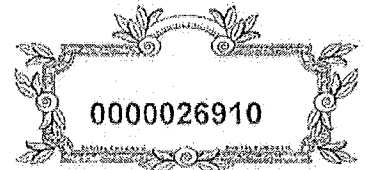
Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
02/01/2010		02/01/2010	6,088.05	0.00	0.00	6,088.05
Check Date: 01/29/2010 Check #: 0000026910 Totals:			6,088.05	0.00	0.00	6,088.05

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

23 IL
710

January 29, 2010

Pay to the order of

***Six thousand eighty eight and 05/100 dollars

\$*****6,088.05

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
 25 Highland Park Village
 PMB 100-228
 Dallas, TX 75205

Authorized Signature

⑈0000026910⑈ ⑆071000039⑆ 5800939380⑈

Donosky Ex. 7
 Page 122 of 259

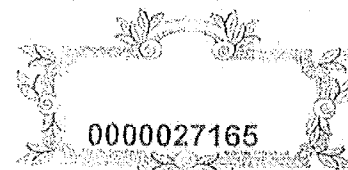
STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
03/012010		03/01/2010	6,088.05	0.00	0.00	6,088.05
Check Date: 02/25/2010 Check #: 0000027165 Totals:				6,088.05	0.00	0.00
						6,088.05

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
03/012010		03/01/2010	6,088.05	0.00	0.00	6,088.05
Check Date: 02/25/2010 Check #: 0000027165 Totals:				6,088.05	0.00	0.00
						6,088.05

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

Bank of America



2-3 IL
710

TM

February 25, 2010

Pay to the order of

Six thousand eighty eight and 05/100 dollars \$**6,088.05

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
Authorized Signature

Donosky Ex. 7
Page 123 of 259

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Vendor Code: 000156

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Vendor Code: 000156

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E D G E M E R E

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Pay to the order of

\$*****6,088.05

TWO SIGNATURES REQUIRED OVER \$35,000.00.

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Authorized Signature

⑈0000027449⑈ 1071000039⑈ 5800939380⑈

Check Date:	04/29/2010	Check #:	0000027777	Totals:	6,088.05	0.00	0.00	6,088.05
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Check Date:	04/29/2010	Check #:	0000027777	Totals:	6,088.05	0.00	0.00	6,088.05
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Check Date: July 27, 2018

E D G E M E R E


2-3 IL
710 IL

April 29, 2010

Six thousand eighty eight and 05/100 dollars	\$***6,088.05
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TWO SIGNATURES REQUIRED OVER \$35,000.00

Two Signatures



Authorized Signature

Authorized Signature

Donosky Ex. 7
Page 125 of 259

Vendor Code: 000156

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Vendor Code: 000156

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E D G E M E R E

 $\frac{2.3}{710}$ IL

***Six thousand eighty eight and 05/100 dollars

\$*****6,088.05

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Authorized Signature _____

Donosky Ex. 7
Page 126 of 259


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$$\frac{23}{710} \text{ IL}$$

June 25, 2010

Six thousand eighty eight and 05/100 dollars	\$*6,088.05
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TWO SIGNATURES REQUIRED OVE R\$35,000.00.

TWO SIGNATURES



Authorized Signature

Donosky Ex. 7
Page 127 of 259

Vendor Code: 000156

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Vendor Code: 000156

					Totals,	6,088.05	0.00	0.00	6,088.05
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***Six thousand eighty eight and 05/100 dollars

\$*****6,088.05

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Authorized Signature

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Page 128 of 259

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Vendor Code: 000156

Vendor Code: 000156

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Donosky Ex. 7
Page 130 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
10/27/2010	LAND LEASE PAYMENT FOR NOV	11/01/2010	6,159.08	0.00	0.00	6,159.08
Check Date: 10/28/2010 Check #: 0000029575 Totals:			6,159.08	0.00	0.00	6,159.08

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
10/27/2010	LAND LEASE PAYMENT FOR NOV	11/01/2010	6,159.08	0.00	0.00	6,159.08
Check Date: 10/28/2010 Check #: 0000029575 Totals:			6,159.08	0.00	0.00	6,159.08

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



23 JL
710

October 28, 2010

Pay to the order of

Six thousand one hundred fifty nine and 08/100 dollars. \$**6,159.08

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
Authorized Signature

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Page 131 of 259

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STEVE DONOSKY COMPANY

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount		
12/01/2010	DECEMBER LAND OPERATING L	11/30/2010	6,240.25	0.00	0.00	6,240.25		
/								
Check Date:	11/29/2010	Check #:	0000029849	Totals:	6,240.25	0.00	0.00	6,240.25

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0000029849

\$*****6,240.25

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature _____

⑈0000029849⑈ ⑈071000039⑈ 5800939380⑈

STEVE DONOSKY COMPANY

Vendor Code: 000156

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
12/30/2010	DEC PAYMENT	12/30/2010	6,240.25	0.00	0.00	6,240.25
Check Date: 12/27/2010 Check #: 0000030119 Totals:			6,240.25	0.00		

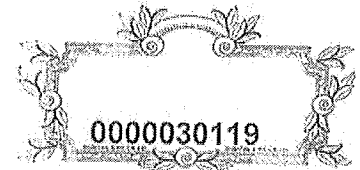
STEVE DONOSKY COMPANY							Vendor Code: 000156	
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount		
12/30/2010	DEC PAYMENT	12/30/2010	6,240.25	0.00	0.00	6,240.25		
Check Date: 12/27/2010 Check #: 000								

2011

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225

23 IL
710

December 27, 2010

Pay to the order of

Six thousand two hundred forty and 25/100 dollars ... \$**6,240.25

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

Donosky Ex. 7
Page 133 of 259

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Authorized Signature

Vendor Code: 000156

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\$*****6,240.25

Authorized Signature _____

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Vendor Code: 000156

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April 21, 2011

\$*****6,240.25

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature _____

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Vendor Code: 000158

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Authorized Signature _____

Donosky Ex. 7
Page 138 of 259

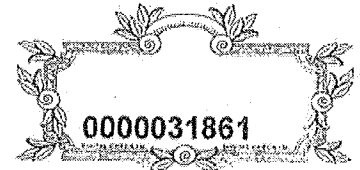
STEVE DONOSKY COMPANY							Vendor Code: 000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
07/01/2011	JULY LAND LEASE	07/01/2011	6,240.25	0.00	0.00	6,240.25	
Check Date: 06/23/2011			Check #: 0000031861	Totals:	6,240.25	0.00	0.00 6,240.25

STEVE DONOSKY COMPANY							Vendor Code: 000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
07/01/2011	JULY LAND LEASE	07/01/2011	6,240.25	0.00	0.00	6,240.25	
Check Date: 06/23/2011			Check #: 0000031861	Totals:	6,240.25	0.00	0.00 6,240.25

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225



2-3 IL
710

June 23, 2011

Pay to the order of

***Six thousand two hundred forty and 25/100 dollars . . .

\$*****6,240.25

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

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Authorized Signature

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Vendor Code: 000156

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23 11
710

0000033365

LIBRARY OF CONGRESS

PHOTODUPLICATION SERVICE
UNIVERSITY MICROFILMS

TM

Pay to the order of

***Six thousand four hundred sixty eight and 02/100
dollars

\$*****6,468.02

TWO SIGNATURES REQUIRED OVER \$35,000.00

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature _____

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Page 144 of 259

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Donosky Ex. 7
Page 145 of 259

Vendor Code: 000156

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Vendor Code: 000156

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Authorized Signature _____

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Vendor Code: 000156

[illegible]

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23
710

\$*****6,468.02

Authorized Signatures

Donosky Ex. 7
Page 147 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
04/01/2012		04/01/2012	6,468.02	0.00	0.00	6,468.02
Check Date: 03/29/2012 Check #: 0000034776			Totals:	6,468.02	0.00	0.00
				6,468.02		

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
04/01/2012		04/01/2012	6,468.02	0.00	0.00	6,468.02
Check Date: 03/29/2012 Check #: 0000034776			Totals:	6,468.02	0.00	0.00
				6,468.02		

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

Bank of America



March 29, 2012

Pay to the order of

***Six thousand four hundred sixty eight and 02/100
dollars

\$*****6,468.02

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
Authorized Signature

Donosky Ex. 7
Page 148 of 259

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Vendor Code: 000156


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Vendor Code: 000156

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E D G E M E R E

23 IL
710



0000035414

\$*****6,468.02

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Authorized Signer

"0000035414" 1071000039: 5800939380"

Donosky Ex. 7
Page 150 of 259

Vendor Code: 000156

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Vendor Code: 000156

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TWO SIGNATURES REQUIRED OVER \$35,000.00.

Authorized Signature

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
08012012	Land Lease	08/01/2012	6,468.02	0.00	0.00	6,468.02
Totals:			6,468.02	0.00	0.00	6,468.02
Check Date:	07/26/2012	Check #:	0000036038			

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Bank of America

23 IL
710

8523 Thackery Street, Dallas, TX 75225-3523

IN

July 26, 2012

Pay to the order of

***Six thousand four hundred sixty eight and 02/100 dollars

\$*****6,468.02

TWO SIGNATURES REQUIRED OVER \$35,000.00

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature _____

Donosky Ex. 7

Page 152 of 259

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STEVE DONOSKY COMPANY				Vendor Code: 000166		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
09012012	Land Lease	09/01/2012	6,468.02	0.00	0.00	6,468.02

STEVE DONOSKY COMPANY				Vendor Code: 000156				
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount		
09012012	Land Lease	09/01/2012	6,468.02	0.00	0.00	6,468.02		
Check Date:	08/23/2012	Check #:	0000036354	Totals:	6,468.02	0.00	0.00	6,468.02
Check Date:	08/23/2012	Check #:	0000036354	Totals:	6,468.02	0.00	0.00	6,468.02

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

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710 IL



August 23, 2012

Pay to the order of

***Six thousand four hundred sixty eight and 02/100 dollars

\$*****6,468.02

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

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Donosky Ex. 7
Page 153 of 259

Vendor Code: 000156

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Vendor Code: 000156

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2-3 IL
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September 26, 2012

***Six thousand four hundred sixty eight and 02/100
dollars

\$*****6,468.02

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Authorized Signature _____

Donosky Ex. 7
Page 154 of 259

STEVE DONOSKY COMPANY							Vendor Code: 000156	
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount		
11012012		11/01/2012	6,543.48	0.00	0.00	6,543.48		
Check Date: 10/25/2012 Check #: 0000037020 Totals:							6,543.48	0.00 0.00 6,543.48

STEVE DONOSKY COMPANY							Vendor Code: 000156	
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount		
11012012		11/01/2012	6,543.48	0.00	0.00	6,543.48		
Check Date: 10/25/2012 Check #: 0000037020 Totals:							6,543.48	0.00 0.00 6,543.48

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8523 Thackery Street, Dallas, TX 75225-3523

Bank of America



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710 JL

October 25, 2012

Pay to the order of

***Six thousand five hundred forty three and 48/100 dollars

*****6,543.48

TWO SIGNATURES REQUIRED OVER \$95,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
Authorized Signature

Donosky Ex. 7

Page 155 of 259

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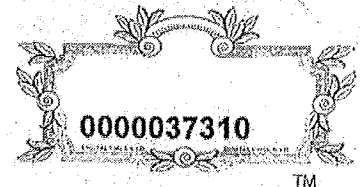
STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
12012012		12/01/2012	6,629.72	0.00	0.00	6,629.72
Check Date: 11/26/2012		Check #: 0000037310	Totals:	6,629.72	0.00	0.00
						6,629.72

STEVE DONOSKY COMPANY				Vendor Code: 000156		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
12012012		12/01/2012	6,629.72	0.00	0.00	6,629.72
Check Date: 11/26/2012		Check #: 0000037310	Totals:	6,629.72	0.00	0.00
						6,629.72

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523



November 26, 2012

Pay to the order of

***Six thousand six hundred twenty nine and 72/100
dollars *****6,629.72

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

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Donosky Ex. 7
Page 156 of 259

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Authorized Signatory

Vendor Code: 000156

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Vendor Code: 000156

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E D G E M E R E

23 IL
710

TM

***Six thousand six hundred twenty nine and 72/100 dollars

TWO SIGNATURES REQUIRED OVER \$35,000.00.

TWO SIGNATURES

Authorized Signature

Authorized Signature

Donosky Ex. 7
Page 158 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		Vendor Code		000156					
Invoice No.		Description		Date		Amount		Discount		Withheld		Net Amount	
03012013				03/01/2013		6,629.72		0.00		0.00		6,629.72	
/													
Check Date:		02/21/2013		Check #:		0000038283		Totals:		6,629.72		0.00	
										0.00		6,629.72	

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\$*****6,629.72

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Authorized Signature

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23 IL
710 IL

\$*****6,629.73

Authorized Signature _____

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710



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TV

May 29, 2013

***Six thousand six hundred twenty nine and 72/100 dollars

*****6,629.72

TWO SIGNATURES REQUIRED OVER \$35,000.00

Authorized Signature

⑈0000039335⑈ 1:071000039⑈ 5800939380⑈

Donosky Ex. 7
Page 162 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
07012013	Land Lease	07/01/2013	6,629.72	0.00	0.00	6,629.72	

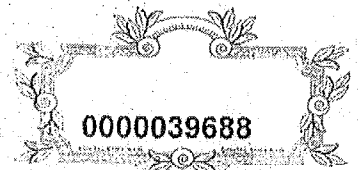
STEVE DONOSKY COMPANY				Vendor Code: 000156		Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
07012013	Land Lease	07/01/2013	6,629.72	0.00	0.00	6,629.72	
Check Date: 06/27/2013 Check #: 0000039688 Totals:				6,629.72	0.00	0.00	6,629.72
Check Date: 06/27/2013 Check #: 0000039688 Totals:				6,629.72	0.00	0.00	6,629.72

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

2-3 IL
710



TM

June 27, 2013

Pay to the order of

***Six thousand six hundred twenty nine and 72/100
dollars

\$*****6,629.72

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

Donosky Ex. 7

Page 163 of 259

0000039688 071000039 5800939380

Vendor Code: 000156

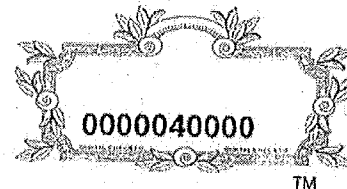
[illegible]

Vendor Code: 000156

[illegible]

E D G E M E R E

23 IL
710 IL



TM

Pay to the order of

***Six thousand six hundred twenty nine and 72/100 dollars

\$*****6,629.72

TWO SIGNATURES REQUIRED OVER \$35,000.00

Bridgette Lombardi
Authorized Signature

⑈0000040000⑈ 120710000391: 5800939380⑈

Donosky Ex. 7
Page 164 of 259

STEVE DONOSKY COMPANY

Vendor Code: 000156				Vendor Code		000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
09012013	Land Lease	09/01/2013	6,629.72	0.00	0.00	6,629.72
Check Date: 08/29/2013 Check #: 0000040392 Totals:			6,629.72	0.00	0.00	6,629.72

Vendor Code: 000156				Vendor Code		000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
09012013	Land Lease	09/01/2013	6,629.72	0.00	0.00	6,629.72
Check Date: 08/29/2013 Check #: 0000040392 Totals:			6,629.72	0.00	0.00	6,629.72

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

23 IL
710

0000040392

August 29, 2013

Pay to the order of

***Six thousand six hundred twenty nine and 72/100
dollars

\$*****6,629.72

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

Donosky Ex. 7
Page 165 of 259

0000040392 0710000391 5800939380

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Donosky Ex. 7
Page 166 of 259

STEVE DONOSKY COMPANY				Vendor Code: 000156		Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
11012013		11/01/2013	6,707.07	0.00	0.00	6,707.07	
Check Date: 10/24/2013		Check #: 0000041027	Totals:	6,707.07	0.00	0.00	6,707.07

STEVE DONOSKY COMPANY				Vendor Code: 000156		Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
11012013		11/01/2013	6,707.07	0.00	0.00	6,707.07	
Check Date: 10/24/2013		Check #: 0000041027	Totals:	6,707.07	0.00	0.00	6,707.07

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75226-3523

2-1 IL
710



TM

October 24, 2013

Pay to the order of

Six thousand seven hundred seven and 07/100 dollars. \$**6,707.07

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Budget
Authorized Signature

Donosky Ex. 7-
Page 167 of 259

⑈0000041027⑈ ⑈071000039⑈ 5800939380⑈

STEVE DONOSKY COMPANY				Vendor Code: 000156	Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
12012013	Prepaid Expense	12/01/2013	6,795.47	0.00	0.00	6,795.47
Check Date: 11/21/2013 Check #: 0000041341 Totals:				6,795.47	0.00	0.00
						6,795.47

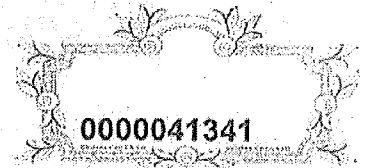
STEVE DONOSKY COMPANY				Vendor Code: 000156	Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
12012013	Prepaid Expense	12/01/2013	6,795.47	0.00	0.00	6,795.47
Check Date: 11/21/2013 Check #: 0000041341 Totals:				6,795.47	0.00	0.00
						6,795.47

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

23
710 IL



TM

November 21, 2013

Pay to the order of

Six thousand seven hundred ninety five and 47/100 dollars **6,795.47

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

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Authorized Signature

Donosky Ex: 7
Page 168 of 259

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Bank of America

8523 Thackery Street, Dallas, TX 75225-3523

23 11

December 19, 2013

Pay to the order of

***Six thousand seven hundred ninety five and 47/100 dollars

\$*****6,795.47

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Budgitch
Authorized Signature

STEVE DONOSKY COMPANY				Vendor Code: 000156	Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
012014	Prepaid Expense	02/01/2014	6,795.47	0.00	0.00	6,795.47
Check Date: 01/23/2014 Check #: 0000041993 Totals:				6,795.47	0.00	0.00
						6,795.47

STEVE DONOSKY COMPANY				Vendor Code: 000156	Vendor Code	000156
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
02012014	Prepaid Expense	02/01/2014	6,795.47	0.00	0.00	6,795.47
Check Date: 01/23/2014 Check #: 0000041993 Totals:				6,795.47	0.00	0.00
						6,795.47

STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE, SUITE 100 - 228
DALLAS, TX 75205

32-1606/1110 8632
DATE 1/30/14

PAY TO THE ORDER OF: Northwest LifeCare Assoc Ltd. \$ 3,397.73

Three thousand three hundred ninety seven and 73/100 DOLLARS

THE NORTHERN TRUST COMPANY
Northern Trust

MEMO: Ato-Gal JV

VOID AFTER 90 DAYS

MP

111016064 0034231015 08632

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110000042276 1071000039 5800939380

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E D G E M E R E

2.3 710 11

TM:

Six thousand seven hundred ninety five and 47/100 dollars	\$**6,795.47
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Bridgette
Authorized Signature

⑈0000042649⑈ ⑈071000039⑈ 5800939380⑈

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Donosky Ex. 7
Page 173 of 259

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Donosky Ex. 7
Page 174 of 259

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Authorized Signature _____

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Bank of America

2.3 IL
710

TM

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Bridget A
Authorized Signature

Donosky Ex. 7
Page 176 of 259

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Donosky Ex. 7
Page 177 of 259

Exhibit 7 Page 178 of 239

STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
10012014	LAND LEASE	10/01/2014	6,795.47	0.00	0.00	6,795.47		
Check Date: 09/25/2014		Check #: 0000044826		Totals:				
				6,795.47		0.00		
				0.00		0.00		
				6,795.47				

Edgemere - Edgemere -

STEVE DONOSKY COMPANY						Vendor Code	000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
10012014	LAND LEASE	10/01/2014	6,795.47	0.00	0.00	6,795.47		
Check Date: 09/25/2014		Check #: 0000044826		Totals:		6,795.47		
						0.00		
						0.00		
						6,795.47		

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

Bank of America

2-3 IL
710

September 25, 2014

Pay to the order of

***Six thousand seven hundred ninety five and 47/100
dollars

\$*****6,795.47

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

⑈0000044826⑈ ⑈071000039⑈ 5800939380⑈

Donosky Ex. 7
Page 178 of 259

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
11012014	Prepaid Expense	11/01/2014	6,795.47	0.00	0.00	6,795.47	
Check Date: 10/23/2014		Check #: 0000045150		Totals:	6,795.47	0.00	0.00 6,795.47

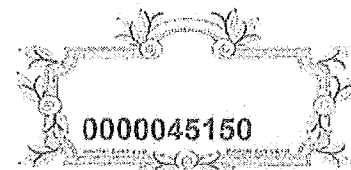
STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
1012014	Prepaid Expense	11/01/2014	6,795.47	0.00	0.00	6,795.47	
Check Date: 10/23/2014		Check #: 0000045150		Totals:	6,795.47	0.00	0.00 6,795.47

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

23
710 IL



October 23, 2014

Pay to the order of

Six thousand seven hundred ninety five and 47/100 dollars **6,795.47

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
Authorized Signature

⑈0000045150⑈ ⑆071000039⑆ 5800939380⑈

Donosky Ex. 7
Page 179 of 259

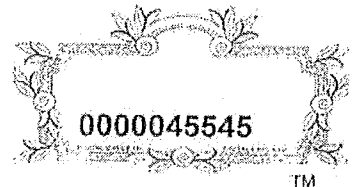
STEVE DONOSKY COMPANY					Vendor Code		000156
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
12012014	LAND LEASE	12/01/2014	6,965.35	0.00	0.00	6,965.35	
Check Date: 11/25/2014		Check #: 0000045545		Totals:	6,965.35	0.00	6,965.35

STEVE DONOSKY COMPANY					Vendor Code		000156
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
12012014	LAND LEASE	12/01/2014	6,965.35	0.00	0.00	6,965.35	
Check Date: 11/25/2014		Check #: 0000045545		Totals:	6,965.35	0.00	6,965.35

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523



23-11
710

November 25, 2014

Pay to the order of

Six thousand nine hundred sixty five and 35/100 dollars \$**6,965.35

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
Authorized Signature

0000045545 10710000391 580093938011

Donosky Ex. 7
Page 180 of 259

STEVE DONOSKY COMPANY

Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount
01012015		01/01/2015	6,965.35	0.00	0.00	6,965.35
Totals:			6,965.35	0.00	0.00	6,965.35

Check Date: 12/23/2014

Check #: 0000045882

STEVE DONOSKY COMPANY

Invoice Number	Description	Amount	Discount	Withheld	Net Amount
01012015		6,965.35	0.00	0.00	6,965.35
Totals:		6,965.35	0.00	0.00	6,965.35

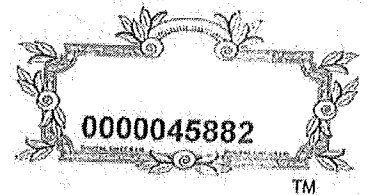
Check Date: 12/23/2014

Check #: 0

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

23
710

December 23, 2014

Pay to the order of

***Six thousand nine hundred sixty five and 35/100 dollars

\$*****6,965.35

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

Security features included. Details on back

⑈0000045882⑈ ⑆071000039⑆ 5800939380⑈

Donosky Ex. 7

Page 181 of 259

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E D G E M E R E

23
710 II

Pay to the order of

\$*****6,965.35

\$*****6,965.35

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Authorized Signature

Donosky Ex. 7
Page 182 of 259

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E D G E M E R E

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February 26, 2015

***Six thousand nine hundred sixty five and 35/100 dollars

\$*****6,965.35

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Authorized Signatures

Donosky Ex. 7
Page 183 of 259

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Donosky Ex. 7
Page 184 of 259

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23 IL
710

\$*****6,965.35

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Budget
Authorized Signature

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000156

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E D G E M E R E

23
710

Pay to the order of

\$*****6,965.35

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Authorized Signature _____

Donosky Ex. 7
Page 186 of 259

000156

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Bridget A
Authorized Signature

Exhibit 7 Page 188 of 259

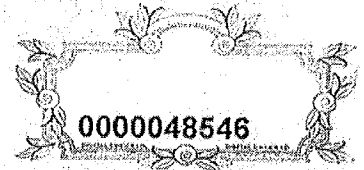
STEVE DONOSKY COMPANY					Vendor Code		000156		
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount			
08012015	08012015 - LAND LEASE	08/01/2015	6,965.35	0.00	0.00	6,965.35			
Check Date: 07/22/2015		Check #: 0000048546		Totals:		6,965.35	0.00	0.00	6,965.35

STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
08012015	08012015 - LAND LEASE	08/01/2015	6,965.35	0.00	0.00	6,965.35		
Check Date: 07/22/2015		Check #: 0000048546	Totals:		6,965.35	0.00	0.00	6,965.35

EDGEMERE

8523 Thackery Street, Dallas, TX 75225-3523

Bank of America



23
710

July 22, 2015

Pay to the order of

***Six thousand nine hundred sixty five and 35/100 dollars

\$*****6,965.35

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

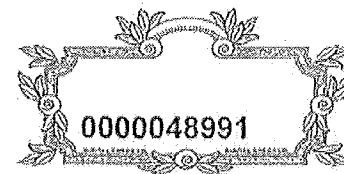
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Donosky Ex. 7
Page 188 of 259

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Bank of America

Bank of America


$$\frac{2.3}{710}$$

August 27, 2015

Pay to the order of

***Six thousand nine hundred sixty five and 35/100 dollars

\$*****6.965.35

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Boudartchuk
Authorized Signature

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Donosky Ex. 7
Page 189 of 259

STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
11012015	11012015 - LAND LEASE	11/01/2015	7,046.62	0.00	0.00	7,046.62		
Check Date: 10/29/2015		Check #: 0000049708	Totals:		7,046.62	0.00	0.00	
					7,046.62			

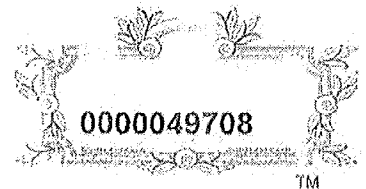
STEVE DONOSKY COMPANY					Vendor Code	000156		
Invoice Number	Description			Date	Amount	Discount	Withheld	Net Amount
11012015	11012015 - LAND LEASE			11/01/2015	7,046.62	0.00	0.00	7,046.62

VOID
EDGEMERE

8523 Thackery Street, Dallas, TX 75225-3523

Bank of America

23 IL
710



October 29, 2015

Pay to the order of

Seven thousand forty six and 62/100 dollars \$**7,046.62

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Bridget Walsh
Authorized Signature

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Donosky Ex. 7
Page 190 of 259

[illegible][illegible]

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STEVE DONOSKY COMPANY					Vendor Code	000156		
Invoice Number	Description			Date	Amount	Discount	Withheld	Net Amount
12012015	12012015 - LAND LEASE			12/01/2015	7,139.49	0.00	0.00	7,139.49

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Journal of Management Inquiry 18(6)

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ATTN: CONSUMER COMPLAINTS

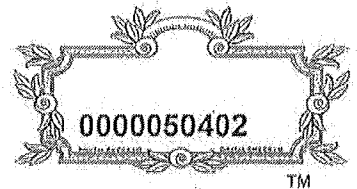
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STEVE DONOSKY COMPANY					Vendor Code	000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
01012016	01012016 - LAND LEASE	01/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 12/23/2015		Check #: 0000050402		Totals:	7,139.49	0.00	7,139.49

STEVE DONOSKY COMPANY					Vendor Code	000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
01012016	01012016 - LAND LEASE	01/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 12/23/2015		Check #: 0000050402			0.00	7,139.49	

VOID
E D G E M E R E

VOID
Bank of America



8523 Thackery Street, Dallas, TX 75225-3523

23
710 IL

December 23, 2015

Pay to the order of

Seven thousand one hundred thirty nine and 49/100 dollars **7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

VOID

Budget Walsh
Authorized Signature

Donosky Ex. 7
Page 193 of 259

0000050402 0710000391 5800939380

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
02012016	02012016 - LAND LEASE	02/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 01/21/2016		Check #: 0000050725		Totals:	7,139.49	0.00	0.00 7,139.49

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
02012016	02012016 - LAND LEASE	02/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 01/21/2016		Check #: 0000050725		Totals:	7,139.49	0.00	0.00 7,139.49

Bank of America

EDGEMERE

8523 Thackery Street, Dallas, TX 75225-3523

23
710 IL

0000050725

January 21, 2016

Pay to the order of

***Seven thousand one hundred thirty nine and 49/100 dollars

\$*****7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

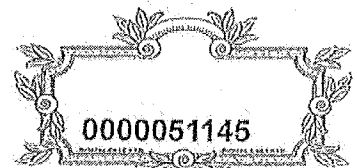
Authorized Signature

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
03012016	03012016 - LAND LEASE	03/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 02/25/2016 Check #: 0000051145				Totals:	7,139.49	0.00	0.00 7,139.49

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
03012016	03012016 - LAND LEASE	03/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 02/25/2016 Check #: 0000051145				Totals:	7,139.49	0.00	0.00 7,139.49

VOID
E D G E M E R E

VOID
Bank of America



8523 Thackery Street, Dallas, TX 75225-3523

2-3 JL
710

February 25, 2016

Pay to the order of

***Seven thousand one hundred thirty nine and 49/100
dollars

\$*****7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

VOID

Budgett Walsh
Authorized Signature

Donosky Ex. 7
Page 195 of 259

"0000051145" 1071000039 5800939380"

STEVE DONOSKY COMPANY					Vendor Code	000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
04012016	04012016 - LAND LEASE	04/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 03/24/2016		Check #: 0000051469		Totals:	7,139.49	0.00	7,139.49

STEVE DONOSKY COMPANY					Vendor Code	000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
04012016	04012016 - LAND LEASE	04/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 03/24/2016		Check #: 0000051469		Totals:	7,139.49	0.00	7,139.49

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

0000051469

23 IL
710

March 24, 2016

Pay to the order of

***Seven thousand one hundred thirty nine and 49/100
dollars

\$*****7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Budget Walsh
Authorized Signature

Donosky Ex. 7
Page 196 of 259

0000051469 0710000391 5800939380

STEVE DONOSKY COMPANY					Vendor Code	000156	
Invoice Number	Description	Date	Amount	Discount	Withhold	Net Amount	
042516	042516 -	04/25/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 04/28/2016		Check #: 0000051876	Totals:		7,139.49	0.00	0.00 7,139.49
Edgemere - Edgemere -							

STEVE DONOSKY COMPANY					Vendor Code		000156				
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount					
042516	042516 -	04/25/2016	7,139.49	0.00	0.00	7,139.49					
Check Date:		04/28/2016	Check #:		0000051876	Totals:		7,139.49	0.00	0.00	7,139.49
Edgemere - Ed											

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

0000051876

23
710 IL

April 28, 2016

Pay to the order of

***Seven thousand one hundred thirty nine and 49/100
dollars

\$*****7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Bridgett Walsh
Authorized Signature

⑈0000051876⑈ ⑆071000039⑆ 5800939380⑈

Donosky Ex. 7
Page 197 of 259

TEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
012016	06012016 - LAND LEASE	06/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 05/26/2016			Check #: 0000052232		Totals:		7,139.49
					0.00		0.00
					0.00		7,139.49

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
06012016	06012016 - LAND LEASE	06/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date: 05/26/2016			Check #: 0000052232		Totals:		7,139.49
					0.00		0.00
					0.00		7,139.49

Bank of America

EDGEMERE

8523 Thackery Street, Dallas, TX 75225-3523

23
710 IL

0000052232

May 26, 2016

Pay to the order of

***Seven thousand one hundred thirty nine and 49/100 dollars

\$*****7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Donosky Ex. 7

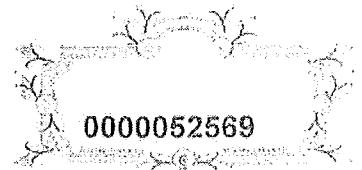
Page 198 of 259

STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
07012016	07012016 - LAND LEASE	07/01/2016	7,139.49	0.00	0.00	7,139.49		
Check Date: 06/23/2016		Check #: 0000052569	Totals:		7,139.49	0.00	0.00	7,139.49
Edgemere - Edgemere								

STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
07012016	07012016 - LAND LEASE	07/01/2016	7,139.49	0.00	0.00	7,139.49		
Check Date: 06/23/2016		Check #: 0000052569		Totals:	7,139.49	0.00	0.00	7,139.49

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E D G E M E R E

Bank of America



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710 IL

8523 Thackery Street, Dallas, TX 75225-3523

June 23, 2016

Pay to the order of

***Seven thousand one hundred thirty nine and 49/100
dollars \$*****7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Bridget Walsh
Authorized Signature

Donosky Ex. 7
Page 199 of 259

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E D G E M E R E

TM

July 28, 2016

***Seven thousand one hundred thirty nine and 49/100 dollars

\$*****7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

Bridget Walsh
Authorized Signature

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Donosky Ex. 7
Page 200 of 259

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Edgemere - Edgemere - Edgemere - Edgemere - Edgemore - Edgemere - Edgemere - Edgemere - Edgemore - Edgemere - Edgemore - Edgemore - Edgemore - Edgemore - Edgemore - Edgemore - Edger



Bank of America

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TWO SIGNATURES REQUIRED OVER \$25,000.00.

VIDEO

Authorized Signatory

000000533701# 1207100000391# 58009393801#

STEVE DONOSKY COMPANY

Invoice Number		Description		Date	Amount	Discount	Withheld	Net Amount	
10012016		10012016 - OCT LAND LEASE		10/01/2016	7,139.49	0.00	0.00	7,139.49	
Check Date:		09/29/2016	Check #:	0000053784	Totals:	7,139.49	0.00	0.00	7,139.49

Check Date: 09/29/2016 Check #: 0000053784

STEVE DONOSKY COMPANY

Invoice Number		Description		Vendor Code		000156	
10012016	10012016 - OCT LAND LEASE	Date	Amount	Discount	Withheld	Net Amount	
		10/01/2016	7,139.49	0.00	0.00	7,139.49	
Totals:			7,139.49	0.00	0.00	7,139.49	
Check Date: 09/29/2016		Check #: 0000053784					

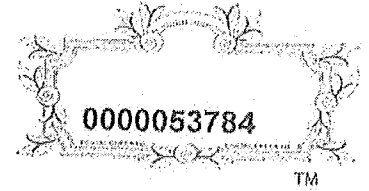
Check Date: 09/29/2016 Check #: 0000053784

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

23 IL
710



September 29, 2016

Pay to the order of

Seven thousand one hundred thirty nine and 49/100 dollars **7,139.49

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

[Signature]
Authorized Signature

Donosky Ex. 7
Page 202 of 259

0000053784 071000039 5800939380

		Totals:	7,222.78	0.00	0.00	7,222.78
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									Totals:	7,222.78	0.00	0.00	7,222.78
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E D G E M E R E

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TWO SIGNATURES REQUIRED OVER \$35,000.00

Bridgette Walsh
Authorized Signature

Donosky Ex. 7
Page 203 of 259

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Authorized Signature _____

Donosky Ex. 7
Page 204 of 259

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Authorized Signature _____

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Donosky Ex. 7
Page 206 of 259

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
04012017	04012017 -	04/01/2017	7,317.97	0.00	0.00	7,317.97	
Check Date: 04/03/2017		Check #: 0000056087		Totals:	7,317.97	0.00	7,317.97

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
04012017	04012017 -	04/01/2017	7,317.97	0.00	0.00	7,317.97	
Check Date: 04/03/2017		Check #: 0000056087		Totals:	7,317.97	0.00	7,317.97

EDGEMERE

Bank of America



8523 Thackery Street, Dallas, TX 75225-3523

23 IL
710

April 03, 2017

Pay to the order of

***Seven thousand three hundred seventeen and 97/100
dollars

\$*****7,317.97

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

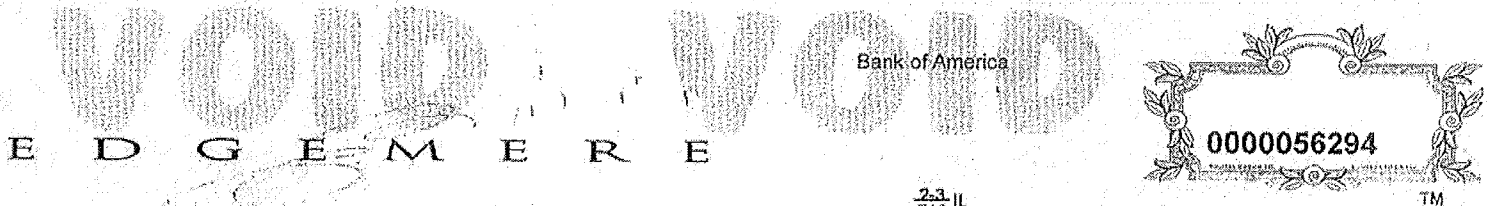
Authorized Signature

Donosky Ex-7
Page 207 of 259

0000056087 0710000391 5800939380

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
05012017	05012017 -	05/01/2017	7,317.97	0.00	0.00	7,317.97	
Check Date: 04/20/2017		Check #: 0000056294		Totals:	7,317.97	0.00	7,317.97

STEVE DONOSKY COMPANY				Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
05012017	05012017 -	05/01/2017	7,317.97	0.00	0.00	7,317.97	
Check Date: 04/20/2017		Check #: 0000056294		Totals:	7,317.97	0.00	7,317.97



8523 Thackery Street, Dallas, TX 75225-3523

23
710 IL

April 20, 2017

Pay to the order of

***Seven thousand three hundred seventeen and 97/100
dollars

\$*****7,317.97

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

[Handwritten Signature]

Donosky Ex. 7
Page 208 of 259

0000056294 071000039: 5800939380

STEVE DONOSKY COMPANY					Vendor Code		000156
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
06012017	06012017 - LAND LEASE	06/01/2017	7,317.97	0.00	0.00	7,317.97	
Check Date: 05/25/2017		Check #: 0000056731		Totals:	7,317.97	0.00	0.00 7,317.97

STEVE DONOSKY COMPANY					Vendor Code		000156
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount	
06012017	06012017 - LAND LEASE	06/01/2017	7,317.97	0.00	0.00	7,317.97	
Check Date: 05/25/2017		Check #: 0000056731		Totals:	7,317.97	0.00	0.00 7,317.97

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Bank of America

EDGEMERE

8523 Thackery Street, Dallas, TX 75225-3523

23 IL 710

0000056731

May 25, 2017

Pay to the order of

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

***Seven thousand three hundred seventeen and 97/100 dollars

\$*****7,317.97

TWO SIGNATURES REQUIRED OVER \$35,000.00

Authorized Signature

Donosky Ex. 7

0000056731 071000039 5800939380

Page 209 of 259

STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
07012017	07012017 - LAND LEASE	07/01/2017	7,317.97	0.00	0.00	7,317.97		
Check Date: 06/29/2017		Check #: 0000057136	Totals:		7,317.97	0.00	0.00	7,317.97

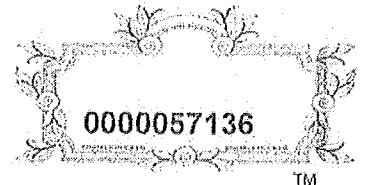
STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
07012017	07012017 - LAND LEASE	07/01/2017	7,317.97	0.00	0.00	7,317.97		
						</		

Bank of America

E D G E M E R E

8523 Thackery Street, Dallas, TX 75225-3523

23 JL
710



June 29, 2017

Pay to the order of

***Seven thousand three hundred seventeen and 97/100
dollars

\$*****7,317.97

TWO SIGNATURES REQUIRED OVER \$35,000.00.

STEVE DONOSKY COMPANY
25 Highland Park Village
PMB 100-228
Dallas, TX 75205

Authorized Signature

Donosky Ex. 7
Page 210 of 259

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Page 211 of 259

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E D G E M E R E

August 30, 2017

\$*****7,317.97

Authorized Signature

⑈0000057812⑈ 15071000039⑈ 5800939380⑈

STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
10012017	10012017 -	10/01/2017	7,317.97	0.00	0.00	7,317.97		
Check Date: 10/05/2017		Check #: 0000058047	Totals:		7,317.97	0.00	0.00	7,317.97

Check Date:	10/05/2017	Check #:	0000058047	Totals:	7,317.97	0.00	0.00	7,317.97
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STEVE DONOSKY COMPANY							Vendor Code		000156	
Invoice Number		Description			Date	Amount	Discount	Withheld	Net Amount	
10012017		10012017 -			10/01/2017	7,317.97	0.00	0.00	7,317.97	
Check Date:		10/05/2017		Check #:		0000058047				
					Totals:	7,317.97	0.00	0.00	7,317.97	

Check Date:	10/05/2017	Check #:	0000058047						
				Totals:	7,317.97	0.00	0.00	7,317.97	


E D G E M E R E

23 IL
710

October 05, 2017

\$*****7,317.97

TWO SIGNATURES REQUIRED OVER \$35,000.00.


Authorized Signature

Donosky Ex. 7
Page 213 of 259

11000005804711 1207100000391 580093938011

[illegible]

Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount
07012017	07012017 - LAND LEASE	07/01/2017	7,317.97	0.00	0.00	7,317.97
Totals:			7,317.97	0.00	0.00	7,317.97

STEVE DONOSKY COMPANY					Vendor Code		000156	
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount		
08012017	08012017 -	08/01/2017	7,317.97	0.00	0.00	7,317.97		
Totals:			7,317.97	0.00	0.00	7,317.97		

Donosky Ex. 7
Page 214 of 230

Donosky Ex. 7
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Page 214 of 250

Check Date:	08/30/2017	Check #:	0000057812	Totals:	7,317.97	0.00	0.00	7,317.97
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[illegible]

STEVE DONOSKY COMPANY

Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount
07012017	07012017 - LAND LEASE	07/01/2017	7,317.97	0.00	0.00	7,317.97
Totals:			7,317.97	0.00	0.00	7,317.97

Egumaro - Edgemaro - Edgemoro - Edgemora - Edgemore - Edgemero - Edgemora - Edgemore - Edgemoro - Edgemora - Edgemore - Edgemoro - Edgemora - Edgemore - Edgemoro	Totals:	7,317.97	0.00	0.00	7,317.97
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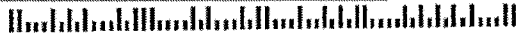
STEVE DONOSKY COMPANY

STEVE DONOSKY COMPANY					Vendor Code		000156		
Invoice Number	Description	Date	Amount	Discount	Withheld	Net Amount			
08012017	08012017 -	08/01/2017	7,317.97	0.00	0.00	7,317.97			
Check Date: 07/26/2017		Check #: 0000057417		Totals:		7,317.97	0.00	0.00	7,317.97

	TOTAL:	7,317.97	0.00	0.00	7,317.97
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

Page 1 of 6

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454

or
For other banking services
Keith D Braley
214-520-4760

Statement Period
11/05/17 through 12/04/17

11-30 Domestic Wire Recvd

WIRE IN #00776977 BY FWR#013957 ORG =
NORTHWEST SENIOR HOUSING CORP

7,552.88

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Member FDIC

Equal Housing Lender

Donosky Ex. 7
Page 217 of 259

TRUST

Trust Company
ton Road
Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

Page 1 of 7

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454

OR
For other banking services
Keith D Braley
214-520-4760

Statement Period
12/05/17 through 01/04/18

2018 ✓

12-29

Domestic Wire Recvd

M40025 12/29 0000094 FFD
WIRE IN #00137980 BY FWR#002821 ORG =
NORTHWEST SENIOR HOUSING CORP

7,552.88

Checks Paid

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>	<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
12-22	10077	18,889.55	01-04	10089	500.00
12-06	10088 *	3,613.12	12-05	10102 *	400.00

* Indicates preceding check(s) not processed this period

Member FDIC

Equal Housing Lender

Donosky Ex. 7
Page 218 of 259



NORTHERN TRUST
The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

Statement of Account

Page 1 of 6

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454

or
For other banking services
Keith D Braley
214-520-4760



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75206-2726

Statement Period
01/05/18 through 02/04/18

Non-Interest Checking

Account Number:

Domestic Wire Recvd

DOMESTIC WIRE TRANSFER
M40025 01/31 6771516 PPD
WIRE IN #00745207 BY FWR#012761 ORG=
NORTHWEST SENIOR HOUSING CORP

7,552.88



Member FDIC

Equal Housing Lender

Donosky Ex. 7
Page 219 of 259



NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

Page 1 of 6

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454

or
For other banking services
Keith D Braley
214-520-4760

Statement Period
02/05/18 through 03/04/18

Non-Interest Checking

Account Number:



Domestic Wire Recvd

M40025 02/28 1770086 PPD
WIRE IN #00426102 BY FWR#002329 ORG=
NORTHWEST SENIOR HOUSING CORP

7,552.88



Member FDIC

Equal Housing Lender
Donosky Ex. 7
Page 220 of 259

NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

Page 1 of 7

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454

or
For other banking services
Keith D Braley
214-520-4760

Statement Period
03/05/18 through 04/04/18

4-03

Domestic Wire Recvd

WIRE IN #00637303 BY FWR#006974 ORG =
NORTHWEST SENIOR HOUSING CORP

7,552.88

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NORTHERN TRUST

The Northern Trust Company
50 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

Page 1 of 7

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
04/05/18 through 05/04/18

Non-Interest Checking

Account Number: [REDACTED]

Domestic Wire Recyd

ATM Surcharge Refund

M40025 04/30 3956413 FFD
WIRE IN #00848529 BY FWR#011959 ORG=
NORTHWEST SENIOR HOUSING CORP
ATM CHARGE REFUND

7,552.88

0.35



Member FDIC

Equal Housing Lender

Donosky Ex. 7

Page 222 of 259



The Northern Trust Company
50 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

Page 1 of 4

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
05/05/18 through 06/04/18

NORTHWEST SENIOR HOUSING CORP

7,552.88

Checks Paid

NORTHERN TRUST
The Northern Trust Company
50 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

Page 1 of 6

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
06/05/18 through 07/04/18

Non-Interest Checking

ACH Credit

Domestic Wire Recvd

Domestic Wire Recvd

WIRE IN #00467984 BY FWR#001910 ORG=
NORTHWEST SENIOR HOUSING CORP

7,552.88



NORTHERN TRUST

The Northern Trust Company
50 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

Page 1 of 4

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
07/05/18 through 08/04/18

Non-Interest Checking

Account Number:

Domestic Wire Recvd

M40025 07/31 2137605 PPD
WIRE IN #00886473 BY FWR#014437 ORG =
NORTHWEST SENIOR HOUSING CORP

7,552.88



Member FDIC

Equal Housing Lender

Donosky Ex. 7
Page 225 of 259

NORTHERN TRUST

The Northern Trust Company
50 South LaSalle Street C-58
Chicago, Illinois 60603

Statement of Account

Page 1 of 6

Please refer statement inquiries to:
888-289-6542
outside US & Canada 312-444-4454



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
08/05/18 through 09/04/18

9-04	Domestic Wire Recvd	WIRE IN #00724280 BY FWR#014661 ORG =	7,552.88
9-04	ATM Surcharge Refund	NORTHWEST SENIOR HOUSING CORP ATM CHARGE REFUND	3.00

NORTHERN TRUST

The Northern Trust Company
50 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

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outside US & Canada 312-444-4454



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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
09/05/18 through 10/04/18

01	Domestic Wire Recvd	XHM40025 09/28 3271828 PPD WIRE IN #00826483 BY FWR#015516 ORG= NORTHWEST SENIOR HOUSING CORP	7,552.88
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The Northern Trust Company
50 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

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Please refer statement inquiries to:
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 76205-2726

Statement Period
10/05/18 through 11/04/18

Non-Interest Checking

Account Number: 

Domestic Wire Recvd

XHM40025 10/31 0026029 PPD
WIRE IN #00930235 BY FWR#016004 ORG=
NORTHWEST SENIOR HOUSING CORP

7,641.00

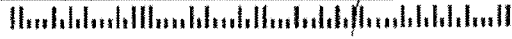
NORTHERN TRUST

Northern Trust Company
100 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

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Please refer statement inquiries to:
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STEVE DONOSKY
BUSINESS ACCOUNT
26 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
11/05/18 through 12/04/18

Non-Interest Checking



12-03	Domestic Wire Recvd	ACH CREDIT G&A OUTSOURCING (ATM) XHM40025 11/30 5799045 PPD WIRE IN #01089008 BY FWR#016209 ORG = NORTHWEST SERVICE	7,741.70
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NORTHERN TRUST

The Northern Trust Company
50 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

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Please refer statement inquiries to:
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
12/05/18 through 01/04/19

1	ACH Credit	
2	Domestic Wire Recvd	XHM40025 12/31 1082409 PPD WIRE IN #00648448 BY FWR#013796 ORG =
3	Deposit	NORTHWEST SENIOR HOUSING CORP DEPOSIT

7,741.70

NORTHERN TRUST

The Northern Trust Company
100 South LaSalle Street C-5S
Chicago, Illinois 60603

Statement of Account

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Please refer statement inquiries to:
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outside US & Canada 312-444-4454



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS, TEXAS 75201

Statement Period
12/05/18 through 01/04/19

2019

01-02	Domestic Wire Recvd	WIRE IN #00648448 BY FWR#013796 ORG =	7,741.70
01-03	Deposit	NORTHWEST SENIOR HOUSING CORP DEPOSIT	15,000.00

Checks Paid					
Date	Check No.	Amount	Date	Check No.	Amount
12-19	10402	19,142.49	12-17	10442	178.61
12-07	10417 *	28,613.12	12-28	10444 *	45.00
12-05	10438 *	320.00	12-17	10445	281.48
12-27	10440 *	3,613.12	12-24	10446	225.00
01-04	10441	417.00	12-10	10447	80.00

* Indicates preceding check(s) not processed this period



NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

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Please refer statement inquiries to:
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OR
For other banking services
Blake Tate
214-520-4707

Statement Period
02/05/19 through 03/04/19



00-01

Domestic Wire Recvd

WIRE IN #00818271 BY FWR#012218 ORG=
NORTHWEST SENIOR HOUSING

7,741.70

Checks Paid

Date	Check No.	Amount	Date	Check No.	Amount
02-07	10468	417.00	02-05	10487 *	3,870.85
02-05	10469	3,613.12	02-07	10489 *	417.00
02-07	10484 *	177.52	02-21	10491 *	45.00

* Indicates preceding check(s) not processed this period

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Equal Housing Lender
Donosky, De
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

Statement of Account

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For other banking services
Blake Tate
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
01/05/19 through 02/04/19

U2-01

Domestic Wire Recvd

WIRE IN #00692610 BY FWR#008464 ORG=
NORTHWEST SENIOR HOUSING CORP

7,741.70

Checks Paid

Date	Check No.	Amount	Date	Check No.	Amount
01-11	10456	1,100.00	01-14	10474 *	260.73
01-18	10460 *	320.00	01-15	10475	5.00
01-07	10466 *	29,734.80	01-16	10476	45.97
01-24	10470 *	45.00	01-31	10477	1,511.77
01-30	10471	250.00	02-01	10478	300.00

* Indicates preceding check(s) not processed this period

Member FDIC

Equal Housing Lender

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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

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Please refer statement inquiries to:
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For other banking services
Blake Tate
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
04/05/19 through 05/04/19

05-01	Domestic Wire Recvd	XMM40025 04/30/19 157020 PPD WIRE IN #00560907 BY FWR#006999 ORG=	7,741.70
05-04	ATM Surcharge Refund	NORTHWEST SENIOR HOUSING ATM CHARGE REFUND	3.00

Checks Paid

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>	<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
05-03	10534	3,613.12	04-18	10538	349.83
04-09	10536 *	57.89	04-15	10540 *	250.00
05-03	10537	1,920.49	04-17	10541	305.00

* Indicates preceding check(s) not processed this period

Member FDIC

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Donosky Ex. 7
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
06/05/19 through 07/04/19

06-07	Domestic Wire Recvd
06-14	ACH Credit
06-19	Phone Trnsfer Credit
06-28	ACH Credit
07-01	Domestic Wire Recvd
07-03	Phone Trnsfer Credit

WIRE IN #00754574 BY FWR#010820 ORG =
NORTHWEST SENIOR HOUSING

[REDACTED]

[REDACTED]

WIRE IN #00865626 BY FWR#011599 ORG =
NORTHWEST SENIOR HOUSING

PPVT PASSPORT FROM

7,741.70
[REDACTED]
[REDACTED]
[REDACTED]
7,741.70

NORTHERN TRUST

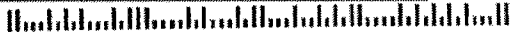
The Northern Trust Company
5540 Preston Road
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Statement of Account

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
07/05/19 through 08/04/19

08-01	Domestic Wire Recvd	WIRE IN #00824963 BY FWR#010127 ORG= NORTHWEST SENIOR HOUSING	7,741.70
08-04	ATM Surcharge Refund	ATM CHARGE REFUND	3.00

Checks Paid					
Date	Check No.	Amount	Date	Check No.	Amount
07-08	10589	3,613.12	07-25	10614 *	417.00
07-09	10606 *	230.16	08-02	10615	3,613.12
07-05	10608 *	710.00	07-16	10617 *	124.69
07-08	10609	37.12	07-10	10618	154.00
07-25	10610	250.00	08-01	10619	4,789.53

* Indicates preceding check(s) not processed this period



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NORTHERN TRUST

The Northern Trust Company
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
08/05/19 through 09/04/19



09-03

Domestic Wire Recvd

08/08 08/30 7183900 FFD
WIRE IN #00763219 BY FWR#012907 ORG=
NORTHWEST SENIOR HOUSING

7,741.70

Checks Paid

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>	<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
08-05	10590	45.00	08-05	10633 *	3,870.85
08-05	10611 *	2,888.00	08-22	10634	417.00
08-08	10625 *	591.41	08-20	10638 *	65.00

* Indicates preceding check(s) not processed this period

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Donosky Ex. 7
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75206-2726

Statement Period
09/05/19 through 10/04/19

Non-Interest Checking

Account Number: [REDACTED]



10-01	Domestic Wire Recvd	WIRE IN #00847234 BY FWR#011560 ORG =	7,741.70
10-04	Phone Trnsfer Credit	NORTHWEST SENIOR HOUSING	
10-04	ATM Surcharge Refund	PRVT PASSPORT TRF FROM xxxxxx5582	40,000.00
		ATM CHARGE REFUND	14.64

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Donosky Ex. 7
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

Statement of Account

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Blake Tate
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
11/05/19 through 12/04/19

11-05	Deposit
11-05	ACH Credit
11-15	ACH Credit
11-29	ACH Credit
12-04	ACH Credit

DEPOSIT
ACH CREDIT NORTHWEST SENIOR DIR PAY
11/05 1563481 PPD
[REDACTED]
[REDACTED]
ACH CREDIT NORTHWEST SENIOR DIR PAY
12/04 6223525 PPD

7,832.02

7,935.24

NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

Statement of Account

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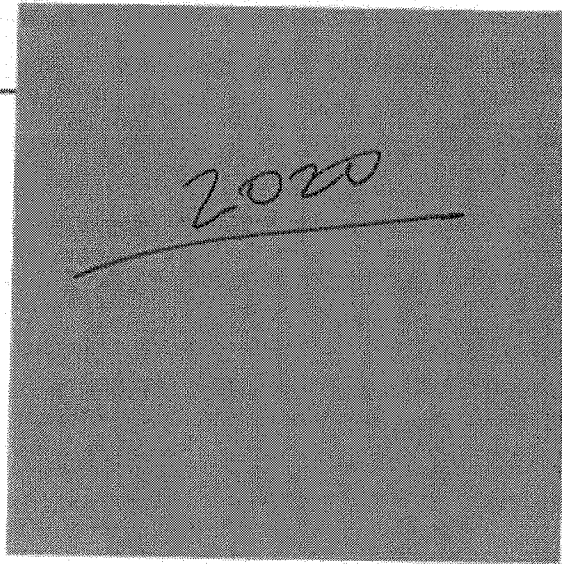
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For other banking services
Blake Tate
214-520-4707



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75206-2726

Statement Period
12/05/19 through 01/04/20



3	ACH Credit	ACH CREDIT NORTHWEST SENIOR DIR PAY 01/03 1107452 PPD	7,935.24
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
26 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

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Please refer statement inquiries to:
888-289-6542
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For other banking services
Blake Tate
214-520-4707

Statement Period
01/05/20 through 02/04/20

4	ACH Credit	ACH CREDIT NORTHWEST SENIOR DIR PAY 02/04 7111499 PPD	7,935.24
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

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Please refer statement inquiries to:
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Blake Tate
214-520-4707

Statement Period
02/05/20 through 03/04/20



04

ACH Credit

ACH CREDIT NORTHWEST SENIOR DIR PAY
03/04 2885409 PPD

7,935.24



Member FDIC

Equal Housing Lender



Donosky Ex. 7
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

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For other banking services
Blake Tate
214-520-4707

Statement Period
03/05/20 through 04/04/20

04-02	ACH Credit	ACH CREDIT NORTHWEST SENIOR DIR PAY 04/02 8206139 PPD	7,935.24
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
26 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

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Blake Tate
214-520-4707

Statement Period
04/05/20 through 05/04/20

04

ACH Credit

ACH CREDIT NORTHWEST SENIOR DIR PAY
05/04 3708491 PPD

7,935.24



NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

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For other banking services
Blake Tate
214-520-4707

Statement Period
05/05/20 through 06/04/20

02	ACH Credit	01135 05/29 5095789 PPD ACH CREDIT NORTHWEST SENIOR DIR PAY 06/02 8203931 PPD	7,935.24
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

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Blake Tate
214-520-4707

Statement Period
06/05/20 through 07/04/20



02

ACH Credit

01195 06/05 0400010110
ACH CREDIT NORTHWEST SENIOR DIR PAY
07/02 3858899 PPD

7,935.24



Member FDIC

Equal Housing Lender

Donosky Ex. 7
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205



STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement of Account

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For other banking services
Blake Tate
214-520-4707

Statement Period

04

ACH Credit

ACH CREDIT NORTHWEST SENIOR DIR PAY
08/04 9499225 PPD

7,935.24

NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

Statement of Account

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Please refer statement inquiries to:
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
08/05/20 through 09/04/20


-02

ACH Credit

ACH CREDIT NORTHWEST SENIOR DIR PAY
09/02 4137316 PPD

1,933.24

Member FDIC

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Donosky Ex. 7
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
09/05/20 through 10/04/20

Non-Interest Checking

2	ACH Credit	ACH CREDIT NORTHWEST SENIOR DIR PAY 10/02 9835542 PPD	7,935.24
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The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

Statement of Account

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Please refer statement inquiries to:
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
10/05/20 through 11/04/20

Non-Interest Checking

Account Number:

03

ACH Credit

ACH CREDIT NORTHWEST SENIOR DIR PAY
11/03 5501135 PPD

8,027.82-



NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
01/05/21 through 02/04/21

Deposits and Credits			
<u>Date</u>	<u>Description</u>		<u>Amount</u>
01-05	ACH Credit	ACH CREDIT NORTHWEST SENIOR DIR PAY	8,133.62
2-02	ACH Credit	ACH CREDIT NORTHWEST SENIOR DIR PAY 02/02 2209657 PPD	8,133.62

2021 Jan →
July

2022 March →
April

NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
02/05/21 through 03/04/21

Non-Interest Checking

Account Number: [REDACTED]

03-01
03-02

ACH Credit

ACH CREDIT NORTHWEST SENIOR DIR PAY
03/02 6892608 PPD

8,133.62

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-225
DALLAS TX 76205-2726

Statement Period
03/05/21 through 04/04/21

02	ACH Credit	ACH CREDIT NORTHWEST SENIOR DIR PAY 04/02 3753703 PPD	8,133.62
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NORTHERN TRUST

The Northern Trust Company
5540 Preston Road
Dallas, Texas 75205

STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

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For other banking services
Blake Tate
214-520-4707

Statement Period
04/05/21 through 05/04/21

05-04	ACH Credit	ACH CREDIT NORTHWEST SENIOR DIR PAY 05/04 0429695 PPD	8,133.62
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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-225
DALLAS TX 75205-2726

Statement Period
05/05/21 through 06/04/21

8,133,624

Dallas, Texas 75205

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75205-2726

Statement Period
06/05/21 through 07/04/21

-30
-02
-02

Deposit
ACH Credit
Deposit

DEPOSIT
ACH CREDIT NORTHWEST SENIOR DIR PAY
07/02 3430256 PPD
DEPOSIT

1,201.00
8,133.62



Member FDIC

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The Northern Trust Company
5540 Preston Road
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Statement of Account

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STEVE DONOSKY
BUSINESS ACCOUNT
25 HIGHLAND PARK VILLAGE SUITE 100-228
DALLAS TX 75206-2726

Statement Period
03/05/22 through 04/04/22

Non-Interest Checking

Account Number: [REDACTED]

<u>Date</u>	<u>Description</u>	<u>Amount</u>
03-07	Domestic Wire Recvd	58,751.90
03-11	Domestic Wire Recvd	
04-04	ATM Surcharge Refund	2.00

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Past Due Commissions to Donosky

	Amount		
May-22	\$	8,540.31	
Jun-22	\$	8,540.31	
Jul-22	\$	8,540.31	
Aug-22	\$	8,540.31	
Sep-22	\$	8,540.31	
Oct-22	\$	8,540.31	
Nov-22	\$	8,739.60	Estimated
Dec-22	\$	8,967.33	Estimated
Jan-23	\$	8,967.33	Estimated
Feb-23	\$	8,967.33	Estimated
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	\$	86,883.45	
Mar-23	\$	8,967.33	Estimated
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	\$	95,850.78	