

PURCHASE AND SALE AGREEMENT

between

Sunrise West Orange NJ Senior Living, LLC

as Seller,

and

Township of West Orange, New Jersey

as Purchaser

As of _____, 2010

TABLE OF CONTENTS

	<u>Page</u>
I..... DEFINITIONS.	1
II..... SALE AND PURCHASE OF PROPERTY.	4
2.1 Purchase of Property.....	4
2.2 Purchase Price and Terms of Payment.....	4
2.3 Assumed Liabilities.....	4
III..... ESCROW.	5
3.1 Escrow.....	5
3.2 Deposit of Funds.....	5
IV..... TITLE.	5
4.1 Title Commitment.....	5
4.2 Permitted Exceptions.....	7
4.3 Inspection and Approvals.....	7
4.4 Purchaser's Right to Terminate.....	10
4.5 Condition of the Property.....	10
V..... CLOSING.	14
5.1 Closing Date.....	14
5.2 Preliminary Closing Statement.....	14
5.3 Action Prior to the Closing Date by Seller.....	14
5.4 Action Prior to the Closing Date by Purchaser.....	15
5.5 Recording of Deed.....	15
5.6 Prorations.....	15
5.7 Closing Costs.....	17
5.8 Distribution of Funds and Documents Following Closing.....	17
5.9 Possession.....	18
VI..... ADDITIONAL INDEMNITIES.	18
6.1 Purchaser's Indemnity.....	18
VII..... REPRESENTATIONS AND WARRANTIES.	18
7.1 Purchaser's Representations and Warranties.....	18
7.2 Seller's Representations and Warranties.....	19
7.3 Seller's Knowledge.....	20

TABLE OF CONTENTS
(Cont'd)

	<u>Page</u>
VIII.....	CONDITIONS PRECEDENT TO CLOSING.
	20
8.1	Conditions to Seller's Obligations.....20
8.2	Conditions to Purchaser's Obligations.....21
8.3	Failure of Conditions to Closing.....21
IX..	REMEDIES FOR PRE-CLOSING AND POST-CLOSING DEFAULTS ; LIQUIDATED DAMAGES
	22
9.1	Default by Purchaser Prior to Closing.....22
9.2	Default by Seller Prior to Closing.....23
9.3	Survival.....24
X.....	BROKERS.
	24
XI.....	NOTICES.
	24
XII.....	MISCELLANEOUS.
	25
12.1	Governing Law.....25
12.2	Professional Fees and Costs.....26
12.3	Exhibits and Schedules a Part of This Agreement.....26
12.4	Executed Counterparts.....26
12.5	Assignment.....26
12.6	IRS - Form 1099-S.....27
12.7	Successors and Assigns.....27
12.8	Time is of the Essence.....27
12.9	Entire Agreement.....27
12.10	Further Assurances.....27
12.11	Waiver.....27
12.12	Headings.....28
12.13	Risk of Loss.....28
12.14	Construction of Agreement.....28
12.15	Intentionally Omitted.....29
12.16	Bulk Transfers.....29
12.17	Covenants, Representations and Warranties.....29
12.18	Intentionally Omitted.....29
12.19	No Third-Party Beneficiaries.....29
12.20	Facsimile Signatures.....29
12.21	Severability.....30
12.22	Cumulative Remedies.....30
12.23	Consents and Approvals.....30
12.24	WAIVER OF JURY TRIAL.....30
12.25	Tax Deferred Exchange.....30

TABLE OF CONTENTS
(Cont'd)

	<u>Page</u>
12.26 Lending Group Consent and Approval.....	31
XIII..... EXECUTION.	
.....	1

SCHEDULE OF EXHIBITS

Exhibit "A"	Legal Description of Property
Exhibit "B"	Form of Escrow Agreement for Earnest Money Deposit
Exhibit "C"	Form of Deed
Exhibit "D"	Form of Non-Foreign Affidavit
Exhibit "E"	List of Pending Litigation

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is dated as of this ____ day of _____, 2010 (“Effective Date”), and is made by and between Sunrise West Orange NJ Senior Living, LLC, a Delaware limited liability company (“Seller”), and Township of West Orange, New Jersey, a [_____] (“Purchaser”).

RECITALS

A. Seller desires to sell certain real property and any improvements located thereon located at 577 Mount Pleasant Avenue in West Orange, New Jersey on the terms and conditions set forth in this Agreement.

B. Purchaser desires to purchase such real property and improvements located thereon, from Seller, on the terms and conditions set forth in this Agreement.

C. All capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to such terms in Article I.

AGREEMENT

NOW, THEREFORE, for valuable consideration, including the promises, covenants, representations and warranties hereinafter set forth, the receipt and adequacy of which are hereby acknowledged, the parties, intending to be legally and equitably bound, agree as follows.

DEFINITIONS

As used in this Agreement, the following terms have the meanings ascribed to them in this Article I:

“Affiliate.” With respect to any person or entity, (i) all persons or entities that, directly or indirectly, control, are controlled by, or under common control with, such person or entity; or (ii) all persons or entities that, directly or indirectly, own, are owned by or under common ownership with, such person or entity.

“Agreement.” As set forth in the preamble hereof.

“Approval Date.” As set forth in Section 4.3 hereof.

“Casualty.” As set forth in Section 12.13.1 hereof.

“Claims.” Collectively, damages, claims (including without limitation, any claim for damage to property of others or injury to or death of any persons), penalties, obligations, liabilities, fines, losses, causes of action, fees, injuries, liens, encumbrance, proceedings, judgments, actions, rights, demands, costs and expenses (including without limitation, reasonable attorneys’ fees whether or not legal proceedings are instituted and court and litigation costs).

“Closing.” The sale and assignment of the Property to Purchaser on the Closing Date and the performance by each party of the obligations on its part then to be performed under and in accordance with this Agreement.

“Closing Date.” As set forth in Section 5.1 hereof.

“Closing Payment.” As set forth in Section 2.2.2 hereof.

“Closing Statement.” As set forth in Section 5.2 hereof.

“Deed.” As set forth in Section 5.3(a) hereof.

“Disbursement Authorization.” As set forth in Section 5.2 hereof.

“Due Diligence Materials.” As set forth in Section 4.3.1 hereof.

“Due Diligence Period.” As set forth in Section 4.3 hereof.

“Earnest Money Deposit.” As set forth in Section 2.2.1 hereof.

“Effective Date.” As set forth in the preamble hereof.

“Environmental Damages.” As set forth in Section 4.5(g) hereof.

“Environmental Requirements.” As set forth in Section 4.5(h) hereof.

“Escrow.” As set forth in Section 3.1 hereof.

“Escrow Agent.” First American Title Insurance Company’s National Commercial Services office located at 1801 K Street, N.W., Suite 200K, Washington, D.C. 20006, Attention: Mr. Craig Johnson.

“Escrow Agreement.” As set forth in Section 3.1 hereof.

“EST.” Eastern Standard (or Daylight) Time, the time applicable in the eastern time zone of the United States.

“Exchange Documents.” As set forth in Section 12.25 hereof.

“Good Funds.” A deposit of cashier’s check, certified funds, or confirmed wire transfer of funds.

“Hazardous Materials.” As set forth in Section 4.5(i) hereof.

“Improvements.” The buildings, structures, fixtures, and other permanent improvements located on the Land, including, without limitation, electrical distribution systems, HVAC systems, walkways, driveways, parking lots, plumbing, lighting, and mechanical equipment and fixtures installed thereon, and all rights, benefits and privileges appurtenant thereto.

“Land.” The land, as more particularly described on Exhibit “A” attached hereto and upon which the Improvements are located, including all easements, rights-of-way, rights of ingress and egress, strips, zones, licenses, transferable hereditaments, privileges, tenements and appurtenances in any way belonging to or appertaining to the same or the Improvements, and any right or interest in any open or proposed highways, streets, roads, avenues, alleys, easements, strips, gores and rights-of-way in, across, in front of, contiguous to, abutting or adjoining the Land, and other rights and benefits running with the Land and/or the owner of the Land.

“Legal Requirement.” Any applicable federal, state, local or municipal constitution, law, ordinance, rule, order, regulation or statute of any governmental authority bearing on the construction, alteration, rehabilitation, maintenance, use, operation, sale, transfer or any other aspect of all or any portion of the Property.

“Lending Group” As set forth in Section 5.2 hereof.

“Must-Cure Objections.” As set forth in Section 4.1.3 hereof.

“Non-Foreign Affidavit.” As set forth in Section 5.3(b) hereof.

“Notice.” As set forth in Article XI hereof.

“Objections.” As set forth in Section 4.1.2 hereof.

“Official Records.” The office of the recorder of deeds and other real estate records in the jurisdiction in which the Property is located.

“Permitted Exceptions.” As set forth in Section 4.2.1 hereof.

“Property.” The Land and the Improvements.

“Purchase Price.” As set forth in Section 2.2 hereof.

“Purchaser.” As set forth in the preamble hereof.

“Purchaser Parties.” As set forth in Section 4.3.2 hereof.

“Seller.” As set forth in the preamble hereof.

“Seller Parties.” As set forth in Section 4.3.2 hereof.

“Survey.” As set forth in Section 4.1.1 hereof.

“Title Commitment.” As set forth in Section 4.1.1 hereof.

“Title Notice.” As set forth in Section 4.1.2 hereof.

“Title Objection Date.” As set forth in Section 4.1.2 hereof.

“Title Policy.” As set forth in Section 4.1.1 hereof.

“Utility Deposits.” All deposits made by Seller in connection with providing water, sewer, gas, electricity, telephone and other public utilities to the Property.

SALE AND PURCHASE OF PROPERTY

2.1 Purchase of Property. On the Closing Date, and subject to the terms and conditions of this Agreement, Seller shall sell, assign, convey, transfer and deliver to Purchaser, and Purchaser shall purchase and acquire from Seller, Seller’s right, title, and interest in and to the Property free and clear of all monetary liens and encumbrances (other than the Permitted Exceptions), at the purchase price provided in Section 2.2 hereof.

2.2 Purchase Price and Terms of Payment. The purchase price for the Property (“Purchase Price”) shall be One Million One Hundred Twenty Thousand Dollars (\$1,120,000.00), and shall consist of and be payable as follows:

2.2.1 Earnest Money Deposit. Within two (2) business days after the Effective Date, Purchaser shall deliver to Escrow Agent, in Good Funds, the sum of Thirty-Three Thousand Six Hundred Dollars (\$33,600) (together with all interest accrued thereon, the “Earnest Money Deposit”). The Earnest Money Deposit shall be non-refundable to Purchaser, except (a) if a condition precedent to Purchaser’s obligations as set forth in this Agreement is not satisfied or cured as of the Closing Date and such failure does not arise from an act or omission of Purchaser, (b) in the event Purchaser terminates this Agreement pursuant to Section 4.4, below, or (c) as otherwise specifically provided in this Agreement. The Earnest Money Deposit shall be applied to the Purchase Price on the Closing Date.

2.2.2 Balance of Purchase Price. Not later than 11:00 a.m. EST on the Closing Date, Purchaser shall deposit with Escrow Agent, in Good Funds, the balance of the Purchase Price, reduced or increased by such amounts as are required to take into account any prorations, credits, costs or other adjustments which are required by this Agreement and which can be computed and determined as of the time for the required deposit hereunder. The amount to be paid under this Section 2.2.2 is referred to in this Agreement as the “Closing Payment.”

2.3 Assumed Liabilities. Except as expressly set forth herein, Purchaser shall not assume, in connection with the transactions contemplated hereby, any liability or obligation of Seller whatsoever, and Seller shall retain responsibility for all liabilities and obligations accrued or incurred prior to Closing and all liabilities and obligations arising from Seller’s operations prior to Closing, whether or not accrued and whether or not disclosed.

ESCROW

3.1 Escrow. Purchaser and Seller have established or will establish an escrow (“Escrow”) with Escrow Agent by depositing with Escrow Agent the Earnest Money Deposit and having three (3) copies of the Escrow Agreement in the form attached hereto as Exhibit “B” duly executed (in counterparts or otherwise) by Seller, Purchaser and Escrow Agent (the “Escrow Agreement”). The Earnest Money Deposit shall be held by Escrow Agent in accordance with the terms of the Escrow Agreement.

3.2 Deposit of Funds. Except as otherwise provided in this Agreement, all funds deposited into the Escrow by Purchaser shall be immediately deposited by Escrow Agent into an interest bearing account, subject to the control of Escrow Agent in a bank or savings and loan association, or such other institution approved by Purchaser; provided, however, that such funds must be readily available as necessary to comply with the terms of this Agreement and the Escrow Agreement, and for the Escrow to close within the time specified in Section 5.1 of this Agreement. Except as may be otherwise specifically provided herein, interest on amounts placed by Escrow Agent in any such investments or interest bearing accounts shall accrue to the benefit of Purchaser, and Purchaser shall promptly provide to Escrow Agent Purchaser’s Tax Identification Number.

TITLE

4.1 Title Commitment.

4.1.1 Purchaser shall, at Purchaser’s cost and expense, instruct the Escrow Agent to issue an A.L.T.A. Owner’s Policy of Title Insurance (standard coverage) for the Property, along with legible copies of all documents referenced in said title commitment (the “Title Commitment”) to Purchaser and Seller within ten (10) days after the Effective Date such that Purchaser shall obtain an owner’s policy of title insurance (the “Title Policy”) insuring title to the Property, with such affirmative coverage and endorsements as Purchaser shall require and shall have contracted for with the Escrow Agent prior to expiration of the Due Diligence Period. Prior to the expiration of the Due Diligence Period, Purchaser shall obtain, at Purchaser’s sole cost and expense, a survey of the Land prepared by a licensed surveyor to the extent required by Purchaser or will be required by the Escrow Agent in connection with its issuance of the Title Policy (the “Survey”). Purchaser shall provide the Escrow Agent and Seller with a copy of the Survey.

4.1.2 Purchaser shall have until the date that is ten (10) business days prior to the Approval Date (as defined in Section 4.3 below and herein also referred to as the “Title Objection Date”) in which to provide Seller written notice (the “Title Notice”) of any objections (“Objections”) Purchaser may have to any defects of title disclosed in the Title Commitment or Survey; provided, however, that, except as provided in Section 4.1.3 below, Purchaser expressly agrees that Seller shall have no obligation whatsoever to cure or attempt to cure any Objection, whether or not appearing on a properly delivered Title Notice. If Seller elects to attempt the cure of an Objection identified in Purchaser’s Title Notice, then Seller shall have until the date that is

five (5) business days after Seller's receipt of the Title Notice to notify Purchaser in writing of those Objection(s), if any, Seller agrees to attempt to cure. Seller's failure to provide any written notice within such time shall be deemed Seller's election not to cure any Objection. If, within such time, Seller expressly agrees to attempt to cure an Objection, Seller shall use commercially reasonable efforts to effect such cure prior to Closing, provided that, if the same has not been cured by Closing, Seller shall have the right to extend Closing for up to thirty (30) days in order to continue its efforts to complete the cure of such Objection. If Seller fails within such cure period to cure the Objections, or if prior to the expiration of such cure period Seller elects or is deemed to have elected not to cure any Objections, Purchaser may either elect to (i) proceed to Closing and waive any uncured title objections, or (ii) terminate this Agreement by written notice to Seller (A) on or prior to the first to occur of (x) five (5) days after the expiration or earlier termination of the cure period and (y) the Date of Closing (x or y being in the event of Seller not curing any Objections it elected to attempt to cure), or (B) prior to the Approval Date pursuant to Section 4.4 below (in the event Seller elects or is deemed to have elected not to attempt to cure), in which event the Escrow Agent shall refund the Earnest Money Deposit to Purchaser, and the parties thereafter shall have no further obligations under this Agreement, except as specifically survive such termination.

4.1.3 Notwithstanding the foregoing, Seller agrees to satisfy and cause to be released of record the following ("Must-Cure Objections"): (a) any mortgage, deed of trust or other security interest granted by Seller to secure a loan or other monetary obligation that Purchaser has not agreed to assume, and (b) any mechanic's, materialmen's, tax, judgment or other lien entered against Seller; provided, however, that a lien or encumbrance described in this Section 4.1.3 shall constitute a Must-Cure Objection only if such lien or encumbrance: (i) relates to and secures a valid and legal obligation of Seller (not of any third party) that would survive Closing and thereafter be enforceable against the Property or Purchaser, and (ii) can be satisfied and discharged merely by the payment of a liquidated sum of money to the beneficiary thereof.

4.1.4 For purposes of this Agreement, Must-Cure Objections and Objections Seller expressly agrees to cure pursuant to Section 4.1.2 shall be deemed cured if Seller: (a) deposits with the Escrow Agent at Closing (or instructs the Escrow Agent to withhold from Seller's proceeds of sale) an amount sufficient (or a bond or other security in an amount sufficient) to satisfy such Objection in full, (b) causes the Escrow Agent to provide "affirmative insurance over" such objection, provided that such affirmative insurance shall be reasonably acceptable to Purchaser, or (c) causes the Escrow Agent to remove such objection as an exception to coverage under the Title Policy.

4.1.5 Purchaser's consummation of Closing shall constitute Purchaser's express acceptance and approval of matters affecting title and survey of the Property as of the Closing Date.

4.2 Permitted Exceptions.

4.2.1 Effective as of the Closing Date, but conditioned upon Closing, Escrow Agent shall issue to Purchaser Escrow Agent's A.L.T.A. Owner's Policy of Title Insurance (standard coverage) ("Title Policy"), with the liability under the Title Policy to be in an amount equal to the Purchase Price, insuring the fee title in such Property as vested in Purchaser subject only to the following matters affecting title ("Permitted Exceptions"):

(a) All matters and Objections affecting title and survey of the Property (a) not objected to by Purchaser in a properly delivered Title Notice, (b) that Seller does not expressly agree to cure pursuant to Section 4.1.2 and 4.1.3 above, or agrees to attempt to cure but fails to effect such cure prior to Closing, and (c) otherwise approved or deemed approved by Purchaser pursuant to Section 4.1.

(b) Any supplemental property taxes assessed as a result of the sale of the Property by Seller to Purchaser;

(c) The lien of non-delinquent real and personal property taxes and assessments;;

(d) Discrepancies, conflicts in boundary lines, shortages in area, encroachments, and any state of facts shown on the Survey (or if Purchaser fails to cause the Survey to be delivered prior to the Approval Date, those that would have been shown on the Survey) or which an inspection of the Property would disclose and which are not shown by the public records;

(e) Rights of parties in possession, unrecorded leases and the rights of tenants thereunder, rights of holders of security interests on personal property installed upon the Property by Seller which are disclosed to Purchaser (and if disclosed following the Approval Date, accepted in writing by Purchaser), easements, or claims of easements not shown by the public records with respect to which Seller has provided copies of the applicable documents to Escrow Agent and to Purchaser with the Due Diligence Materials as provided herein (and if provided following the Approval Date, accepted in writing by Purchaser);

(f) Governmental laws, regulations, statutes, codes, ordinances and restrictions now or hereafter in effect so far as these affect the Property or any part thereof, including, without limitation, zoning ordinances (and amendments and additions relating thereto), as amended, and any violations by the Property of any of foregoing; and

(g) Any exceptions created by Purchaser or its agents, employees and/or contractors, including without limitation, any exceptions arising by reason of the entry on the Property by Purchaser or by its agents, employees and/or contractors.

4.3 Inspection and Approvals. Purchaser shall have a period (the "Due Diligence Period") commencing on the Effective Date and expiring at 6 p.m., Washington, D.C. time, on the date that is thirty (30) days after the Effective Date (the "Approval Date"), in which to conduct the inspections and studies described in this Section 4, and all such inspections and studies shall be at Purchaser's sole cost and expense.

4.3.1 Within five (5) business days after the Effective Date, Seller shall make available to Purchaser (via an online database or otherwise) Seller's most recent survey for the Property (if any), information, documents, agreements and reports relating to the Property, but

excluding any appraisals related to the Property, in Seller's possession or control that are not and have not been previously deemed and treated by Seller as privileged, proprietary or confidential (collectively, the "Due Diligence Materials"), without representation or warranty of any kind or nature, whether express or implied, at no out-of-pocket cost to Seller, and subject to the rights of third-party preparers. Thereafter, during the Due Diligence Period Seller shall endeavor to make available to Purchaser additional Due Diligence Materials reasonably requested by Purchaser within five (5) business days following a request by Purchaser for such Due Diligence Materials. Seller agrees that, during the Due Diligence Period, Seller shall cooperate and provide Purchaser with reasonable and continuing access to the Property upon commercially reasonable (but in no event less than two (2) business days) prior Notice to Seller for the purpose of Purchaser's inspection (provided, however, that Purchaser shall not perform any invasive testing of the Property without Seller's prior written consent in each instance, which may be granted or withheld in Seller's sole and absolute discretion). Seller shall have the right to have a representative of Seller present during all inspections or examinations of the Property by Purchaser.

4.3.2 Purchaser agrees that, prior to undertaking any inspections of the Property, Purchaser or Purchaser's agents will obtain comprehensive general liability insurance in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000) aggregate with a contractual liability endorsement which insures Purchaser's indemnity obligations related to Purchaser's inspection of the Property and which names Seller as an additional insured thereunder (a copy of the certificate of insurance shall be provided by Purchaser to Seller prior to undertaking any inspections under this Section 4.3). Such insurance coverage shall be maintained by Purchaser until the later of (a) the Closing Date, or (b) thirty (30) days after the termination of this Agreement for any reason. Purchaser, on behalf of itself and the other Purchaser Parties (as defined below), agrees to indemnify and hold Seller and each of the Seller Parties (as defined below) harmless from any claims, loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs, arising out of (x) the failure of Purchaser or any of the Purchaser Parties to restore the Property in accordance with Section 4.3.4 below; (y) any access to, entry upon or activity conducted by Purchaser or any of the Purchaser Parties with respect to or on, the Property, whether or not such access, entry or activity is permitted by, in compliance with or in violation of any applicable laws, rules, regulations or ordinances, or this Section 4; and (z) any lien, claim or levy, including without limitation mechanic's, materialmen's and judgment liens, filed or pending against any portion of the Property, or title thereto, by any contractor, sub-contractor or other party having a claim against or through Purchaser or any of the Purchaser Parties (without limiting the foregoing indemnity, Purchaser hereby acknowledges and agrees that Purchaser's failure to cause any such lien to be released or bonded off to the reasonable satisfaction of Seller within twenty (20) days after receipt of written notice thereof shall constitute a material default hereunder). As used herein, the "Purchaser Parties" shall mean Purchaser and its officers, directors, members, agents, employees, representatives, contractors, consultants, and affiliates. As used herein, the "Seller Parties" shall mean Seller and its officers, directors, members, agents, employees, representatives, contractors, consultants, and affiliates.

4.3.3 Purchaser, at all times, will conduct all inspections and reviews in compliance with all Legal Requirements, and in a manner so as to not cause damage, loss, cost or expense to Seller or the Property. Other than required under the Legal Requirements, subpoena

or other court order, Purchaser shall not reveal to any governmental agency or any other third party (other than Purchaser's employees, agents, attorneys, lenders and advisors) not approved by Seller the results of or any other information acquired pursuant to its inspections.

4.3.4 Immediately upon the completion of any physical inspection of the Property, Purchaser shall at its sole cost and expense cause any portion of the Property damaged or altered by or in connection with such inspection to be repaired and/or restored to the condition it was in prior to the inspection. Any inspections undertaken by or on behalf of Purchaser pursuant to this Section 4.3 shall be at Purchaser's sole risk and the cost and expense of the inspections and tests undertaken pursuant to this Section 4.3 shall be borne solely by Purchaser.

4.3.5 Purchaser shall provide Seller with copies of all third party reports and studies obtained by Purchaser with respect to the Property promptly upon Purchaser's receipt of the same; or if copies of such reports or studies are not delivered to Purchaser, Purchaser shall cause Seller to be provided with the necessary passcodes and/or access to view the same electronically. Purchaser shall be entitled to redact any information that is confidential or proprietary to Purchaser.

4.3.6 Purchaser covenants and agrees that, until the Closing Date, all information and materials disclosed and/or delivered to it by Seller, or Seller's agents, employees and representatives (including without limitation, the Due Diligence Materials), are confidential and proprietary information. Purchaser also agrees that, in the event the transactions contemplated in this Agreement are not consummated as provided herein, Purchaser shall promptly return to Seller or notify Seller in writing that Purchaser has destroyed all such information and documentation, and all copies thereof, together with copies of all third party reports and studies obtained by Purchaser with respect to the Property that were not previously provided to Seller pursuant to Section 4.3.5 above, with any information confidential or proprietary to Purchaser redacted.

4.3.7 Except as expressly provided herein, Seller makes no representations or warranties as to the truth, accuracy or completeness of any materials, data or other information, if any, supplied to Purchaser in connection with Purchaser's inspection of the Property (e.g., that such materials are complete, accurate or the final version thereof, or that all such materials are in Seller's possession). Except for Purchaser's reliance on any representation and warranties expressly provided herein, it is the parties' express understanding and agreement that any such materials are to be provided only for Purchaser's convenience in making its own examination and determination as to whether it wishes to purchase the Property, and, in doing so, Purchaser shall rely exclusively on its own independent investigation and evaluation of every aspect of the Property and not on any materials supplied by Seller. Except for Purchaser's reliance on any representation and warranties expressly provided herein with respect to any such materials, Purchaser expressly disclaims any intent to rely on any such materials provided to it by Seller in connection with its inspection and agrees that it shall rely solely on its own independently developed or verified information.

4.3.8 The obligations and agreements of Purchaser under this Section 4.3 (including its indemnification obligations) shall survive Closing or the termination of this Agreement.

4.4 Purchaser's Right to Terminate. Purchaser shall have the right to terminate this Agreement, for any or no reason whatsoever, by providing to Seller written notice of such termination before 6:00 p.m. Washington, D.C. time on the Approval Date, time being of the essence. In the event that, by such date and time, Purchaser fails to deliver any written notice to Seller whatsoever, such failure shall be deemed Purchaser's waiver of the foregoing right to terminate this Agreement and its election to proceed to Closing on and subject to the terms hereof. If Purchaser does not exercise (or is deemed to have waived) its right to terminate this Agreement pursuant to this Section 4.4, the Earnest Money Deposit shall thereafter be non-refundable to Purchaser, and Purchaser shall have no further rights therein except as expressly set forth in this Agreement. If Purchaser timely terminates this Agreement pursuant to this Section 4.4, the Earnest Money Deposit shall be promptly returned to Purchaser and neither party shall have any further obligations or liability hereunder, except for those obligations which survive in accordance with their terms.

4.5 Condition of the Property. THE FOLLOWING PROVISIONS IN THIS SECTION 4.5 ARE SUBJECT TO THE EXPRESS REPRESENTATIONS, WARRANTIES, COVENANTS, AGREEMENTS, AND OTHER PROVISIONS OF THIS AGREEMENT (INCLUDING WITHOUT LIMITATION THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7.2):

(a) BY ENTERING INTO THIS AGREEMENT, PURCHASER HAS AGREED TO, AND WILL, PERFORM (AND PURCHASER REPRESENTS AND WARRANTS TO SELLER THAT PURCHASER IS CAPABLE OF PERFORMING) AN INDEPENDENT INVESTIGATION, ANALYSIS AND EVALUATION OF THE PROPERTY.

(b) EXCEPT AS EXPRESSLY PROVIDED HEREIN AND EXCEPT AS OTHERWISE PROVIDED IN AN AGREEMENT SEPARATELY EXECUTED BY SELLER AND PURCHASER AFTER THE EFFECTIVE DATE, PURCHASER FURTHER ACKNOWLEDGES THAT PURCHASER HAS SUBSTANTIAL EXPERIENCE WITH REAL PROPERTY, AND THAT PURCHASER WILL ACQUIRE THE PROPERTY IN "AS IS, WHERE IS, WITH ALL FAULTS" CONDITION, AND SOLELY IN RELIANCE ON PURCHASER'S OWN INSPECTION AND EXAMINATION AND SELLER'S REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED HEREIN.

(c) EXCEPT AS TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT AND EXCEPT AS OTHERWISE PROVIDED IN AN AGREEMENT SEPARATELY EXECUTED BY SELLER AND PURCHASER AFTER THE EFFECTIVE DATE, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT SELLER MAKES NO REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND, NATURE OR SORT, EXPRESS OR IMPLIED, WITH RESPECT TO THE PHYSICAL CONDITION, PAST, PRESENT OR FUTURE OPERATION AND/OR PERFORMANCE, OR VALUE, OF THE PROPERTY AND THAT SELLER CONVEYS THE PROPERTY TO PURCHASER "AS IS AND WHERE IS, WITH ALL FAULTS," AND PURCHASER ACKNOWLEDGES THAT SELLER MAKES NO REPRESENTATIONS, GUARANTIES OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE QUALITY, CHARACTER, EXTENT, PERFORMANCE, CONDITION OR SUITABILITY OF THE PROPERTY FOR ANY PURPOSE.

(d) PURCHASER'S INSPECTION, INVESTIGATION AND SURVEY OF THE PROPERTY SHALL BE IN LIEU OF ANY NOTICE OR DISCLOSURE REQUIRED BY ANY APPLICABLE HEALTH AND SAFETY CODE, OR BY ANY OTHER PROVISION OF APPLICABLE LAW, RULE OR REGULATION, INCLUDING, WITHOUT LIMITATION, LAWS REQUIRING DISCLOSURE BY SELLER OF FLOOD, FIRE, MOLD, SEISMIC HAZARDS, LEAD PAINT, LANDSLIDE AND LIQUEFACTION, OTHER GEOLOGICAL HAZARDS, RAILROAD AND OTHER UTILITY ACCESS, SOIL CONDITIONS AND OTHER CONDITIONS WHICH MAY AFFECT THE USE OF THE PROPERTY, AND, EXCEPT AS EXPRESSLY PROVIDED HEREIN AND EXCEPT AS OTHERWISE PROVIDED IN AN AGREEMENT SEPARATELY EXECUTED BY SELLER AND PURCHASER AFTER THE EFFECTIVE DATE, PURCHASER HEREBY WAIVES ANY REQUIREMENT FOR A NOTICE PURSUANT TO THOSE PROVISIONS AND HEREBY ACKNOWLEDGES AND AGREES THAT IT WILL CONDUCT ITS OWN INSPECTIONS AND REVIEWS WITH RESPECT TO ALL MATTERS COVERED THEREBY, AND HEREBY RELEASES SELLER FROM LIABILITY IN CONNECTION WITH ANY SUCH MATTERS THAT ARE NOT THE SUBJECT OF SELLER'S REPRESENTATIONS AND WARRANTIES.

(e) PURCHASER ALSO ACKNOWLEDGES AND AGREES THAT, ALTHOUGH SELLER HAS PROVIDED TO PURCHASER THE DUE DILIGENCE MATERIALS AND OTHER DOCUMENTS AND RECORDS, SELLER HAS NOT VERIFIED THE ACCURACY THEREOF AND MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE MATTERS SET FORTH THEREIN EXCEPT AS MAY BE EXPRESSLY SET FORTH HEREIN, IT BEING THE RESPONSIBILITY OF PURCHASER TO VERIFY THE ACCURACY OF SUCH MATERIALS.

(f) FURTHERMORE, EXCEPT AS TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT AND EXCEPT AS OTHERWISE PROVIDED IN AN AGREEMENT SEPARATELY EXECUTED BY SELLER AND PURCHASER AFTER THE EFFECTIVE DATE, PURCHASER ACKNOWLEDGES THAT SELLER HAS NOT AND DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES IN CONNECTION WITH THE PRESENCE OR INTEGRATION OF HAZARDOUS MATERIALS UPON OR WITHIN THE PROPERTY. IN THAT REGARD, PURCHASER WILL, PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD, CONDUCT ITS OWN INVESTIGATIONS TO DETERMINE IF THE PROPERTY CONTAINS ANY HAZARDOUS MATERIALS OR TOXIC WASTE, MATERIALS, DISCHARGE, DUMPING OR CONTAMINATION, WHETHER SOIL, GROUNDWATER OR OTHERWISE, WHICH VIOLATES ANY FEDERAL, STATE, LOCAL OR OTHER GOVERNMENTAL LAW, REGULATION OR ORDER OR REQUIRES REPORTING TO ANY GOVERNMENTAL AUTHORITY.

EXCEPT AS TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT AND EXCEPT AS OTHERWISE PROVIDED IN AN AGREEMENT SEPARATELY EXECUTED BY SELLER AND PURCHASER AFTER THE EFFECTIVE DATE, PURCHASER, FOR ITSELF AND

ITS OWNERS, SUCCESSORS AND ASSIGNS, HEREBY RELEASES AND FOREVER DISCHARGES SELLER, AND ITS PAST, PRESENT AND FUTURE MEMBERS, PARTNERS, AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ASSIGNS, AND SUCCESSORS-IN-INTEREST FROM ALL PAST, PRESENT AND FUTURE CLAIMS, DEMANDS, OBLIGATIONS, LOSSES AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER, WHETHER NOW KNOWN OR UNKNOWN, DIRECT OR INDIRECT, FORESEEN OR UNFORESEEN, SUSPECTED OR UNSUSPECTED, WHICH ARE BASED UPON OR ARISE OUT OF OR IN CONNECTION WITH THE CONDITION OF THE PROPERTY AND, WITH RESPECT TO THE PRESENCE OF ANY HAZARDOUS MATERIALS, ANY ENVIRONMENTAL DAMAGES OR ENVIRONMENTAL REQUIREMENTS, INCLUDING, WITHOUT LIMITATIONS, THE PHYSICAL, STRUCTURAL, GEOLOGICAL, MECHANICAL AND ENVIRONMENTAL (SURFACE AND SUBSURFACE) CONDITION OF THE PROPERTY OR ANY LAW OR REGULATION RELATING TO HAZARDOUS MATERIALS. WITHOUT LIMITING THE FOREGOING, THIS RELEASE SPECIFICALLY APPLIES TO ALL LOSSES AND CLAIMS ARISING UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT OF 1986, (42 U.S.C. SECTIONS 9601 ET SEQ.), THE RESOURCES CONSERVATION AND RECOVERY ACT OF 1976, (42 U.S.C. SECTIONS 6901 ET SEQ.), THE CLEAN WATER ACT, (33 U.S.C. SECTIONS 466 ET SEQ.), THE SAFE DRINKING WATER ACT, (14 U.S.C. SECTION 1401-1450), THE HAZARDOUS MATERIALS TRANSPORTATION ACT, (49 U.S.C. SECTIONS 1801 ET SEQ.), THE TOXIC SUBSTANCE CONTROL ACT, (15 U.S.C. SECTIONS 2601-2629), AND ANY OTHER FEDERAL, STATE OR LOCAL LAW OF SIMILAR EFFECT, AS WELL AS ANY AND ALL COMMON LAW CLAIMS.

BY INITIALING THIS CLAUSE BELOW, PURCHASER ACKNOWLEDGES THAT THIS SECTION HAS BEEN READ AND FULLY UNDERSTOOD, AND THAT PURCHASER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE.

PURCHASER'S INITIALS

(g) “Environmental Damages” means all claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs, and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, and of any good faith settlement of judgment, of whatever kind or nature, contingent or otherwise matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys’ fees and disbursements and consultants’ fees, any of which are incurred at any time as a result of the existence of Hazardous Materials upon, about or beneath the Property or migrating to or from the Property, or the existence of a violation of Environmental Requirements pertaining to the Property, regardless of whether the existence of such Hazardous Materials or the violation of Environmental Requirements arose prior to the present ownership or operation of the

Property.

(h) “Environmental Requirements” means all applicable present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to Hazardous Materials or the protection of human health or the environment.

(i) “Hazardous Materials” means any substance (i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance or policy; or (ii) which is defined as a “hazardous waste” or “hazardous substance” under any federal, state or local statute, regulation or ordinance, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.) and amendments thereto and regulations promulgated thereunder; or (iii) which is toxic, explosive, corrosive, infectious or otherwise hazardous or is regulated by any federal, state or local governmental authority; or (iv) without limitation which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde.

The provisions of this Section 4.5 shall survive Closing.

CLOSING

5.1 Closing Date. The “Closing Date” for purposes of this Agreement shall be the date that is ten (10) Business Days after the Approval Date, or such earlier date as may be agreed upon, in writing, by Seller and Purchaser.

5.2 Preliminary Closing Statement. A closing statement prepared by the Escrow Agent and reasonably approved by Seller and Purchaser setting forth, among other things, all payments to and from Escrow in connection with the purchase and sale of the Property (the “Closing Statement”) shall be agreed upon by Seller and Purchaser (in their reasonable discretion) not later than five (5) Business Days prior to the Closing Date. The Closing Statement, once agreed upon, shall be signed by Purchaser and Seller and delivered to the Escrow Agent and to one or more lenders designated by Seller (collectively, the “Lending Group”) for the Lending Group’s review and approval. Purchaser and Seller will cooperate with all reasonable requests of the Lending Group with respect to adjustments in the Closing Statement. Purchaser acknowledges and agrees that Seller shall direct the Escrow Agent by irrevocable direct disbursement authorization (a “Disbursement Authorization”), or otherwise, to wire directly to the Lending Group the cash portion of the Purchase Price due to Seller as set forth in the Closing Statement to the extent the same is payable to the Lending Group pursuant to a separate agreement between the Lending Group and Seller, and further agrees to provide Escrow Agent and the Lending Group with Purchaser’s written acknowledgement and consent to any such Disbursement Authorization.

5.3 Action Prior to the Closing Date by Seller. Seller agrees that, provided Purchaser has complied with its obligations under Section 5.4 hereof, on or before 11:00 a.m. EST on the Closing Date, Seller will deposit with Escrow Agent such items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for Escrow Agent to comply with this Agreement, including, without limitation, the following:

(a) A deed substantially in the form and content attached hereto as Exhibit "C", prepared and executed by Seller and acknowledged before a Notary Public in the manner provided under the laws of the state in which the Property is located, reflecting the sale and transfer to Purchaser of the Property and the Improvements (the "Deed"), subject only to those Permitted Exceptions applicable to the Property.

(b) A non-foreign affidavit signed by Seller in the form to be prepared by Escrow Agent ("Non-Foreign Affidavit"), in the form and content attached hereto as Exhibit "D", any state tax withholding affidavits as applicable, and an IRS Form 1099;

(c) All transfer tax and other tax returns, if any, which Seller is required by law to execute and acknowledge and to deliver, either individually or together with Purchaser, to any governmental authority as a result of the sale, if and to the extent the same are available as of the Closing Date;

(d) All keys to the Property which are in the possession or control of Seller;

(e) An executed Closing Statement;

(f) All affidavits and other documents consistent with the express provisions of this Agreement and reasonably required by the Escrow Agent, each in form and substance reasonably acceptable to Seller; and

(g) Such other instruments or documents as may be reasonably necessary to effect or carry out the covenants and obligations to be performed by Seller pursuant to this Agreement.

5.4 Action Prior to the Closing Date by Purchaser. Purchaser agrees that on or before 11:00 a.m. EST on the Closing Date, Purchaser will deposit with Escrow Agent the Closing Payment and all documents (executed and acknowledged, if appropriate) necessary to comply with the terms of this Agreement, including without limitation:

(a) To the extent that applicable law requires that the Deed, transfer tax or other tax forms, or recording forms be executed by the grantee, such instruments shall be executed by Purchaser and acknowledged in the presence of a Notary Public in accordance with the laws of the state in which the Property is located;

(b) An executed Closing Statement; and

(c) Such other funds, instruments or documents as may be reasonably necessary to effect or carry out the covenants and obligations to be performed by Purchaser pursuant to this Agreement.

5.5 Recording of Deed. Escrow Agent will cause the Deed to be dated as of the Closing Date and recorded in the Official Records, and all other conveyance documents deposited with Escrow Agent to be dated as of the Closing Date, when (but in no event after the Closing Date) Escrow Agent (i) is prepared to issue the Title Policies to be issued to Purchaser as contemplated in this Agreement, and (ii) holds for the account of Seller and Purchaser all items and funds (if any) to be delivered to Seller and Purchaser through the Escrow, after payment of costs, expenses, disbursements and prorations chargeable to Seller or Purchaser pursuant to the provisions of this Agreement.

5.6 Prorations.

5.6.1 Taxes. All non-delinquent real estate and personal property general and special taxes and assessments of the applicable taxing authority for the Property and the Land for the current assessment year in which the Closing Date occurs shall be prorated as of the Closing Date. If the exact amount of taxes is not known at Closing, the proration will be based on an amount equal to 105% of the prior year's taxes and shall be adjusted directly between Seller and Purchaser once actual figures become available after Closing. It is understood that any supplemental property tax bill applicable to the Property reflecting amounts that are due and payable prior to the Closing Date shall be Purchaser's responsibility. Notwithstanding anything to the contrary in this Agreement, Seller shall retain all right, title and interest in and to any and all property tax (both real property and personal property) refunds and claims for refunds with respect to the Property for any period prior to the Closing Date. Purchaser shall assume all obligations accruing from and after the Closing Date with respect to any agreements relating to the appealing of real estate taxes or real estate tax assessments, including the obligation to pay portions of amounts of real estate tax savings and costs and expenses related thereto. All sales, use and other taxes imposed in connection with the sale and transfer of the Property shall be allocated as is customary for real estate transactions where the Property is located.

5.6.2 Utility Service. Seller shall request each utility company providing utility service to the Property to cause all utility billings (if any) to be closed and billed as of the Closing Date in order that utility charges may be separately billed for the period prior to the Closing Date and the period on and after the Closing Date. In the event any such utility charges are not separately billed, the same shall be prorated. In connection with any such proration, it shall be presumed that utility charges were uniformly incurred during the billing period in which the Closing Date occurs. Seller shall receive a credit at Closing for any Utility Deposits (if any) that are transferred or made available to Purchaser. Purchaser shall arrange for placing all utility services and bills in its own name as of the Closing Date.

5.6.3 Miscellaneous Permits and Taxes. Except as covered by the terms of Section 5.6.1 above, all water and sewer charges, taxes (other than ad valorem property taxes), including license taxes or fees for licenses which are assignable or transferable without added cost and have a value which will survive Closing, and any unpaid taxes payable in arrears, shall be prorated as of the Closing Date. Seller will be credited for that portion of taxes and fees paid by Seller allocable to the period after the Closing Date.

5.6.4 Other Expenses. All other expenses and obligations not otherwise specified in this Section 5.6 incurred in the ownership of the Property shall be prorated between Seller and Purchaser as of the Closing Date.

5.6.5 General Provision. Except as otherwise expressly provided in this Agreement, all apportionments and adjustments shall be made in accordance with generally accepted accounting principles. The computation of the adjustments shall be jointly prepared by Seller and Purchaser. In the event any prorations or apportionments made under this Section 5.6 shall prove to be incorrect for any reason, then any party shall be entitled to an adjustment to correct the same in accordance with the remaining terms of this Section 5.6.5. To the extent the exact amount of any adjustment item provided for in this Section 5.6 cannot be precisely determined on the Closing Date, such prorations and apportionments shall be tentatively prorated on the basis of the best data then available and re-prorated when the information is available. Notwithstanding the foregoing, any adjustment or re-proration pursuant to the two immediately preceding sentences shall be made, if at all, within ninety (90) days after the Closing Date (except with respect to taxes and assessments, in which case such re-proration shall be made within thirty (30) days after the information necessary to perform such re-proration is available). All payments to be made as a result of the final results of the adjustments shall be paid to the party entitled to the same within thirty (30) days after the final determination thereof. Seller and Purchaser agree that none of the insurance policies relating to the Property will be assigned to Purchaser (and Seller shall pay any cancellation fees or minimum earned premiums resulting from the termination of such policies) and Purchaser shall be responsible for arranging for its own insurance as of the Closing Date.

5.6.6 Proration Allocation. For proration purposes, the day that falls on the Closing Date shall be charged or allocated to Purchaser.

5.6.7 Survival. The provisions of this Section 5.6 shall survive Closing.

5.7 Closing Costs. Purchaser shall bear the cost of the premium for the Title Policy and any and all endorsements to the Title Policy requested by Purchaser or its lender. Purchaser shall bear the cost of the survey (or the updating thereof) for the Property. Seller shall pay the documentary transfer taxes, the recording fee for the Deed and one-half (1/2) of the escrow and closing fees relating to the sale of the Property. Each party shall pay its own attorneys' fees pertaining to the sale of the Property. Purchaser shall be responsible for the payment of any mortgage taxes or recording fees for the mortgage securing Purchaser's loan, any amounts related to financing pertaining to the sale and purchase of the Property, and one-half (1/2) of the escrow and closing fees relating to the sale of the Property. All other costs pertaining to the sale of the Property shall be allocated as is customary for real estate transactions where the Property is located. The parties agree to cooperate in all reasonable respects to minimize all such costs, premiums, taxes, and fees.

5.8 Distribution of Funds and Documents Following Closing. Following Closing, Escrow Agent shall distribute the documents as follows:

5.8.1 To Seller.

(a) The cash portion of the Purchase Price due to Seller (and/or the Lending Group pursuant to a Disbursement Authorization) as set forth in the Closing Statement;

(b) A copy of the recorded Deed;

(c) One (1) fully executed duplicate original of the Non-Foreign Affidavit;

(d) A copy of the Title Policy issued to Purchaser;

(e) One (1) duplicate original or conformed copy as appropriate, of any other document to be received by Seller through Escrow pursuant to the provisions of this Agreement; and

(f) One (1) copy of any other document delivered to Escrow Agent by Purchaser or Seller pursuant to the terms of this Agreement. Copies of any of Purchaser's loan documents shall not be provided to Seller.

5.8.2 To Purchaser.

(a) Any excess funds deposited by Purchaser which remain after disbursement to Seller;

(b) One (1) conformed copy of the Deed, the originals to be mailed to Purchaser following the recordation thereof, in each instance;

(c) One (1) duplicate original or conformed copy as appropriate, of any other document to be received by Purchaser through Escrow pursuant to the provisions of this Agreement;

(d) One (1) copy of any other document delivered to Escrow Agent by Purchaser or Seller pursuant to the terms of this Agreement;

(e) The original of the Title Policy; and

(f) One (1) fully executed copy of the Non-Foreign Affidavit for Seller.

5.9 Possession. Purchaser shall be entitled to sole possession of the Property on the Closing Date.

ADDITIONAL INDEMNITIES

6.1 Purchaser's Indemnity. Purchaser covenants and agrees to defend, indemnify, protect, defend, and hold harmless Seller, and its Affiliates, owners, members, partners, employees, lenders, agents and representatives, from and against any and all Claims (a) arising from the acts and omissions of Purchaser and its agents, employees and contractors occurring in connection with or as a result of, any inspections, tests or examinations of or to the Property, (b) arising from the use, management, operation, rental, maintenance and ownership of the Property, based upon acts, conduct or omissions (other than by Seller) occurring on or after the Closing Date, (c) caused by or arising out of any material misrepresentation by Purchaser in connection with this Agreement, and (d) arising from any breach of this

Agreement by Purchaser or any instrument or agreement delivered or required to be delivered pursuant to the provisions of this Agreement. This indemnity shall survive Closing.

REPRESENTATIONS AND WARRANTIES

7.1 Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller that as of the date hereof and as of the Closing Date:

7.1.1 Organization and Standing. Purchaser is a _____ duly organized, validly existing, and in good standing under the laws of the State of New Jersey, is, or on the Closing Date will be, duly qualified to do business in the State of New Jersey, and has the full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby to be carried out by it.

7.1.2 Due Authorization. The performance of this Agreement and the transactions contemplated hereunder by Purchaser have been duly authorized by all necessary action on the part of Purchaser, and this Agreement is binding on and enforceable against Purchaser in accordance with its terms. Purchaser shall, on or prior to the Closing Date, furnish Seller with certified resolutions evidencing that Purchaser has been duly authorized to enter into and perform this Agreement and the transactions contemplated hereunder. No further consent of any shareholder, creditor, board of directors, governmental authority or other party to such execution, delivery and performance hereunder is required. The person(s) signing this Agreement, and any document pursuant hereto on behalf of Purchaser, has full power and authority to bind Purchaser.

7.1.3 Lack of Conflict. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will violate any restriction, court order, judgment, law, regulation, charter, bylaw, instrument or agreement to which Purchaser is subject.

7.1.4 Solvency/Bankruptcy. Purchaser has not (i) made any general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition in bankruptcy by Purchaser's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Purchaser's assets, (v) admitted in writing its inability to pay its debts as they come due, (vi) made any offer of settlement, extension or compromise to its creditors generally, or (vii) considered doing or undertaking or planned to do or undertake any of the foregoing. Furthermore, Purchaser has not taken against it any such actions.

7.2 Seller's Representations and Warranties. Seller represents and warrants to Purchaser that as of the date hereof and as of the Closing Date:

7.2.1 Organization and Standing. Seller is a limited liability company, duly organized under the laws of the state of its formation, is validly existing, and in good standing under the laws of such state, qualified or registered to do business in the state where the Property is located, and has the full power and authority to enter into this Agreement and to carry out the

transactions contemplated hereby to be carried out by it.

7.2.2 Due Authorization. The performance of this Agreement and the transactions contemplated hereunder by Seller have been duly authorized by all necessary action on the part of Seller, and this Agreement is binding on and enforceable against Seller in accordance with its terms. Seller shall, on or prior to the Closing Date, furnish Purchaser with certified resolutions evidencing that Seller has been duly authorized to enter into and perform this Agreement and the transactions contemplated hereunder. Except with respect to the approval and consent of the Lending Group as described in Section 12.26 of this Agreement, no further consent of any member, manager, creditor, governmental authority or other party to such execution, delivery and performance hereunder is required. The person(s) signing this Agreement, and any document pursuant hereto on behalf of Seller, has full power and authority to bind Seller.

7.2.3 Lack of Conflict. Neither the execution of this Agreement nor the consummation of the transactions contemplated herein will violate any restriction, court order, judgment, law, regulation, charter, bylaw, instrument, or agreement to which Seller or the Property (or any portion thereof) are subject.

7.2.4 Non-Foreign Seller. Seller is not a foreign seller as defined in the “Foreign Investment in Real Property Tax Act.”

7.2.5 Litigation; Condemnation. Except as listed on Exhibit “E” attached hereto, to Seller’s actual knowledge, Seller has not received any written notice of any pending or threatened demands, complaints, actions, suits, arbitrations, governmental investigations or other proceedings, and to its actual knowledge, none of the foregoing are pending or threatened against Seller or affecting the Property.

7.3 Seller’s Knowledge. Wherever the phrase “to Seller’s actual knowledge” or any similar phrase stating or implying a limitation on the basis of knowledge appears in this Agreement, unless specifically otherwise qualified or except as otherwise provided herein, such phrase shall mean only the present actual knowledge of Philip Kroskin of Seller, without any duty of inquiry, any imputation of the knowledge of another, or independent investigation of the relevant matter by any individual(s), and without any personal liability. Wherever the phrase “in Seller’s possession”, “in the possession of Seller” or similar phrase appears in this Agreement, such phrase shall be deemed to mean only to the extent the material or other item referred to by such phrase is located at the Property or in Seller’s offices in McLean, Virginia. Notwithstanding any provision of this Agreement to the contrary, should any of the foregoing representations and warranties of Seller become false or inaccurate prior to the Closing Date through no breach by Seller of its covenants hereunder, and provided Seller discloses the same to Purchaser, in writing, prior to the Closing Date, then Purchaser’s sole recourse shall be to either (i) terminate this Agreement and cancel the Escrow, in which case the Earnest Money Deposit shall be returned to Purchaser and neither Seller nor Purchaser will have any further liability or obligation under this Agreement (except for those obligations which survive in accordance with their terms), or (ii) proceed with the closing, without reservation, in which case Purchaser shall be deemed to have waived all claims against Seller with respect to such false or inaccurate representation and warranty.

CONDITIONS PRECEDENT TO CLOSING

8.1 Conditions to Seller's Obligations. The obligation of Seller to close the transaction contemplated hereunder shall be subject to the satisfaction or Notice of its waiver (delivered to Purchaser and Escrow Agent), in whole or in part, by Seller of each of the following conditions precedent:

(a) Except by reason of a default by Seller, Escrow Agent is in a position to and will deliver to Seller the instruments and funds accruing to Seller pursuant to the provisions of this Agreement and the Escrow Agreement;

(b) There is no existing uncured material breach of any of the covenants, representations, warranties or obligations of Purchaser set forth in this Agreement that has not been waived by Seller; and

(c) Seller has received the Lending Group's approval and consent of the transaction contemplated hereby as described in Section 12.26 of this Agreement.

The foregoing conditions contained in this Section 8.1 are intended solely for the benefit of Seller. Seller shall at all times have the right to waive any condition precedent, provided that such waiver is in writing and delivered to Purchaser and Escrow Agent.

8.2 Conditions to Purchaser's Obligations. The obligations of Purchaser to close the transaction contemplated hereunder shall be subject to the satisfaction or Notice of its waiver (delivered to Seller and Escrow Agent), in whole or in part, by Purchaser of each of the following conditions precedent, and Purchaser shall have no right to terminate this Agreement or delay the Closing for any other reason:

(a) Except by reason of a default by Purchaser, Escrow Agent is in a position to and will deliver to Purchaser the instruments and funds, if any, accruing to Purchaser pursuant to the provisions of this Agreement; and

(b) There is no existing uncured material breach of any of the covenants, representations, warranties or obligations of Seller set forth in this Agreement that has not been waived by Purchaser, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall be true and correct in all material respects as if made again on the Closing Date.

The foregoing conditions contained in this Section 8.2 are intended solely for the benefit of Purchaser. Purchaser shall at all times have the right to waive any condition precedent, provided that such waiver is in writing and delivered to Seller and Escrow Agent.

8.3 Failure of Conditions to Closing. Escrow Agent shall be responsible for confirming, on or before the Closing Date, that the conditions to Closing set forth in Sections 8.1 and 8.2 hereof, and as set forth elsewhere in this Agreement, have been satisfied. Purchaser and Seller hereby agree to deliver their Notices to Escrow Agent, on or before the

Closing Date, of the satisfaction or waiver of all conditions to Closing hereunder, and, in the event that both Purchaser and Seller specifically notify and instruct Escrow Agent, in writing, to proceed to Closing hereunder, all such conditions to Closing hereunder that are not otherwise satisfied shall be deemed to have been waived by both Purchaser and Seller. Escrow Agent shall not proceed to Closing hereunder unless both Purchaser and Seller specifically notify and instruct Escrow Agent to do so. Seller and Purchaser will not take any action that is inconsistent with its obligations under this Agreement in any material respect or that could reasonably be expected to hinder or delay the consummation of the transactions contemplated by this Agreement. Seller and Purchaser shall use commercially reasonable efforts to satisfy the closing conditions set forth herein. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement. In the event any of the conditions to closing set forth in this Agreement are not satisfied or waived by the applicable party by the Closing Date (other than as a result of a failure of Purchaser to have used commercially reasonable efforts to satisfy its obligations under this Agreement), then Purchaser shall have the right at its option to declare this Agreement terminated and null and void, in which case the Earnest Money Deposit shall be immediately returned to Purchaser and each of the parties shall be relieved from further liability to the other, except as otherwise expressly provided herein.

REMEDIES FOR PRE-CLOSING AND POST-CLOSING DEFAULTS ; LIQUIDATED DAMAGES

9.1 Default by Purchaser Prior to Closing. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTION HEREIN CONTEMPLATED DOES NOT OCCUR AS HEREIN PROVIDED BY REASON OF ANY MATERIAL DEFAULT OF PURCHASER, PURCHASER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER. THEREFORE, PURCHASER AND SELLER DO HEREBY AGREE THAT, IN THE EVENT OF SUCH DEFAULT, IN ADDITION TO ATTORNEYS' FEES AND COSTS PURSUANT TO SECTION 12.2 HEREOF, A REASONABLE ESTIMATE OF THE TOTAL DAMAGES THAT SELLER WOULD SUFFER IN THE EVENT THAT PURCHASER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IS AND SHALL BE, AS SELLER'S SOLE AND EXCLUSIVE REMEDY (WHETHER AT LAW OR IN EQUITY), AN AMOUNT EQUAL TO THE EARNEST MONEY DEPOSIT. SAID AMOUNT SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR THE FAILURE OF PURCHASER TO CLOSE AND CONSUMMATE THE TRANSACTIONS HEREIN CONTEMPLATED. ALL OTHER CLAIMS TO DAMAGES OR OTHER REMEDIES IN CONNECTION WITH PURCHASER'S FAILURE TO CLOSE AND CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREIN ARE EXPRESSLY WAIVED BY SELLER. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. UPON SUCH DEFAULT BY PURCHASER, THIS AGREEMENT SHALL BE TERMINATED AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EACH TO THE OTHER, EXCEPT

ANY INDEMNIFICATION OBLIGATIONS, THE RIGHTS OF SELLER AND PURCHASER THAT SHALL SURVIVE AS PROVIDED HEREIN, AND FOR THE RIGHT OF SELLER TO COLLECT SUCH LIQUIDATED DAMAGES FROM PURCHASER AND ESCROW AGENT. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 9.1, NOTHING HEREIN SHALL LIMIT SELLER'S RECOVERY IN CONNECTION WITH ANY EXPRESS INDEMNITY BY PURCHASER PROVIDED IN THIS AGREEMENT.

SELLER'S INITIALS

PURCHASER'S INITIALS

9.2 Default by Seller Prior to Closing. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTION HEREIN CONTEMPLATED DOES NOT OCCUR AS HEREIN PROVIDED BY REASON OF ANY DEFAULT OF SELLER, PURCHASER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH PURCHASER MAY SUFFER. THEREFORE, PURCHASER AND SELLER DO HEREBY AGREE THAT, IN THE EVENT OF SUCH DEFAULT, IN ADDITION TO ATTORNEYS' FEES AND COSTS PURSUANT TO SECTION 12.2 HEREOF, PURCHASER MAY, AS ITS SOLE RECOURSE AND REMEDY (AT LAW OR IN EQUITY), EITHER: (a) PURSUE AN ACTION AGAINST SELLER FOR SPECIFIC PERFORMANCE, PROVIDED THAT SUCH ACTION IS INITIATED WITHIN NINETY (90) DAYS FOLLOWING THE CLOSING DATE SET FORTH HEREIN; OR (b) TERMINATE THIS AGREEMENT, RECEIVE THE RETURN OF THE EARNEST MONEY DEPOSIT. ALL OTHER CLAIMS TO DAMAGES OR OTHER REMEDIES IN CONNECTION WITH SELLER'S FAILURE TO CLOSE AND CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREIN (OTHER THAN AS SPECIFIED IN (a) AND (b) HEREOF) ARE EXPRESSLY WAIVED BY PURCHASER. THE REFUND OF THE EARNEST MONEY DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO PURCHASER. UPON DEFAULT BY SELLER, IF THIS AGREEMENT IS TERMINATED BY PURCHASER, NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EACH TO THE OTHER, EXCEPT ANY INDEMNIFICATION OBLIGATIONS, THE RIGHTS OF SELLER AND PURCHASER THAT SHALL SURVIVE AS PROVIDED HEREIN, AND FOR THE RIGHT OF PURCHASER TO COLLECT SUCH LIQUIDATED DAMAGES FROM SELLER.

SELLER'S INITIALS

PURCHASER'S INITIALS

Notwithstanding the foregoing or any other provision of this Agreement, in the event that any Seller default described in this Section 9.2 above or a failure of a condition of Closing can be cured or compensated for by the payment of money or otherwise, Purchaser shall not have the right to terminate this Agreement by reason thereof in the event that Seller cure the same or elect to grant to Purchaser at the Closing a credit against the Purchase Price in an amount agreed upon by Seller and Purchaser, each acting reasonably, as necessary to fully cure or compensate Purchaser for such default, and the Closing Date will be extended at Seller's sole option for a

reasonable period of time for Seller to effectuate such cure.

9.3 Survival. Article IX shall survive the Closing.

BROKERS

Purchaser shall be responsible for the payment of any commission, finder's fee or other sum initiated by any broker, commission agent or other person engaged or retained by Purchaser in connection with the transaction contemplated by this Agreement and Seller shall be responsible for the payment of any commission, finder's fee or other sum initiated by any broker, commission agent or other person engaged or retained by Seller in connection with the transaction contemplated by this Agreement. Seller and Purchaser each agree to indemnify, protect, defend and hold the other harmless from and against any claims, actions, suits or demands, including reasonable attorney's fees for payment of any commission, finder's fee or other sum initiated by any broker, commission agent or other person which such party or its representatives has engaged or retained or with which it has had discussions concerning or which shall be based upon any statement or agreement alleged to have been made by such party, in connection with the transaction contemplated by this Agreement or the sale of the Property by Seller. The provisions of this Article X shall survive the Closing.

NOTICES

Except as otherwise expressly provided in this Agreement, all notices, requests, demands and other communications hereunder ("Notice") shall be in writing and shall be deemed delivered by (i) hand delivery upon receipt, (ii) registered mail or certified mail, return receipt requested, postage prepaid, upon delivery to the address indicated in the Notice, (iii) by confirmed telecopy or facsimile transmission when sent, and (iv) overnight courier (next business day delivery) on the next business day at 12:00 noon, whichever shall occur first, as follows:

To Seller: c/o Sunrise Senior Living
 Attention: Mr. Philip Kroskin
 7900 Westpark Drive, Suite T-900
 McLean, Virginia 22102
 Telephone: (703) 854-0668
 Facsimile: (703) 744-1885

With a copy to: Sunrise Senior Living, Inc.
 7900 Westpark Drive, Suite T-900
 McLean, Virginia 22102
 Attn: General Counsel
 Facsimile: (703) 744-1885

With a copy to: Arent Fox LLP

1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339
Attention: Mindy Pittell Hurwitz, Esq.
Telephone: (202) 775-5721
Facsimile: (202) 857-6395

To Purchaser: Township of West Orange, New Jersey

Attention: _____
Telephone: _____
Facsimile: _____

With a copy to: Richard D. Trenk, Esq.
Trenk, DiPasquale, Webster, Della Fera & Sodono
347 Mount Pleasant Avenue, Suite 300
West Orange, NJ 07052
Telephone: (973) 243-8600
Facsimile: (973) 243-8677

Any correctly addressed Notice that is refused, unclaimed or undelivered because of an act or omission of the party to be notified shall be considered to be effective as of the first day that the Notice was refused, unclaimed or considered undeliverable by the postal authorities, messenger or overnight delivery service. The parties hereto shall have the right from time to time, and at any time, to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America, by giving to the other party at least ten (10) days prior Notice thereof, in the manner prescribed herein; provided, however, that to be effective, any such change of address must be actually received (as evidenced by a return receipt). Telephone numbers and email addresses, if listed, are listed for convenience purposes only and not for the purposes of giving Notice pursuant to this Agreement. Any Notice that is required or permitted to be given by either party to the other under this Agreement may be given by such party or its legal counsel, who are hereby authorized to do so on the party's behalf.

MISCELLANEOUS

12.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey. If any legal action is necessary to enforce the terms and conditions of this Agreement, the parties hereby agree that the Superior Court of New Jersey, Law Division: Essex County, New Jersey shall be the sole jurisdiction and venue for the bringing of the action.

12.2 Professional Fees and Costs. If a lawsuit, arbitration or other proceedings are instituted by any party to enforce any of the terms or conditions of this Agreement against any other party hereto, the prevailing party in such litigation, arbitration or proceedings shall be entitled, as an additional item of damages, to such reasonable attorneys' and other professional fees and costs (including, but not limited to, witness fees), court costs, arbitrators' fees,

arbitration administrative fees, travel expenses, and other reasonable, actual, out-of pocket expenses or costs of such other proceedings, which amount shall be determined by any court of competent jurisdiction, arbitrator or other judicial or quasi-judicial body having jurisdiction thereof, whether or not such litigation or proceedings proceed to a final judgment or award. For the purposes of this section, any party receiving an arbitration award or a judgment for damages or other amounts shall be deemed to be the prevailing party, regardless of amount of the damage awarded or whether the award or judgment was based on all or some of such party's claims or causes of action, and any party against whom a lawsuit, arbitration or other proceeding is instituted and later voluntarily dismissed by the instituting party shall be deemed to be the prevailing party.

12.3 Exhibits and Schedules a Part of This Agreement. The Exhibits and Schedules attached hereto are incorporated in this Agreement by reference and are hereby made a part hereof.

12.4 Executed Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Agreement shall become effective upon the due execution and delivery of this Agreement to the parties hereto.

12.5 Assignment. Purchaser may not assign, convey and otherwise transfer all or any part of its interest or rights herein without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Notwithstanding the foregoing, however, Purchaser may (without Seller's consent but with advance written notice to Seller), by not later than ten (10) business days prior to Closing, assign and transfer all of its rights and obligations under this Agreement to a wholly owned subsidiary thereof, or to a one hundred percent (100%) owned affiliate(s) thereof, or to any entity controlled (directly or indirectly, through voting or equity ownership) by Purchaser; provided, however, that Purchaser shall not be released of its obligations under this Agreement as a result of any such assignment. Any assignment as permitted in the preceding sentence shall be conditioned upon Purchaser delivering to Seller and Escrow Agent, within forty-eight (48) hours of any such assignment, Notice thereof, together with a copy of such assignee's organizational and formation documents and instruments, a Certificate of Good Standing for such assignee, and copies of the documents, if any, by or between Purchaser and such assignee authorizing such assignment. As a further condition to any such permitted assignment, Purchaser shall cause its assignee to execute an assignment and assumption agreement of Purchaser's obligations under this Agreement (in form and content reasonably and mutually acceptable), and such other documents and instruments as Escrow Agent may reasonably request. Seller shall upon request consent in writing to any such assignment that is made in accordance with the terms of this Section.

12.6 IRS - Form 1099-S. For purposes of complying with Section 6045 of the Internal Revenue Code of 1986, as amended, Escrow Agent shall be deemed the "person responsible for closing the transaction" and shall be responsible for obtaining the information

necessary to file with the Internal Revenue Service Form 1099-S, "Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions."

12.7 Successors and Assigns. Subject to the provisions of Section 12.5 hereof, this Agreement shall be binding upon and inure to the benefit of the parties' respective successors and permitted assigns.

12.8 Time is of the Essence. Time is of the essence of this Agreement.

12.9 Entire Agreement. This Agreement, and Exhibits and Schedules and other documents and instruments attached to or referenced herein, contain the entire understanding and agreement between the parties hereto with respect to the purchase and sale of the Property, and all prior and contemporaneous understandings, letters of intent, agreements and representations, whether oral or written, are entirely superseded. Except for any of the following expressly contained in this Agreement, Seller and Purchaser each expressly disclaim any reliance on any oral or written representations, warranties, comments, statements or assurances made by Seller, Purchaser, and any of their respective affiliates, and their respective agents, employees, representatives, attorneys or brokers, as an inducement or otherwise, to Purchaser's and Seller's respective execution hereof. No amendment of this Agreement shall be binding unless in writing and executed by the parties hereto.

12.10 Further Assurances. Whenever and so often as requested by a party, the other party will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things as may be necessary and reasonably required in order to further and more fully vest in such requesting party all rights, interests, powers, benefits privileges and advantages conferred or intended to be conferred upon it by this Agreement, or to effectuate the termination of this Agreement and cancellation of the Escrow (if otherwise permitted hereunder). The terms of this section shall survive Closing and/or termination of this Agreement.

12.11 Waiver. Failure or delay by either party to insist on the strict performance of any covenant, term, provision or condition hereunder, or to exercise any option herein contained, or to pursue any claim or right arising herefrom, shall not constitute or be construed as a waiver of such covenant, term, provision, condition, option, claim or right (except that if a party proceeds to Closing, notwithstanding the failure of a condition to its obligation to close, then such condition shall be deemed waived by virtue of the Closing). Any waiver by either party shall be effective only if in a writing delivered to the other party hereto and setting forth, with specificity, the covenant, term, provision or condition so waived. Any such waiver shall not constitute or be construed as a continuing waiver of any subsequent default.

12.12 Headings. The headings of this Agreement are for purposes of convenience only and shall not limit or define the meaning of the provisions of this Agreement.

12.13 Risk of Loss. With respect to the Property, the risk of loss shall be as follows:

12.13.1 Risk of Loss. Until the Closing Date, Seller shall bear the risk of loss should there be damage to the Property by fire or other casualty (collectively, a "Casualty")

). If, prior to the Closing Date, the Improvements shall be damaged by any Casualty, neither party hereto shall have any right to terminate this Agreement, but the Closing shall take place as provided herein without reduction of the Purchase Price, and Seller shall assign the insurance proceeds (if any) to Purchaser in the event the Casualty is insured against and shall pay the amount of any deductible, under applicable insurance policies.

12.13.2 Eminent Domain. If, prior to the Closing Date, Seller receives notice that a material portion of the Property (or access or other material rights in connection therewith) as would, in Purchaser's reasonable judgment, materially adversely affect the use of the Property is, or has been threatened in writing by a governmental authority of competent jurisdiction, to be taken by condemnation or eminent domain, Seller shall promptly notify Purchaser, and at the election of Purchaser this Agreement shall terminate upon the giving of Notice of such event or of the condemning authorities' intention so to take the Property. If Purchaser does not elect to terminate this Agreement prior to the Closing Date, on the Closing Date all of the proceeds of any award or payment made or to be made by reason of such taking shall be assigned by Seller to Purchaser, and any money theretofore received by Seller in connection with such taking shall be paid over to Purchaser, whereupon Purchaser shall pay the Purchase Price without abatement by reason of such taking. Seller shall not settle, agree to, or accept any award or payment in connection with a taking of less than all of the Property without obtaining Purchaser's prior written consent in each case, which consent shall not be unreasonably withheld or delayed.

12.14 Construction of Agreement. The parties hereto have negotiated this Agreement at length, and have had the opportunity to consult with, and be represented by, their own competent counsel. This Agreement is, therefore, deemed to have been jointly prepared. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against any party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. The words "herein," "hereof," "hereunder" and words of similar reference shall mean this Agreement. The words "this Agreement" include the exhibits, schedules addenda and any future written modifications, unless otherwise indicated by the context. All words in this Agreement shall be deemed to include any number or gender as the context or sense of the Agreement requires. The words "will," "shall" and "must" in this Agreement indicate a mandatory obligation. The use of the words "include," "includes" and "including" followed by one or more examples is intended to be illustrative and is not a limitation on the scope of the description or term for which the examples are provided. All dollar amounts set forth in this Agreement are stated in United States Dollars, unless otherwise specified. The words "day" and "days" refer to calendar days unless otherwise stated. The words "business day" refer to a day other than a Saturday, Sunday or Legal Holiday (hereinafter defined). The words "month" and "months" refer to calendar months unless otherwise stated. The words "year" and "years" refer to calendar years unless otherwise stated. If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or Legal Holiday, the compliance with such obligations or delivery will be deemed acceptable on the next business day following such Saturday, Sunday or Legal Holiday. As used herein, the term "Legal Holiday" will mean any local or federal holiday on which post offices are closed in the Commonwealth of Virginia.

12.15 Intentionally Omitted.

12.16 Bulk Transfers. Seller and Purchaser specifically waive compliance with the applicable provisions of the Uniform Commercial Code – Bulk Transfers, with any similar provision under any similar provisions in the laws of the state, county, and city in which the Property is located, to the extent such provisions may be waived under the applicable Legal Requirement.

12.17 Covenants, Representations and Warranties. Except as otherwise set forth in this Agreement, all of the covenants and agreements of Seller and Purchaser set forth in this Agreement shall survive Closing, except that all representations and warranties shall not survive Closing, but shall be merged with the Deed. By proceeding with the closing of the sale transaction, Seller and Purchaser shall be deemed to have waived, and so covenant to waive, any claims of defaults or breaches by the other party existing on or as of the Closing Date whether under this Agreement or any other document or instrument executed by the other party in connection with this transaction, of which the waiving party was made aware by Notice from the defaulting or breaching party (and, if applicable, which is described on Seller's certification of representations and warranties to be delivered at Closing) prior to the Closing Date for which the other party shall have no liability.

12.18 Intentionally Omitted.

12.19 No Third-Party Beneficiaries. Seller and Purchaser agree that there are no third parties who are intended to benefit from or who are entitled to rely on any of the provisions of this Agreement. No third party shall be entitled to assert any claims or to enforce any rights whatsoever pursuant to this Agreement. The covenants and agreements provided in this Agreement are solely for the benefit of Seller and Purchaser and their permitted successors and assigns respectively.

12.20 Facsimile Signatures. The execution of this Agreement and all Notices given hereunder and all amendments hereto, may be effected by facsimile signatures, all of which shall be treated as originals; provided, however, that the party receiving a document with a facsimile signature may, by Notice to the other, require the prompt delivery of an original signature to evidence and confirm the delivery of the facsimile signature. Purchaser and Seller each intend to be bound by its respective facsimile transmitted signature, and is aware that the other party will rely thereon, and each party waives any defenses to the enforcement of the Agreement, and documents, and any Notices delivered by facsimile transmission.

12.21 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

12.22 Cumulative Remedies. No remedy conferred upon a party in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or

hereafter existing at law, in equity or by statute (except as otherwise expressly herein provided).

12.23 Consents and Approvals. Except as otherwise expressly provided herein, any approval or consent provided to be given by a party hereunder may be given or withheld in the absolute discretion of such party.

12.24 **WAIVER OF JURY TRIAL**. **THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

12.25 Tax Deferred Exchange. Purchaser and Seller acknowledge that either party may wish to structure this transaction as a tax deferred exchange of like kind property within the meaning of Section 1031 of the Internal Revenue Code. Each party agrees to reasonably cooperate with the other party to effect such an exchange; provided, however, that (a) the cooperating party shall not be required to acquire or take title to any exchange property, (b) the cooperating party shall not be required to incur any expense or liability whatsoever in connection with the exchange, including, without limitation, any obligation for the payment of any escrow, title, brokerage or other costs including attorneys' fees incurred with respect to the exchange, (c) no substitution of the effectuating party shall release said party from any of its obligations, warranties or representations set forth in this Agreement or from liability for any prior or subsequent default under this Agreement by the effectuating party, its successors, or assigns, which obligations shall continue as the obligations of a principal and not of a surety or guarantor, (d) the effectuating party shall give the cooperating party at least two (2) business days prior notice of the proposed changes required to effect such exchange and the identity of any party to be substituted in the escrow, (e) the effectuating party shall be responsible for preparing all additional agreements, documents and escrow instructions (collectively, the "Exchange Documents") required by the exchange, at its sole cost and expense, (f) the effectuating party shall be responsible for making all determinations as to the legal sufficiency, tax considerations and other considerations relating to the proposed exchange, the Exchange Documents and the transactions contemplated thereby, and the cooperating party shall in no event be responsible for, or in any way be deemed to warrant or represent any tax or other consequences of the exchange transaction, and (g) the election to effect such an exchange shall not delay the Closing of the transaction as defined herein.

12.26 Lending Group Consent and Approval. Seller hereby discloses to Purchaser that Seller must obtain the approval of this Agreement and the consent to the transaction contemplated by this Agreement from the Lending Group, which is the beneficiary under a mortgage and security agreement.

[Signatures are on the following page.]

EXECUTION

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the ____ day of _____, 2010.

SELLER:

Sunrise West Orange NJ Senior Living, LLC,
a Delaware limited liability company

By: Sunrise Senior Living Services, Inc.,
a Delaware corporation,
its sole member

By: _____
Name: _____
Title: _____

PURCHASER:

Township of West Orange, New Jersey

By: _____
Name: _____
Title: _____

Exhibit "A"

Legal Description of Property

All that certain plot, piece or parcel of land, with the building and improvements thereon erected, situate, lying and being in the Township of West Orange, County of Essex, State of New Jersey, bounded and described as follows:

BEGINNING at a point in the Northerly line of Mount Pleasant Avenue distant Easterly therein 839.20 feet from the corner formed by the said Northerly line of Mount Pleasant Avenue and the Easterly line of Ellison Avenue, said point being the Southeast corner of Lot 25.05 in Block 172.25 as shown on the Tax Maps of the Township of West Orange; and from thence running

1. North 19 degrees 59 minutes 42 seconds East along the Easterly line of said lot 356.39 feet to a point in the Southerly line of a 30 foot wide right of way; thence
2. South 87 degrees 37 minutes 00 seconds East along the said right of way line 72.41 feet to an angle in same; thence
3. South 73 degrees 21 minutes 10 seconds East still along the said right of way line 516.46 feet to a point and corner, being in the Westerly line of Lot 20.01 on said Tax Map; thence
4. South 26 degrees 47 minutes 00 seconds West along the said Westerly line of Lot 20.01 and Lot 20.02 a distance of 218.22 feet to the Northwest corner of Lot 19 on said map;
5. South 25 degrees 40 minutes 15 seconds West along the Westerly line of Lot 19 a distance of 393.93 feet to a point in the aforesaid Northerly line of Mount Pleasant Avenue, said point being distant Westerly 1511.14 feet from the intersection of said Northerly line with the Westerly line of Caroline Avenue; thence
6. Northwesterly along the said Northerly line on a curve deflecting to the right; the radius of which being 215.86 feet subtended by an angle of 36 degrees 26 minutes 56 seconds the chord of which bears North 66 degrees 53 minutes 28 seconds West and 135.02 feet in length, an arc distance of 137.32 feet to a point of tangency; thence
7. North 48 degrees 40 minutes 00 seconds West still along the said Northerly line of Mount Pleasant Avenue 408.63 feet to the point and place of BEGINNING.

Commonly known as: 577 Mount Pleasant Avenue
West Orange, New Jersey
Block 23 Lot 172.25
Tax Map of the Township of West Orange

Exhibit "B"

FORM OF ESCROW AGREEMENT FOR EARNEST MONEY DEPOSIT

[NOTE - PURCHASER MUST ALSO DELIVER TO ESCROW AGENT A FORM W-9 IN CONNECTION WITH THIS ESCROW AGREEMENT.]

THIS ESCROW AGREEMENT FOR EARNEST MONEY DEPOSIT (this "Escrow Agreement") is made effective as of _____, 2010 (the "Effective Date") by and among Sunrise West Orange NJ Senior Living, LLC, a Delaware limited liability company ("Seller"), Township of West Orange, New Jersey, a _____ ("Purchaser"), and First American Title Insurance Company ("Escrow Agent").

W I T N E S S E T H :

WHEREAS, Seller and Purchaser are parties to a certain Purchase and Sale Agreement, dated as of the date hereof (the "Purchase Agreement") for the sale of certain real property and improvements thereon located at 577 Mount Pleasant Avenue in West Orange, New Jersey, as described on Exhibit A of the Purchase Agreement and by this reference incorporated herein (the "Property");

WHEREAS, in accordance with the terms of the Purchase Agreement, Purchaser is required to deposit certain funds with Escrow Agent, which shall be placed in an interest-bearing account, under the exclusive supervision of Escrow Agent as security for the performance by Purchaser of Purchaser's obligations under the Purchase Agreement, subject to the terms of the Purchase Agreement and this Escrow Agreement;

WHEREAS, Seller, Purchaser and Escrow Agent wish to enter into this Escrow Agreement to provide for the terms under which such funds will be held and disbursed;

WHEREAS, Seller and Purchaser wish to appoint Escrow Agent to act as Escrow Agent under the terms of this Escrow Agreement, and said Escrow Agent has agreed to accept such appointment under the terms of this Escrow Agreement; and

WHEREAS, Purchaser's Federal Tax Identification Number is [_____].

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid and for other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, Seller, Purchaser and Escrow Agent hereby agree as follows:

1. The recitals set forth above are incorporated herein by this reference as substantive provisions of this Escrow Agreement and not mere recitals. All capitalized terms used herein and not herein defined will have the meaning ascribed to them in the Purchase Agreement.

2. Seller and Purchaser hereby appoint and designate Escrow Agent as Escrow Agent for the purposes herein set forth, and Escrow Agent hereby accepts said appointment. Escrow Agent acknowledges receipt of a copy of the Purchase Agreement, and to the extent any

provisions thereof apply to the Earnest Money Deposit, this Escrow Agreement or Escrow Agent, Escrow Agent agrees to comply with, and be bound by, the terms thereof. All terms and provisions contained in the Purchase Agreement relating to any of the foregoing are hereby incorporated herein by this reference.

3. When and as required by the Purchase Agreement, Purchaser has delivered or will deliver to Escrow Agent the Earnest Money Deposit. Upon receipt of each installment of the Earnest Money Deposit, Escrow Agent shall provide written notice to both Seller and Purchaser acknowledging such receipt. The Earnest Money Deposit shall promptly be placed in an interest-bearing account and all interest accrued thereon shall belong to Purchaser in all circumstances, except as set forth in the Purchase Agreement. At Closing, the Earnest Money Deposit and any interest thereon shall be credited against the cash balance of the Purchase Price to be paid by Purchaser on the Closing Date.

4. Escrow Agent shall continue to hold or release the Earnest Money Deposit and interest thereon, if any, in accordance with the Purchase Agreement until otherwise directed by joint written instructions signed by Seller and Purchaser or by a final judgment of a court having jurisdiction of the matter; provided, however, to the extent that the Purchase Agreement contains any provisions inconsistent with, or contrary to, the provisions of this Escrow Agreement, the Purchase Agreement shall remain as the agreement of the parties thereto, but Escrow Agent shall be guided by the terms of this Escrow Agreement. If the Purchase Agreement requires that the Earnest Money Deposit be returned to Purchaser, and Purchaser gives Seller written notice to that effect, with a copy of such notice being provided to Escrow Agent, then, unless Escrow Agent receives a written objection from Seller within five (5) business days after delivery of such notice to Seller, Escrow Agent shall immediately return the Earnest Money Deposit and any interest thereon to Purchaser as required by the Purchase Agreement, without any right in Seller to delay, impede or prevent such disbursement to Purchaser of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Escrow Agreement, at law or in equity. If the Purchase Agreement requires that the Earnest Money Deposit be paid to Seller (i.e., if the Purchase Agreement is terminated and Purchaser does not have the express right to a refund of the same), and Seller give Purchaser written notice to that effect, with a copy of such notice being provided to Escrow Agent, then, unless Escrow Agent receives a written objection from Purchaser within five (5) business days after delivery of such notice to Purchaser, Escrow Agent shall immediately pay the Earnest Money Deposit and any interest thereon to Seller as required by the Purchase Agreement, without any right in Purchaser to delay, impede or prevent such disbursement to Seller of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Escrow Agreement, at law or in equity.

5. Seller and Purchaser each agree to deliver to Escrow Agent, upon request, such further instruments and documents as may be reasonably requested by Escrow Agent in order to effectuate the terms and conditions of this Escrow Agreement or supervise the investment, maintenance and disbursement of the Earnest Money Deposit.

6. In no event shall Escrow Agent be liable for any act or failure to act under the provisions of the Purchase Agreement or this Escrow Agreement except where Escrow Agent's acts are the result of its gross negligence or willful misconduct. Accordingly, Escrow Agent shall not incur any such liability with respect to (a) any action taken or omitted in good faith upon advice of its legal counsel given with respect to any questions relating to the duties and

responsibilities of Escrow Agent under this Escrow Agreement or the Purchase Agreement, or (b) any action taken or omitted in reliance on any instrument, including any written notice or instruction provided for in the Purchase Agreement, not only as to its due execution and the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a person or persons having authority to sign or present such instrument, and to conform with the provisions of this Escrow Agreement. Seller and Purchaser hereby jointly and severally indemnify Escrow Agent against any loss, liability, or damage (including costs of litigation and reasonable attorneys' fees) arising from and in connection with the performance of Escrow Agent's duties under this Escrow Agreement, whether such dispute arises between the parties hereto and others, or merely between themselves, it being understood and agreed that subject to the provisions of Section 4 of this Escrow Agreement, Escrow Agent may interplead such dispute and Seller and Purchaser will hold Escrow Agent harmless and indemnify it against all consequences and expenses which may be incurred by Escrow Agent in connection therewith, except those consequences and expenses arising by reason of Escrow Agent's gross negligence or willful misconduct.. In the event of a dispute between any of the parties hereto sufficient in the sole discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to tender unto the registry or custody of any court of competent jurisdiction all funds comprising the Earnest Money Deposit in its hands held under the terms of this Escrow Agreement, together with such legal pleading as it deems appropriate, and thereupon be discharged.

7. The Earnest Money Deposit shall be deposited by Escrow Agent into a separate interest-bearing escrow account at a federally-insured financial institution acceptable to (or agreed to by) Purchaser, Seller and Escrow Agent, and shall be invested by Escrow Agent in a money market account, certificates of deposit or other investment(s) selected by Purchaser and agreed to in writing by Seller. If the financial condition of the financial institution in which the funds are held changes in any adverse way which prohibits the ability of Escrow Agent to withdraw such funds in accordance with the terms of this Escrow Agreement, then Escrow Agent may move the Earnest Money Deposit to another financial institution that satisfies the requirements of this Section 7.

8. Any notices or other communications between the parties hereto shall be in writing and shall be given (i) hand delivery upon receipt, (ii) registered mail or certified mail, return receipt requested, postage prepaid, upon delivery to the address indicated in the Notice, (iii) by confirmed telecopy or facsimile transmission when sent, and (iv) overnight courier (next business day delivery) on the next business day at 12:00 noon, whichever shall occur first, as follows:

To Seller: c/o Sunrise Senior Living
Attention: Mr. Philip Kroskin
7900 Westpark Drive, Suite T-900
McLean, Virginia 22102
Telephone: (703) 854-0668
Facsimile: (703) 744-1885

With a copy to: Sunrise Senior Living, Inc.
7900 Westpark Drive, Suite T-900

McLean, Virginia 22102
Attn: General Counsel
Facsimile: (703) 744-1885

With a copy to: Arent Fox LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339
Attention: Mindy Pittell Hurwitz, Esq.
Telephone: (202) 775-5721
Facsimile: (202) 857-6395

To Purchaser: Township of West Orange, New Jersey

Attention: _____
Telephone: _____
Facsimile: _____

With a copy to: Richard D. Trenk, Esq.
Trenk, DiPasquale, Webster, Della Fera & Sodono
347 Mount Pleasant Avenue, Suite 300
West Orange, NJ 07052
Telephone: (973) 243-8600
Facsimile: (973) 243-8677

To Escrow Agent: First American Title Insurance Company
1801 K Street, NW
Suite 200K, 2nd Floor
Washington, DC 20006
Attention: Craig Johnson
Telephone: (202) 530-1456
Facsimile: (202) 530-1433

Any correctly addressed Notice that is refused, unclaimed or undelivered because of an act or omission of the party to be notified shall be considered to be effective as of the first day that the Notice was refused, unclaimed or considered undeliverable by the postal authorities, messenger or overnight delivery service. The parties hereto shall have the right from time to time, and at any time, to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America, by giving to the other party at least ten (10) days prior Notice thereof, in the manner prescribed herein; provided, however, that to be effective, any such change of address must be actually received (as evidenced by a return receipt). Telephone numbers and email addresses, if listed, are listed for convenience purposes only and not for the purposes of giving Notice pursuant to this Agreement. Any Notice that is required or permitted to be given by either party to the other under this Escrow Agreement may be given by such party or its legal counsel, who are hereby authorized to do so on the party's behalf.

9. This Escrow Agreement and the rights and obligations under this Escrow Agreement shall be governed by and construed in accordance with the laws of the

Commonwealth of Virginia, without reference to the choice of law doctrine of such jurisdiction.

10. This Escrow Agreement is irrevocable and may only be amended by a written amendment executed by all the parties hereto.

11. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Escrow Agreement may be executed and delivered by facsimile.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed effective as of the date first hereinbefore written.

SELLER:

Sunrise West Orange NJ Senior Living, LLC,
a Delaware limited liability company

By: Sunrise Senior Living Services, Inc.,
a Delaware corporation,
its sole member

By: _____
Name: _____
Title: _____

PURCHASER:

Township of West Orange, New Jersey

By: _____
Name: _____
Title: _____

ESCROW AGENT:

First American Title Insurance Company

By: _____
Name: _____
Title: _____

Exhibit "C"

Form of Deed

Bargain & Sale Deed

Prepared by: _____
Mindy Pittell Hurwitz, Esq.

This Deed is made on _____, 2010

BETWEEN

SUNRISE WEST ORANGE NJ SENIOR LIVING, LLC,
a Delaware limited liability company

having its principal office at
c/o Sunrise Senior Living
7900 Westpark Dr.
Suite T-900
McLean, Virginia 22102

Referred to as the Grantor

AND

_____,
a _____

whose post office address is
c/o _____

referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of TEN DOLLARS (\$10.00).

The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-1.1) Municipality of West Orange

Block No 23 Lot. No 172.25 Account No. N/A Qualifier No. N/A

☐ No property tax identification number is available on the date of this Deed. (Check box if applicable).

Property. The property consists of the land and all the buildings and structures on the land located at 577 Mount Pleasant Avenue in the Township of West Orange, County of Essex and State of New Jersey as more fully described in the legal description attached hereto as Exhibit A.

☒ Please see attached legal description annexed hereto and made a part hereof.
(Check box, if applicable.)

Being the same land and premises which became vested in Sunrise West Orange NJ Senior Living, LLC by bargain and sale deed from Sunrise Senior Living Services, Inc. (formerly known as Marriott Senior Living Services, Inc.), dated January 15, 2010 and recorded in the office of the Essex County Register January 20, 2010 in Deed Book 12236, Page 9789.

Subject to all zoning ordinances, easements and restrictions of record, including without limitation, the exceptions described on Exhibit B attached hereto.

Promises by Grantor. Except with respect to the easements, restrictions and exceptions referenced herein, the Grantor promises that the Grantor has done no act to encumber the property.

[Remainder of page intentionally left blank.]

Signatures. This Deed is signed and attested to by the Grantor's proper corporate officers as of the date at the top of the first page. Its corporate seal is affixed.

**Sunrise West Orange NJ Senior Living,
LLC,**
a Delaware limited liability company

Witnessed by: _____
Name: _____
Title: _____

By: Sunrise Senior Living Services, Inc.,
a Delaware corporation,
its sole member

By: _____
Name: _____
Title: _____

COMMONWEALTH OF VIRGINIA
SS:

COUNTY OF FAIRFAX

I CERTIFY that on January __, 2010, _____, the _____ of SUNRISE SENIOR LIVING SERVICES, INC., a Delaware corporation, which is the sole member of SUNRISE WEST ORANGE NJ SENIOR LIVING, LLC, a Delaware limited liability company, personally came before me and stated to my satisfaction that this person: (a) was the maker of the attached instrument; (b) was authorized to and did execute this Deed as the _____ of SUNRISE SENIOR LIVING SERVICES, INC., which is the sole member of SUNRISE WEST ORANGE NJ SENIOR LIVING, LLC the entity named in this Deed; and (c) made this Deed for TEN DOLLARS (\$10.00), as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5).

DEED

Dated _____, 2010 Record and return to:

Grantor

SUNRISE WEST ORANGE NJ SENIOR LIVING, LLC,
a Delaware limited liability company
c/o Sunrise Senior Living
7900 Westpark Dr.
Suite T-900
McLean, Virginia 22102

TO

Grantee

a _____

whose post office address is
c/o _____

EXHIBIT A TO FORM OF DEED

LEGAL DESCRIPTION

All that certain plot, piece or parcel of land, with the building and improvements thereon erected, situate, lying and being in the Township of West Orange, County of Essex, State of New Jersey, bounded and described as follows:

BEGINNING at a point in the Northerly line of Mount Pleasant Avenue distant Easterly therein 839.20 feet from the corner formed by the said Northerly line of Mount Pleasant Avenue and the Easterly line of Ellison Avenue, said point being the Southeast corner of Lot 25.05 in Block 172.25 as shown on the Tax Maps of the Township of West Orange; and from thence running

8. North 19 degrees 59 minutes 42 seconds East along the Easterly line of said lot 356.39 feet to a point in the Southerly line of a 30 foot wide right of way; thence
9. South 87 degrees 37 minutes 00 seconds East along the said right of way line 72.41 feet to an angle in same; thence
10. South 73 degrees 21 minutes 10 seconds East still along the said right of way line 516.46 feet to a point and corner, being in the Westerly line of Lot 20.01 on said Tax Map; thence
11. South 26 degrees 47 minutes 00 seconds West along the said Westerly line of Lot 20.01 and Lot 20.02 a distance of 218.22 feet to the Northwest corner of Lot 19 on said map;
12. South 25 degrees 40 minutes 15 seconds West along the Westerly line of Lot 19 a distance of 393.93 feet to a point in the aforesaid Northerly line of Mount Pleasant Avenue, said point being distant Westerly 1511.14 feet from the intersection of said Northerly line with the Westerly line of Caroline Avenue; thence
13. Northwesterly along the said Northerly line on a curve deflecting to the right; the radius of which being 215.86 feet subtended by an angle of 36 degrees 26 minutes 56 seconds the chord of which bears North 66 degrees 53 minutes 28 seconds West and 135.02 feet in length, an arc distance of 137.32 feet to a point of tangency; thence
14. North 48 degrees 40 minutes 00 seconds West still along the said Northerly line of Mount Pleasant Avenue 408.63 feet to the point and place of BEGINNING.

Commonly known as: 577 Mount Pleasant Avenue
 West Orange, New Jersey
 Block 23 Lot 172.25
 Tax Map of the Township of West Orange

EXHIBIT B TO FORM OF DEED

EXCEPTIONS

All matters of record, including without limitation the following:

[To be inserted.]

Exhibit "D"

FORM OF NON-FOREIGN AFFIDAVIT

CERTIFICATE OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by Sunrise West Orange NJ Senior Living, LLC, a Delaware limited liability company ("Transferor"), the undersigned hereby certifies the following on behalf of the Transferor.

1. That the undersigned is the authorized signatory of the Transferor and, in such capacity, has actual knowledge of the matters set forth herein and is duly authorized to execute the certification for the purposes herein expressed;

2. That Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

3. That Transferor's U.S. employer identification number is _____;

4. That Transferor's address is c/o Sunrise Senior Living, Inc., 7900 Westpark Drive, Suite T-900, McLean, VA 22102; and

5. That the undersigned understands that this certification may be disclosed to the Internal Revenue Service by transferee, Emeritus Corporation, and that any false statement contained herein could be punished by fine, imprisonment or both.

[SIGNATURE ON THE FOLLOWING PAGE]

Under penalties of perjury, the undersigned declares as of _____, 2010, that the undersigned has examined this certification and, to the best of its knowledge and belief, it is true, correct and complete, and the undersigned further declares that it has the authority to sign this certification on behalf of Transferor.

TRANSFEROR:

Sunrise West Orange NJ Senior Living, LLC,
a Delaware limited liability company

By: Sunrise Senior Living Services, Inc.,
a Delaware corporation,
its sole member

By: _____
Name: _____
Title: _____

COMMONWEALTH OF VIRGINIA)
)
COUNTY OF FAIRFAX) ss.

I, _____, a Notary Public for said County and State,
do hereby certify that _____ personally came before me this day and acknowledged that
s/he is _____ of _____, and that s/he as such
_____, being authorized to do so, executed the foregoing on behalf of the corporation, in
its capacity as _____ of _____.

WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: _____

[Notary Seal]

Exhibit “E”

LIST OF PENDING LITIGATION

[To be inserted.]