

PURCHASE ORDER TERMS AND CONDITIONS

1. **GENERAL CONTRACT PRINCIPLES.** The term "Purchase Order" means the pre-printed Purchase Order form with the blanks completed by Brookdale Senior Living Inc. ("Brookdale" or "Owner") in its own capacity, or on behalf of an entity controlled by, under common control with, or controlling Brookdale or one of its affiliates if that entity owns or manages the Project (as defined below), or on behalf of the entity that owns the Property if the Project is managed by any of the foregoing entities, together with this preprinted Purchase Order Terms and Conditions. The term "Attachments" means any other proposal, term sheet, agreement, plans or specifications or similar documents approved by Brookdale and attached by Brookdale to the Purchase Order. Upon Vendor's acceptance of the Purchase Order and any Attachments, the Purchase Order and Attachments will become a binding contract between Vendor and Brookdale. In the event of a conflict between the terms of the Purchase Order and the terms of any of the Attachments, the terms of the Purchase Order will control and the conflicting terms of the Attachments will be deemed amended to conform to the Purchase Order. All indemnification provisions and loss limitation provisions contained in the Attachments are deemed void and only the indemnification provisions contained in the Purchase Order Terms and Conditions will be effective. Acceptance of the Purchase Order will be evidenced by the first of any of the following to occur: (i) Vendor's ordering of the goods identified on the first page of the Purchase Order (the "Goods"); (ii) Vendor's delivery of the Goods; (iii) Vendor's commencement of the services identified in the Purchase Order (the "Services"); or (iv) Vendor's verbal, written or electronic acknowledgement of acceptance of the Purchase Order. Any modification of the Purchase Order must be by written amendment or change order and accepted by both parties. Vendor may not assign the Purchase Order without the prior written consent of Brookdale, which may be withheld at Brookdale's sole discretion. Vendor is responsible for ensuring that all subcontractors abide by the terms of the Purchase Order and that all subcontractors obtain and maintain the insurance coverage of the type and in the amount that Vendor is required to maintain under the Purchase Order. Vendor shall comply with all applicable federal, state and local laws, rules, regulation and ordinances.

2. **PURCHASE OF GOODS.** Vendor agrees to deliver the Goods to the "ship to" address listed on the Purchase Order (the "Property" or "Project") by the date specified. The risk of loss shall remain with Vendor, until delivery of the Goods to Brookdale. Vendor also agrees to provide, with the Goods, all material safety data sheets and all other warning and training materials as necessary to enable the Property to safely use, handle, and dispose of the Goods. All Goods delivered under the Purchase Order are subject to Brookdale's right of inspection. Defective Goods or Goods not in accordance with Brookdale's specifications may be held at the Property for Vendor's instruction and at Vendor's risk, and if Vendor so directs, will be returned to Vendor at Vendor's expense. If Vendor fails to direct disposition within 60 days of receipt of rejected Goods, Brookdale may dispose of those Goods in any reasonable manner at Vendor's expense. Brookdale's payment for Goods will be made after Brookdale has inspected and accepted the Goods.

3. **PURCHASE OF SERVICES.** Vendor agrees to provide to the Property all of the Services described in the Purchase Order by the date specified on the Purchase Order or, if none, in accordance with the service schedule otherwise specified in the Purchase Order. The Services will be performed in strict accordance with a schedule agreed to by Brookdale and to the satisfaction of Brookdale in a good and workmanlike manner using new materials of a good quality, all in accordance with the plans and specifications contained in the Purchase Order and in compliance with current industry standards and practices and all applicable legal requirements. Vendor, at its expense, shall promptly correct any work that does not satisfy the performance standards set forth in this Section, and shall promptly repair any damage caused by the performance of the Services. Unless otherwise agreed in the Purchase Order, all tools, equipment, plans, blueprints or material of every description furnished to Vendor by Brookdale, or specifically paid for by Brookdale shall be and remain the personal property of Brookdale. Vendor, at its own expense, shall maintain and redeliver to Brookdale when required the personal property described in the foregoing sentence in the same condition as original received by Vendor, reasonable wear and tear excepted. Vendor shall leave the work area broom clean or its equivalent at the end of each work day.

4. **TIME.** Time is of the essence.

5. **TERMS OF PAYMENT.** Brookdale shall pay Vendor for the Goods and Services in accordance with the payment schedule contained in the Purchase Order. If more than one (1) payment is required, Brookdale may, in its sole discretion, retain up to 10% of the invoice amount until completion of

performance. Brookdale will not be obligated to make any payment until Vendor furnishes to Brookdale, or causes to be furnished by Brookdale, a waiver or waivers of liens as applicable in a form acceptable to Brookdale for the portion of the Goods and Services to which Brookdale's payment relates.

6. **SALES/USE TAX.** To the extent Goods or Services delivered to or provided in a particular state or locality (state, county, city or district) are subject to the sales tax of that locality, the following provisions apply: (i) Vendor will charge Brookdale the sales tax of that locality, but only if Vendor is registered with that state. If Vendor is not registered with that state, Brookdale will be responsible for remitting use tax to the state.

7. **INSURANCE.** If Vendor is required to come onto Brookdale's property in order to supply the Goods or perform the Services, Vendor shall first provide Brookdale with a Certificate of Insurance evidencing that Vendor has the following insurance coverage in place: (i) general liability insurance with limits of at least \$1,000,000 per occurrence, and \$1,000,000 in the aggregate per Project for projects less than \$50,000; and \$2,000,000 in the aggregate per Project for projects greater than \$50,000; (ii) automobile liability insurance with a combined single limit of at least \$1,000,000; (iii) workers compensation insurance with limits that satisfy the state law requirements; and (iv) excess/umbrella coverage with limits of at least \$1,000,000 for a Project of \$1,000,000 or less; and \$3,000,000 for a Project greater than \$1,000,000, or such higher limits as are reasonably required by Brookdale. The Certificate of Insurance must identify the Project and must identify the following as certificate holders and as additional insureds: "Brookdale Senior Living, Inc. and the entity controlled by, under common control with or controlling Brookdale or one of its affiliates if that entity owns or manages the Project and the entity that owns the Project if the Project is managed by any of the foregoing entities and each of their successors and assigns." The Certificate of Insurance must state that the insurance may not be reduced or cancelled without giving Brookdale at least 30 days prior written notice.

8. **WARRANTIES.** Vendor warrants that (i) Vendor has the right and authority to enter into the Purchase Order and provide the Goods and Services; (ii) upon Brookdale's payment for the Goods and Services, Brookdale will have title to the Goods and Services free and clear of all liens and encumbrances of any nature; (iii) the Goods and Services will conform to the requirements, plan and specifications set forth in the Purchase Order; (iv) the Goods and Services will be fit for the purposes for which they were intended as reflected in the Purchase Order; (v) the Goods and Services will be free from defect and faulty workmanship, material or design; (vi) the sale or use of all Goods, alone or in combination with other items, do not infringe any patents, copyrights or trademarks. Vendor assigns all applicable manufacturer warranties for the Good or Services to Brookdale or its affiliate, provided, however, that Vendor shall use its best efforts to assist Brookdale in identifying and enforcing the assigned warranties as requested by Brookdale.

9. **INDEMNIFICATION.** Vendor shall indemnify and hold harmless Brookdale and its subsidiaries and affiliates and their respective officers, directors, partners, employees, agents successors and assigns from and against all liabilities, claims, damages, losses, causes of actions, judgments, mechanics' liens, costs and expenses, including reasonable attorneys' fees, arising out of or resulting from any breach by Vendor of any covenant or warranty in the Purchase Order, or any negligent or willful act or omission by Vendor, its employees, agents or permitted subcontractors.

10. **CANCELLATION.** Brookdale may cancel the Purchase Order: (i) if Vendor is in breach of any covenant or warranty contained in the Purchase Order and Vendor does not cure the breach within 20 days after written notice thereof from Brookdale; (ii) if Vendor is prevented or unreasonably delayed from performing under the Purchase Order casualty or natural disaster, strikes, labor disputes, acts or war or terrorism, civil commotion, acts or delays of governmental authorities or any similar cause beyond Vendor's control; or (iii) for convenience and without cause. Upon cancellation, Vendor shall immediately discontinue production and shipment of undelivered Goods and shall immediately cease all Services. In the event of cancellation under this Section, Vendor shall be entitled to receive payment of the Purchase Order price for those conforming Goods and Services furnished through the date of cancellation.

11. **WAIVER OF LIEN RIGHTS.** Vendor, on its behalf, and on behalf of its materialmen and subcontractors, waives any and all rights for the Goods or Services to be furnished, performed or procured under this Purchase Order.

12. **MISCELLANEOUS.** If any court of competent jurisdiction determines that any portion of one or more of the provisions contained in the Purchase Order is invalid, illegal or unenforceable in any respect, the holding shall not affect the validity or enforceability of any other provisions of the Purchase Order. The failure of either party to enforce any provision of the Purchase Order shall not be a waiver of the provision

or the right of the party thereafter to enforce the provision. Vendor shall pay costs, expenses and reasonable attorneys' fees that may be incurred or paid by Brookdale in enforcing the Purchase Order. Time limits stated in the Purchase Order are of the essence. The Purchase Order inures to the benefit of and is binding upon the parties to the Purchase Order and their successors and assigns. The Purchase Order shall be construed in accordance with the laws of the state in which the Goods or Services are provided. The Purchase Order constitutes the sole and entire agreement between the parties regarding the subject of the Purchase Order. No other representations, understandings, or agreements have been made or relied upon in the making of the Purchase Order, other than those specifically set forth in the Purchase Order. In the event of any conflict between the Purchase Order Terms and Conditions and any valid and unexpired strategic alliance or similar form of master agreement ("MSA") between the parties, the terms and conditions of the MSA shall control. All remedies provided in the Purchase Order are cumulative and not exclusive and are in addition to any other remedies that may be provided in law or equity. If Vendor will have access to any "protected health information" of Brookdale's residents or employees, as that term is defined in the Health Insurance Portability Act of 1996 ("HIPAA"), Vendor shall comply with the HIPAA law and regulations, which will include signing Brookdale's form of Business Associate Agreement.

13. **FACSIMILE AND ELECTRONIC SIGNATURES.** The Purchase Order may be executed in several counter-parts, and each executed counterpart, when taken together, shall be considered an original of the Purchase Order. Any party may execute any such counter-part by facsimile or electronic signature shall be binding on the parties so executing the Purchase Order. In addition, any party executing any counter-party by facsimile or electronic signature shall, upon request, provide counter-parts bearing original signatures to the requesting party.

14. **CERTIFICATION.** If insurance is required under Section 7 above, then this section applies. Vendor agrees to submit to Brookdale or its designee, such documentation as it may reasonably require to assure Vendor's compliance with the insurance requirements of the Purchase Order and compliance with Brookdale's due diligence review of Vendor ("Certification"). Certification is required prior to the commencement of Services under this Purchase Order and annually thereafter. The cost of the Certification shall be paid for by Vendor.