



## The Stratford - MANAGEMENT AGREEMENT 2021.docx

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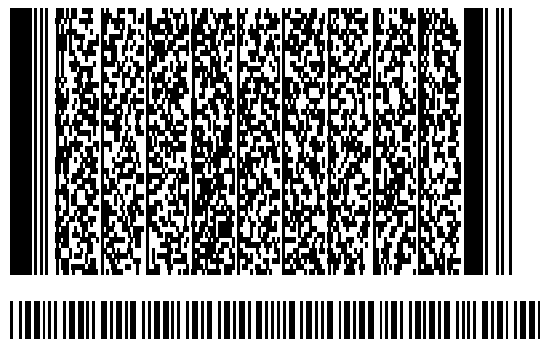
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### E-Signature Summary

#### E-Signature 1: Edward A Frantz (EAF)

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MANAGEMENT AGREEMENT  
(THE STRATFORD)

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**MANAGEMENT AGREEMENT**  
**(The Stratford)**

This Management Agreement (this “Agreement”) is entered into as of the 1st day of August, 2021 (the “Effective Date”), by and between Sunrise Stratford, LP, a Delaware limited partnership (“Owner”), and Sunrise Senior Living Management, Inc., a Virginia corporation (“Manager”).

WITNESSETH:

WHEREAS, Owner is the current declarant under that certain Declaration of Covenants, Conditions and Restrictions Establishing a Plan of Condominium Ownership for The Stratford, San Mateo, California, dated July 29, 1992 and recorded July 31, 1992 as series no. 92122800 (the “Declaration of Covenants”), current easement holder under that certain Declaration Establishing Easements, Covenants and Restrictions Running with the Land for The Stratford, San Mateo, California, dated as of July 29, 1992 and recorded on July 31, 1992 as series no. 92122799 (“Declaration Establishing Easements”) and provider under all of the continuing care residence agreements (“Residence Agreements”) at The Stratford, San Mateo, California (the “Facility”), a continuing care retirement community.

WHEREAS, Owner desires to engage the overall management and operation services of Manager to manage and perform Owner’s responsibilities under the Declaration of Covenants, Declaration Establishing Easements, and Residence Agreements as an independent contractor upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Appointment and Designation of Duties; Relationship. Owner engages Manager as an independent contractor for the management and performance of Owner’s responsibilities under the Declaration of Covenants, Declaration Establishing Easements, and Residence Agreements and Manager accepts the appointment, subject to the terms and conditions set forth in this Agreement. Owner hereby licenses to Manager all of its access and other rights under the Declaration of Covenants and Declaration Establishing Easements so as to allow Manager to perform its duties under this Agreement, such license to terminate upon the expiration or earlier termination of this Agreement. Manager is an independent contractor, and nothing in this Agreement or in the relationship of Owner and Manager shall constitute a partnership, joint venture, agency or any other similar relationship.

2. Management Standards. Manager shall perform its duties hereunder in a manner consistent with the standards of practice followed by managers of facilities of similar type and quality in the field of continuing care retirement communities. Manager will at all times act in good faith and in a commercially reasonable manner with respect to the proper protection of and accounting for Owner’s assets.

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3. Non-Discrimination. In the performance of its obligations under this Agreement, Manager will comply with provisions of any federal, state or local law prohibiting discrimination against persons on grounds of race, color, creed, sex, handicap or national origin, including Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063 and all regulations implementing those laws.

4. Manager's Compensation.

a. Manager will be compensated for its services under this Agreement by a monthly base fee (the "Management Fee") in the amount of seven and one-tenth percent (7.1%) of monthly Gross Revenues (hereinafter defined) of the Facility and will be payable out of the Facility's cash flow for the performance of its duties hereunder. The Management Fee will be payable on the tenth (10th) day of each month (the "Payment Date"), calculated based on the current month's Gross Revenues.

b. For the purposes of determining the Management Fee, "Gross Revenues" for any period shall be determined on the basis of all revenues and income of any kind derived directly *or* indirectly from the Facility during such period (including rental or other payment from concessionaires, licensees, tenants, residents, and other users of the Facility, but excluding therefrom all bequests, gifts, or similar donations), as determined in accordance with generally accepted accounting principles consistently applied, excluding, however:

- (1) federal, state, and municipal excise, sales, and use taxes collected directly from residents or others;
- (2) proceeds of any insurance claims (other than receipts under business interruption policies to the extent not duplicative of rental or other payments from concessionaires, licensees, tenants, residents and other users of the Facility);
- (3) the proceeds arising from the sale or other disposition of capital assets;
- (4) any reversal or accrual of any contingency or tax reserve; and
- (5) the proceeds of any refinancing activity on the Facility.

5. Facility Expenses.

a. The term "Facility Expenses" means those costs and expenses that are (i) directly related to the operating costs and staffing of the Facility, and (ii) either (A) set forth in an approved budget, (B) otherwise approved by Owner or by arbitration or (C) otherwise permitted to be expended by Manager pursuant to this Agreement without Owner's approval, which expenses and payment of expenses shall be administered by Manager from the Facility's Gross Revenues, including, without limitation:

- (1) Costs of inventory and supplies used in the operation of the Facility;



(2) Costs payable to prevent, cure, or correct any violation of federal, state, or municipal laws, ordinances, regulations, restrictive covenants, or orders or the rules of the applicable Board of Fire Underwriters with respect to the leasing, use, repair or maintenance of the Facility and any expense incurred in order to obtain or maintain any operating permits or licenses, including any registration fees and expenses and legal fees associated therewith;

(3) Costs payable to make repairs and perform all maintenance and preventative maintenance and other routine property maintenance and upkeep services with respect to the Facility;

(4) Costs payable for the collection of delinquent monthly fees collected through an attorney or collection agency and other costs required in connection with the enforcement of any Continuing Care Residence Agreement with respect to the Facility (including, without limitation, legal fees, actual disbursements and moving and storage expenses for FF&E and personal property of residents);

(5) Costs payable under service contracts to which Owner or Manager is a party with respect to the Facility;

(6) Costs and fees payable to third parties for auditing, tax preparation and accounting services with respect to the Facility, and reasonable attorneys' fees incurred with respect to the auditing, tax preparation, accounting or other commercial needs of the Facility;

(7) Costs and fees of audit, legal, technical and other independent professionals or other third parties who are retained by Manager to perform services required or permitted hereunder;

(8) Costs incurred by Manager for all personnel employed at the Facility or whose services are entirely allocable to the Facility, and for those personnel employed in part at the Facility and in part at other facilities, a reasonable share of costs of such personnel such costs to include salary and wages, training programs, hiring expenses, payroll taxes, workers' compensation, bonus compensation, incentive compensation, retirement plan payments, travel expenses and other benefits payable (including, for example, health insurance, dental insurance, life insurance and disability insurance) to such personnel;

(9) Costs payable to third parties for printed forms and supplies required for use at the Facility;

(10) Costs of all utilities serving the Facility;

(11) Costs payable to third parties for printed checks and bank accounts maintained by Owner or Manager in accordance with this Agreement with respect to the Facility;

(12) To the extent required to be carried by Manager pursuant to the terms of this Agreement, costs of insurance at the Facility which include: insurance premiums; deductibles and self-insured retentions; the ultimate costs of self-insured losses; claims administration costs; risk management costs; and other program costs including without limitation, premium taxes, fronting fees, state workers' compensation self-insurance and their



respective assessments, extended reporting period (i.e., tail), collateral fees surety bonds supporting legal fees, actuary and auditing fees, and broker fees

(13) All costs and expenses of all litigation, uninsured or under-insured claims, any settlements of any of the same, all costs and expenses of compliance of and to cure any deficiencies or non-compliance with legal requirements;

(14) The Management Fee;

(15) Any costs relating to Manager's compliance with a Facility Mortgage;

(16) Costs incurred by Manager for electronic data processing equipment, systems, software or services used at the Facility;

(17) Costs for implementation and licensing of Sunrise Care Connect or comparable billing and care software; and

(18) Costs for emergency expenditures, including related to any force majeure events.

b. Also included as a Facility Expense is a proportionate share of those expenses for goods or services partially relating to the Facility and to other facilities in Manager's system. If any of the Facility Expenses are shared with other senior housing facilities managed by Manager or its affiliates, whether owned by Owner's affiliates or other parties, Manager shall provide Owner with an analysis of the formula and methodology employed by Manager in allocating such Facility Expenses, including a breakdown of corporate overhead costs associated with any such Facility Expense, and methodology for allocating such Facility Expenses among the applicable senior housing facilities.

c. Facility Expenses shall not include costs incurred by Manager in the marketing and sale of condominium units at the Facility.

6. Transfers to Laurel Avenue Trust. On an annual basis, Manager shall remit to the Laurel Avenue Trust an amount equal to the Gross Revenues as defined in Section 4.b, less Facility Expenses as defined in Section 5, but excluding bad debts. In the event that the Facility Expenses (excluding bad debts) exceed the Gross Revenues in any year, Manager may use Laurel Avenue Trust funds to cover the deficit.

## 7. Term of Agreement.

a. Term and Extensions: The term of this Agreement (the "Initial Term") shall be for a period of five (5) years from the Effective Date. Provided such party is not then in default hereunder, each party shall have and is hereby granted two (2) options (each, an "Extension Option") to extend this Agreement for an additional five (5) years each (each, an "Extension Term") at management fees as negotiated by the parties. Either party may exercise each such five (5) year option by giving written notice to the other party at least sixty (60) days prior the expiration of the Initial Term (with respect to the first Extension Option) or of the first



Extended Term (with respect to the second Extension Option). If neither party provides such written notice, this Agreement shall be deemed to extend beyond the Initial Term or the first Extended Term, as applicable, on a month-to-month basis unless and until either party provides notice to the other party of termination to take effect at the end of the month then in effect.

b. Termination at Will: Notwithstanding Section 7.a and in addition to Section 8.b, Manager may terminate this Agreement at will and without cause at any time by providing written notice to Owner.

8. Termination Rights.

a. Termination by the Owner: If at any time or from time to time during the term of this Agreement any of the following events shall occur and not be remedied within the applicable period of time herein specified, namely:

(1) Manager shall apply for or consent to the appointment of a receiver, trustee, or liquidator of Manager of all or a substantial part of its assets, file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating Manager as bankrupt or insolvent or approving a petition seeking reorganization of Manager or appointing a receiver, trustee, or liquidator of Manager or of all or substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days; or

(2) Manager shall fail to keep, observe, or perform any material covenant, agreement, term or provision of this Agreement to be kept, observed, or performed by Manager, and such default shall continue for a period of ninety (90) days after written notice thereof by Owner to Manager (provided that if during such ninety (90) day cure period Manager is diligently trying to cure such default and such default is not cured at the end of such ninety (90) day period, Manager shall have an additional ninety (90) days to cure such default provided that Manager is diligently trying to cure such default during such additional ninety (90) day period); then in case of any such event and upon the expiration of the period of grace applicable thereto, the term of this Agreement shall expire, subject to any requirements of California law to the contrary, at Owner's option and upon thirty (30) days written notice to Manager.

b. Termination by Manager: If at any time or from time to time during the term of this Agreement any of the following events shall occur and not be remedied within the applicable period of time herein specified, namely:

(1) Owner shall fail to keep, observe, or perform any material non-monetary covenants, agreement, term or provision of this Agreement to be kept, observed, or performed by Owner and such default shall continue for a period of ninety (90) days after written notice thereof by Manager to Owner (notwithstanding the foregoing, if during the ninety (90) day cure period Owner is diligently trying to cure a non-monetary default and such non-monetary default is not cured at the end of such ninety (90) day period, Owner shall have an



additional ninety (90) days to cure such non-monetary default provided that Owner is diligently trying to cure such non-monetary default during such additional ninety (90) day period); or

(2) Owner shall fail to keep, observe, or perform any monetary covenants, agreement, term or provision of this Agreement to be kept, observed, or performed by Owner and such default shall continue for a period of fifteen (15) days after written notice thereof by Manager to Owner; or

(3) Owner shall apply for or consent to the appointment of a receiver, trustee, or liquidator of Owner or of all or a substantial part of its assets, file a voluntary petition in bankruptcy or admit in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, file a petition or may answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by a court of competent jurisdiction, on the application of a creditor, adjudicating Owner bankrupt or appointing a receiver, trustee, or liquidator of Owner with respect to all or substantial part of the assets of Owner, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days; then in case of any such event and upon the expiration of the period of grace applicable thereto, the term of this Agreement shall expire, subject to any requirements of California law to the contrary, at Manager's option and upon thirty (30) days written notice to Owner.

c. Surviving Rights Upon Termination.

(1) If either party exercises its option to terminate pursuant to Section 7.b or this Section 8, each party shall forthwith account for and pay to the other all sums due and owing pursuant to the terms of this Agreement. Without limiting the generality of the foregoing, upon any termination of this Agreement, Owner shall be obligated fully and immediately to pay to Manager all accrued and unpaid Management Fees and reimbursable expenses of Manager, together with all accrued and unpaid interest thereon. All other rights and obligations of the parties under this Agreement shall terminate (except as set forth in Section 8(c)(2) below).

(2) Upon the expiration of the Initial Term, Extended Term, or earlier termination of this Agreement, Manager shall immediately deliver to Owner all books, records, files, contracts, and other documents relating to the performance of services, and all security deposits and other funds in Manager's possession which belong to Owner or have been received by Manager with regard to the Facility; assign, transfer, or convey to Owner all service contracts and personal property relating to or used in the operation and maintenance of the Facility, except any personal property which was paid for and is owned by Manager; and deliver to Owner a written inventory of all office machines and equipment and other personal property used in Manager's on-site office within the Facility, if any, and indicate in such inventory those items which are owned by Owner and those which are owned by Manager. Within forty-five (45) days after such expiration or termination of this Agreement, Manager shall deliver to Owner a final accounting reflecting the balance of income and expenses as of the date of expiration or termination. Manager shall, at its cost, remove all signs that it placed at the Facility indicating that it is Manager of same and restore all damage resulting therefrom. Manager shall also, for a period of sixty (60)'days after such expiration or termination, make itself available to consult





with and advise Owner regarding the operation and maintenance of the Facility. Owner shall compensate Manager for all fees earned hereunder through the end of the Term or earlier termination of this Agreement promptly following delivery of the items called for in this Section 8(c)(2).

9. Entire Agreement. This Agreement constitutes the entire agreement between Owner and Manager with respect to Manager's duties as described herein.

10. Authority. Both parties covenant and warrant that they are fully authorized to enter into this Agreement and that, to the best of their knowledge, nothing herein violates any covenant, restriction or agreement with a third party or a related entity to which they are subject.

11. Indemnification.

a. Indemnification of Owner by Manager. Manager shall indemnify and hold Owner and its respective officers, directors, employees and affiliates harmless from any and all claims, losses, judgments, damages, expenses and liabilities whatsoever incurred by Owner and its respective officers, directors, employees and affiliates, including reasonable attorneys' fees, arising out of Manager's material breach of this Agreement or any third party claims which are caused in whole or in part by any grossly negligent act or willful acts or omission of Manager in connection with the performance of its duties under this Agreement. Manager's obligations under this Section 11.a shall survive termination of this Agreement.

b. Indemnification of Manager by Owner. Except for Manager's grossly negligent or willful acts or omissions, Owner shall indemnify, defend and hold Manager, its directors, officers, agents, servants and employees harmless from and against any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs, to which Manager may become liable or subject by reason of or arising out of Owner's breach of this Agreement, the performance or non-performance of Owner's duties and activities within the scope of this Agreement, or arising from any action or activity on, or the condition of the Facility. The provisions of this Section 11.b shall survive the termination or expiration of this Agreement.

c. Control of Defense of Indemnifiable Claims. A party obligated to provide indemnity under Sections 11.a or 11.b above will be referred to as an "Indemnitor" and the party seeking indemnity under Sections 11.a or 11.b above will be referred to as an "Indemnitee." As a condition of being entitled to indemnity under Sections 11.a or 11.b, the Indemnitee must promptly notify the Indemnitor of any demand or claim or other communication received by the Indemnitee from the claimant and must afford the opportunity to the Indemnitor to assume the defense of the indemnified claim. Failure of Indemnitee to give such prompt notice shall not relieve Indemnitor of its indemnification obligation, provided that such indemnification obligation shall be reduced by any damages suffered by Indemnitor resulting from a failure by Indemnitee to give prompt notice hereunder. If the Indemnitor agrees to assume the defense of the indemnified claim, the Indemnitee, will not litigate or settle the indemnified claim without the consent of the Indemnitor, and the Indemnitor will be obligated to pay all amounts that are ultimately required to be paid to dispose of the indemnified claim. If the Indemnitor does not agree to assume the defense of the indemnified claim, the Indemnitee may choose to litigate or



settle the indemnified claim in its sole discretion, and any disposition of the indemnified claim, including a settlement between the Indemnitee and the claimant reached in good faith, will be binding upon the Indemnitor, and the Indemnitor will be obligated to pay all amounts that are ultimately required to be paid to dispose of the indemnified claim,1.

12. Warranties of Manager. Manager makes the following representations, warranties and covenants to Owner, all of which shall survive execution, delivery, performance or termination of this Agreement:

a. Manager is duly organized, is validly existing, and in good standing under the laws of the state of its incorporation, and has complied with all applicable laws in order to conduct business in the state where Facility is located and where the services are to be performed. Manager has all power and authority required to execute, deliver, and perform this Agreement;

b. The execution, delivery, and performance of this Agreement have been duly authorized by all necessary action on the part of Manager; and

c. Manager has or will obtain all licenses and permits necessary to legally and validly execute, deliver, and perform its obligations under this Agreement.

13. Assignments.

a. Assignments by Manager. This Agreement and all rights and obligations hereunder shall not be assignable by the Manager without the written consent of the Owner.

b. Assignment by Owner. This Agreement and all rights and obligations hereunder shall not be assignable by Owner without the written consent of Manager.

14. Notices. All notices required hereunder shall be in writing and sent by (a) United States Mail, certified, postage prepaid (b) a nationally recognized overnight courier service providing a receipt (such as Federal Express), (c) hand or (d) facsimile addressed as follows (or to such other address as may be designated by any party by notice to the other):

a. To Owner at:

c/o The Stratford  
601 Laurel Avenue  
San Mateo, CA 94401  
Attention: Executive Director  
Facsimile: (650) 375-1392

b. To Manager at:

Sunrise Senior Living Management, Inc.  
7902 Westpark Drive  
McLean, VA 22102



Attention: General Counsel  
Facsimile: (703) 744-1601

Notices shall be deemed given when received by the recipient of such notice.

15. Counterparts; Headings. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but which, when taken together, shall constitute but one instrument and shall become effective as of the Effective Date when copies hereof, which, when taken together, bear the signatures of each of the parties hereto shall have been signed. Headings in this Agreement are for purposes of reference only and shall not limit or affect the meaning of the provisions hereof.

16. Waivers; Amendments. Any waiver of any term or condition of this Agreement, or of the breach of any covenant, representation or warranty contained herein in any one instance shall not operate as or be deemed to be or construed as a further or continuing waiver of any other breach of such term, condition, covenant, representation or warranty or any other term, condition, covenant, representation or warranty, nor shall any failure at any time or times to enforce or require performance of any provision hereof operate as a waiver of or affect in any manner such party's right at a later time to enforce or require performance of such provision or any other provision hereof. This Agreement may not be amended nor shall any waiver, change, modification, consent or discharge be effected, except by an instrument in writing executed by Manager and Owner.

17. Successors and Assigns; Third Party Beneficiaries. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement is not intended and shall not be construed to create any rights in or to be enforceable in any part by any other persons, including residents under the Residence Agreements.

18. Severability. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflict of any provision with any constitution, statute, regulation (including any regulation promulgated by the California Department of Social Services), or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute, regulation (including any regulation promulgated by the California Department of Social Services), or rule of public policy, but this Agreement shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative or unenforceable provision had never been contained herein and such provision reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case.

19. Governing Law; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the State of California. EACH PARTY HEREBY




WAIVES, IRREVOCABLY AND UNCONDITIONALLY, TRIAL BY JURY IN ANY ACTION BROUGHT ON, UNDER OR BY VIRTUE OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY CLAIMS, DEFENSES, RIGHTS OF SET-OFF OR OTHER ACTIONS PERTAINING TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto (by their duly authorized officers) have executed this Management Agreement as of the Effective Date.

**OWNER:**

**SUNRISE STRATFORD, LP,**  
a Delaware limited partnership

By: Sunrise Stratford GP, LLC  
a Delaware limited liability company,  
its general partner

By:   
Edward Frantz  
Vice President and Secretary

**MANAGER:**

**SUNRISE SENIOR LIVING MANAGEMENT,  
INC.,**  
a Virginia corporation

By:   
Edward Frantz  
Vice President and Secretary

