

**ASSIGNMENT AND ASSUMPTION OF  
AND AMENDMENT TO ESCROW AGREEMENT**

**THIS ASSIGNMENT AND ASSUMPTION OF AND AMENDMENT TO ESCROW AGREEMENT** (this “Agreement”) is made this 20th day of November, 2018, to be effective as of November 20, 2018 (the “Effective Date”), by and between Essex Meadows Properties, Inc., an Iowa corporation (“Assignor”), LCS Essex Meadows LLC, an Iowa limited liability company (“Assignee”), and U.S. Bank National Association, a national banking association organized under the laws of the United States, as escrow agent (“Escrow Agent”).

**RECITALS:**

**WHEREAS**, Assignor and Escrow Agent are parties to that certain Operating Reserve Escrow Agreement for Essex Meadows dated as of February 5, 2005, as amended by Amendment No. 1 dated September 1, 2010, and by Amendment No. 2 dated December 29, 2016 (collectively, the “Escrow Agreement”), which provides for the deposit by Assignor of (1) all principal and interest, rental, or lease payments due during the next twelve (12) months on account of any first mortgage loan or other long-term financing, and (2) the total cost of operations of Essex Meadows for a one-month period, excluding debt service, rental or lease payments, and capital expenditures, relating to that certain continuing care retirement community located in Essex, Connecticut, commonly known as Essex Meadows (the “CCRC”), into the Operating Reserve Escrow Account (as defined in the Escrow Agreement), as more particularly described in the Escrow Agreement.

**WHEREAS**, as of November 20, 2018, Assignee purchased the CCRC from Assignor pursuant to the terms of that certain Asset Purchase Agreement, dated as of December 29, 2017, and the other transaction documents entered into in connection therewith, each by and between Assignor and Assignee and the other parties named therein (the “Transaction”).

**WHEREAS**, in connection with the Transaction, Assignor has agreed to assign to Assignee all of Assignor’s right, title and interest to the Escrow Agreement and all funds held thereunder by the Escrow Agent as of the Effective Date, and Assignee has agreed to assume all of Assignor’s obligations and liabilities arising under the Escrow Agreement after the Effective Date, all as set forth herein.

**WHEREAS**, Assignor, Assignee and the Escrow Agent have agreed to amend certain provisions of the Escrow Agreement, all as set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Recitals set forth above are true and correct and are incorporated by this reference.
2. Effective as of the Effective Date, Assignor does hereby sell, assign, transfer and set over to Assignee all of Assignor’s right, title and interest to the Escrow Agreement and all funds held thereunder by the Escrow Agent. Assignee as Provider will pay Escrow Agent its usual and customary fee for service as Escrow Agent. Presently, such fees are shown in **Schedule 2** attached hereto. Such fees may be amended from time to time upon mutual agreement between the parties. The current escrow fee is \$2,500 for one escrow agreement between Escrow Agent and Assignee as Provider, and \$500 for each additional escrow agreement between Escrow Agent and Assignee as Provider, regardless of the number of individual accounts covered by any escrow agreement.

3. Assignor hereby represents that attached hereto as Exhibit A is a true, correct and complete copy of the Escrow Agreement, as in effect as of the date hereof. Assignor further represents that as of the Effective Date, no default by Assignor has occurred that would require payment under the Escrow Agreement.

4. Effective as of the Effective Date, Assignee does hereby accept the foregoing assignment from Assignor and does hereby assume and agree to pay, discharge and perform, as and when due, all of the obligations and liabilities of Assignor arising under the Escrow Agreement after the Effective Date and which do not result from a default by Assignor prior to the Effective Date.

5. The indemnity obligation of Assignor under the Escrow Agreement with respect to matters arising prior to the Effective Date shall survive the Effective Date and this Agreement.

6. Effective as of the Effective Date, all references in the Escrow Agreement to "Essex Meadows Properties, Inc." shall be replaced with "LCS Essex Meadows LLC" for all purposes.

7. Effective as of the Effective Date, the address of Provider set forth in Section 14 of the Escrow Agreement is hereby deleted and replaced with the following for all purposes:

"If to Provider:

LCS Essex Meadows LLC  
c/o LCS  
400 Locust Street, Suite 820  
Des Moines, Iowa 50309  
Attn: Michael Broderick  
Telephone: (515) 875-4530  
Facsimile No.: (515) 875-4780  
Email: [broderickmichael@lcsnet.com](mailto:broderickmichael@lcsnet.com)"

8. Assignor and Assignee hereby represent to Escrow Agent that all Connecticut regulatory approvals necessary for the effectiveness of this Agreement have been obtained and any required notices to all Connecticut regulatory bodies have been given.

9. Except as specifically provided in this Agreement, all of the terms, conditions and provisions of the Escrow Agreement shall remain in full force and effect. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Escrow Agreement, the terms of this Agreement shall prevail.

10. The provisions of this Agreement shall be binding on and inure to the benefit of Assignor, Assignee and Escrow Agent and their respective successors and assigns.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

12. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic transmission shall be effective to the fullest extent permitted by applicable law.

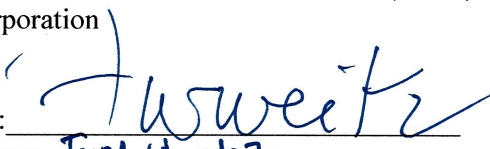
**IN WITNESS WHEREOF**, the parties hereto have entered into this Agreement the day and year first above written, to be effective as of the Effective Date.

**ASSIGNOR:**

**ASSIGNEE:**

ESSEX MEADOWS PROPERTIES, INC., an Iowa corporation

LCS ESSEX MEADOWS LLC, an Iowa limited liability company

By: 

By: \_\_\_\_\_

Name: Fred W. Weitz

Name: \_\_\_\_\_

Its: Chairman and CEO

Its: \_\_\_\_\_

**Consent to Assignment and Assumption of and Amendment to Escrow Agreement**

Pursuant to the terms of the Escrow Agreement and this Agreement, the undersigned, as the Escrow Agent under the Escrow Agreement, as of the Effective Date, hereby (a) agrees that this Agreement shall constitute written notice of the assignment of the rights and obligations of Assignor under the Escrow Agreement to Assignee; (b) consents and agrees to the terms of this Agreement and the assignment of the rights and obligations of Assignor under the Escrow Agreement to Assignee, as set forth herein, and (c) agrees to the amendments to the Escrow Agreement set forth in Sections 6 and 7 of this Agreement.

**ESCROW AGENT:**

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto have entered into this Agreement the day and year first above written, to be effective as of the Effective Date.

**ASSIGNOR:**

**ESSEX MEADOWS PROPERTIES, INC.**,  
an Iowa corporation

\_\_\_\_\_  
By: Fred W. Weitz  
Its: Chief Executive Officer

**ASSIGNEE:**

**LCS ESSEX MEADOWS LLC**,  
a Delaware limited liability company

By: **LCS SHIP Venture I, LLC**,  
a Delaware limited liability  
company  
Its: Sole Member

By: **LCS SHIP Sponsor Member I, LLC**,  
an Iowa limited liability company  
Its: Managing Member

By:   
Joel D. Nelson, President and CEO

**Consent to Assignment and Assumption of and Amendment to Escrow Agreement**

Pursuant to the terms of the Escrow Agreement and this Agreement, the undersigned, as the Escrow Agent under the Escrow Agreement, as of the Effective Date, hereby (a) agrees that this Agreement shall constitute written notice of the assignment of the rights and obligations of Assignor under the Escrow Agreement to Assignee; (b) consents and agrees to the terms of this Agreement and the assignment of the rights and obligations of Assignor under the Escrow Agreement to Assignee, as set forth herein, and (c) agrees to the amendments to the Escrow Agreement set forth in Sections 6 and 7 of this Agreement.

**ESCROW AGENT:**

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto have entered into this Agreement the day and year first above written, to be effective as of the Effective Date.

**ASSIGNOR:**

**ESSEX MEADOWS PROPERTIES, INC.**,  
an Iowa corporation

\_\_\_\_\_  
By: Fred W. Weitz  
Its: Chief Executive Officer

**ASSIGNEE:**

**LCS ESSEX MEADOWS LLC**,  
a Delaware limited liability company

By: **LCS SHIP Venture I, LLC**,  
a Delaware limited liability  
company  
Its: Sole Member

By: **LCS SHIP Sponsor Member I, LLC**,  
an Iowa limited liability company  
Its: Managing Member


By:   
Joel D. Nelson, President and CEO

**Consent to Assignment and Assumption of and Amendment to Escrow Agreement**

Pursuant to the terms of the Escrow Agreement and this Agreement, the undersigned, as the Escrow Agent under the Escrow Agreement, as of the Effective Date, hereby (a) agrees that this Agreement shall constitute written notice of the assignment of the rights and obligations of Assignor under the Escrow Agreement to Assignee; (b) consents and agrees to the terms of this Agreement and the assignment of the rights and obligations of Assignor under the Escrow Agreement to Assignee, as set forth herein, and (c) agrees to the amendments to the Escrow Agreement set forth in Sections 6 and 7 of this Agreement.

**ESCROW AGENT:**

U.S. BANK NATIONAL ASSOCIATION

By:   
Name: PAULA STARR  
Its: Assistant Vice President

*(Signature Page to Assignment and Assumption of  
and Amendment to Operating Reserve Escrow Agreement)*

**EXHIBIT A**  
**ESCROW AGREEMENT**

*(See attached.)*

**AMENDMENT NO. 2  
TO  
OPERATING RESERVE ESCROW AGREEMENT  
FOR  
ESSEX MEADOWS**

This Amendment No. 2 to Operating Reserve Escrow Agreement is effective as of December 29, 2016 and is made by and between **Essex Meadows Properties, Inc.**, an Iowa Corporation (the "Provider"), and **U.S. Bank National Association** (the "Escrow Agent").

**WHEREAS**, the parties hereto agree to amend the terms of the Operating Reserve Escrow Agreement which was effective as of February 5, 2005 and which was amended effective as of September 1, 2010 (collectively, the "Escrow Agreement") as set forth below:


1. Paragraph 3 ("Investments") of the Escrow Agreement is deleted in its entirety and replaced with the following:

3. **Investments.** The Provider will provide written investment instructions to the Escrow Agent of the funds held in the Operating Reserve Escrow Account. Escrow Agent shall invest the funds held by it in the Operating Reserve Escrow Account from time to time pursuant to the Provider's written instructions, and the Escrow Agent may conclusively assume, without inquiry or investigation, that any directed investment is lawful. The Escrow Agent shall have no liability to any party on account of investment of funds in accordance with this Agreement provided, however, that the Escrow Agent shall be liable for its own gross negligence or willful misconduct with regard to the Escrow Agent's failure to comply with an investment direction of the Provider.

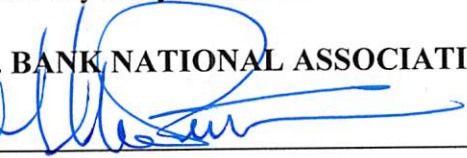
2. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment No. 2 to Operating Reserve Escrow Agreement to be effective on the day and year first above written.

**ESSEX MEADOWS PROPERTIES, INC.**

By:   
Its Lisa D. Grieve  
Title Vice President, Secretary, Treasurer

**U.S. BANK NATIONAL ASSOCIATION**

By:   
Its Glenda Peterson  
Title Vice President

**AMENDMENT NO. 1  
TO  
OPERATING RESERVE ESCROW AGREEMENT  
FOR  
ESSEX MEADOWS**

This Amendment No. 1 to Operating Reserve Escrow Agreement is effective as of September 1, 2010 and is made by and between **Essex Meadows Properties, Inc.**, an Iowa Corporation (the "Provider"), and **U.S. Bank National Association** (f/k/a Wachovia Bank, National Association) (the "Escrow Agent").

**WHEREAS**, the parties hereto agree to amend the terms of the Operating Reserve Escrow Agreement which was effective as of February 5, 2005 as set forth below:

1. Paragraph 3 ("Investments") of the Operating Reserve Escrow Agreement is deleted in its entirety and replaced with the following:

3. **Investments.** The Provider has entered into an agreement with PNC Institutional Investments to provide investment instructions to the Escrow Agent of the funds held in the Operating Reserve Escrow Account. The Escrow Agent shall invest all amounts held by it from time to time in such obligations of the United States or its agencies (or in shares of a registered investment company which holds a portfolio of such securities) or such certificates of deposit, savings accounts, or other savings or investment securities as PNC Institutional Investments may direct in writing.

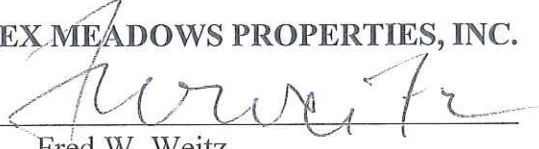
2. Paragraph 14 ("Notices to the Parties") is amended to include the revised address and telephone number of the Escrow Agent:

**If to the Escrow Agent:**  
U.S. Bank National Association  
Attn: Corporate Trust Group  
150 Fourth Avenue North – 2<sup>nd</sup> Floor  
Nashville, TN 37203  
Telephone: (615) 251-0717  
Facsimile: (615) 251-0737

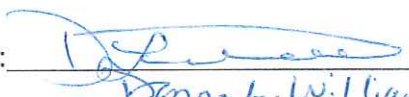
3. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment No. 1 to Operating Reserve Escrow Agreement to be effective on the day and year first above written.

**ESSEX MEADOWS PROPERTIES, INC.**

By:   
Its Fred W. Weitz  
Title President

**U.S. BANK NATIONAL ASSOCIATION**

By:   
Its Donna L. Williams  
Title V.P.



**OPERATING RESERVE ESCROW AGREEMENT  
FOR  
ESSEX MEADOWS**

This Operating Reserve Escrow Agreement, effective as of February 5, 2005, is made by and between ESSEX MEADOWS PROPERTIES, INC., an Iowa corporation (the "Provider"), and WACHOVIA BANK, NATIONAL ASSOCIATION (the "Escrow Agent").

**RECITALS:**

**WHEREAS**, the Provider is the sponsor of a life-care retirement community ("Essex Meadows") located in Essex, Connecticut, and as such is a "Provider" within the meaning of Section 17b-520(d) of Title 17B, Chapter 319HH of the Connecticut General Statutes (the "Statutes"); and

**WHEREAS**, in order to comply with Section 17b-525 of the Statutes and to protect residents of Essex Meadows, the parties desire to enter into this Operating Reserve Escrow Agreement (the "Agreement") setting forth the terms under which certain deposits will be made with the Escrow Agent for the purpose of maintaining a reserve fund in compliance with the Statutes.

**WHEREAS**, the Connecticut Department of Social Services has been notified of the change in Escrow Agent and will be provided with an executed copy of this Agreement.

**NOW THEREFORE**, in consideration of these premises and the mutual covenants herein set forth, the parties agree as follows:

1. **Deposits.** Pursuant to Section 17b-525(a) of the Statutes, the Provider is required to establish and maintain a reserve fund escrow account (the "Operating Reserve Escrow Account") sufficient to cover: (1) all principal and interest, rental or lease payments due during the next twelve (12) months on account of any first mortgage loan or other long-term financing, and (2) the total cost of operations of Essex Meadows for a one month period, excluding debt service, rental or lease payments, and capital expenditures. Essex Meadows has no debt on account of any first mortgage loan or long-term financing and therefore the Operating Reserve Escrow Account required by the Statutes is equal to one month's operating costs of Essex Meadows. The Provider will certify to the Escrow Agent the amount required to be maintained in the Operating Reserve Escrow Account, and shall deposit with the Escrow Agent the amount necessary to insure that the total funds held in the Operating Reserve Escrow Account will equal the reserve fund escrow requirements of Section 17b-525(a) of the Statutes.

2. **Escrow Account.** The Escrow Agent shall maintain all such deposits made to the Operating Reserve Escrow Account separate and apart from any other funds of the Provider or the residents.

3. **Investments.** The Provider has entered into an agreement with Ziegler Investment Services Group to provide investment instructions to the Escrow Agent of the funds held in the Operating Reserve Escrow Account. The Escrow Agent shall invest all amounts held by it from time to time in such obligations of the United States or its agencies (or in shares of a registered investment company which holds a portfolio of such securities) or such certificates of deposit, savings accounts, or other savings or investment securities as Ziegler Investment Services Group may direct in writing.

4. **Reports.** The Escrow Agent agrees, upon the request of Provider, to issue a statement indicating the status of the Operating Reserve Escrow Account maintained by the Escrow Agent pursuant to this Agreement. In any event, the Escrow Agent agrees to provide monthly reports to the Provider, which shall include a summary of all additions to and disbursements from the Operating Reserve Escrow Account during the current period, and a detail of the investments comprising the balance in the Operating Reserve Escrow Account as of the end of the current period.

5. **Disbursements.** The Escrow Agent shall release any amounts then held by it pursuant to this Agreement in accordance with the following terms:

5.1 Upon receipt by the Escrow Agent of certification from the Provider that the amount currently required under the Statutes to be maintained in the Operating Reserve Escrow Account is less than the current balance held in the Operating Reserve Escrow Account, and upon confirmation thereof by the Escrow Agent, the Escrow Agent shall distribute to the Provider upon demand an amount equal to such excess.

5.2 Upon written demand of the Provider, the Escrow Agent shall promptly release to the Provider up to one-twelfth (1/12) of the required principal balance of funds held in the Operating Reserve Escrow Account; provided, however, that the Escrow Agent shall not make any release under this Paragraph 5.2 more than once during any calendar month.

5.3 Upon demand of Provider, the Escrow Agent shall release to the Provider such amounts as are authorized for release from time to time by the Connecticut Department of Social Services, or as are otherwise releasable under Connecticut law.

5.4 The Escrow Agent shall release to the Provider any interest or earnings generated from the principal balance of funds.

The Provider agrees and warrants that disbursements from this reserve shall be used only for items related to the operation of Essex Meadows.

6. **Duties.** The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no implied duties or obligations shall be inferred or otherwise imposed upon or against the Escrow Agent. The Escrow Agent may act in reliance upon any writing or instrument under signature which it, in good faith, believes to be genuine; may assume the validity and accuracy of any statement or assertion contained in any such writing or instrument; and may assume that any person purporting to give any writing, notice, advice, or instruction in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the

sufficiency or correctness as to form or manner of execution or validity of any instrument deposited with or delivered to the Escrow Agent hereunder, nor as to the identity, authority, or right of any person executing the same. The duties of the Escrow Agent hereunder shall be limited to the safekeeping of the deposits and other money, instruments, or other documents received by it as Escrow Agent, for its disposition of the same in accordance with the written instruction accepted by it as Escrow Agent, and to otherwise comply with the Statutes and any rules or regulations thereunder, as such may be amended from time to time.

7. **Indemnity.** Provider hereby agrees to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits, or proceedings at law or in equity, or any other expense, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement, unless caused by the Escrow Agent's willful misconduct or gross negligence; and in connection therewith, to indemnify the Escrow Agent against any and all expenses, including attorney's fees and the cost of defending any action, suit, or proceeding or resisting any claim.

8. **Termination.** Either party may terminate this Agreement upon sixty (60) days' written notice thereof to the other party, subject to the appointment of its successor by the Provider within such sixty (60) day period. If a successor escrow agent is not appointed by the Provider within the sixty (60) day period, the Escrow Agent may petition the court to appoint a successor. Upon the appointment of such successor escrow agent, the Escrow Agent agrees to deliver to such successor escrow agent all funds and documents in its possession within sixty (60) days from the date of its notice of termination or resignation, or five (5) business days from the date of appointment of the successor escrow agent, whichever occurs first.

9. **Fees.** The Provider shall pay the Escrow Agent its usual and customary fee for services as Escrow Agent as outlined in a Custodial Agreement entered into between the parties. Such fees may be amended from time to time upon mutual agreement between the parties.

10. **Authorized Persons of the Provider.** Escrow Agent has received a list from the Provider of the individuals authorized to act on the Provider's behalf under the terms of this Agreement. The list contains the name, title, and signature of each authorized person. Whenever a change occurs in authorized persons, the Provider will provide a new list to the Escrow Agent.

11. **Governing Law.** This Agreement shall be construed according to the laws of the State of Connecticut.

12. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

13. **Amendments.** This Agreement may be unilaterally amended by the Provider from time to time; provided, however, that no amendment shall alter the duties of the Escrow Agent without the consent of the Escrow Agent, and no amendment shall alter the covenants of the Provider under the residency agreements between the Provider and the residents of Essex Meadows without the consent of not less than eighty percent (80%) of such residents. Any amendment to this Agreement will be filed with the Connecticut Department of Social Services.

14. **Notices to the Parties.** All notices given to the Provider or to the Escrow Agent pursuant to this Agreement shall be in writing and shall be delivered via facsimile, first class mail, express courier or personal delivery and shall be deemed given on the date received. The address to which any such notices shall be sent are as set forth below, unless a different address is specified in writing by either party after the date hereof:

**If to the Provider:**

Essex Meadows Properties, Inc.  
Attn: Jennifer Rannestad, Executive Director  
30 Bokum Road  
Essex, CT 06426  
Telephone: (860) 767-7201  
Facsimile: (860) 767-0014

**If to the Escrow Agent:**

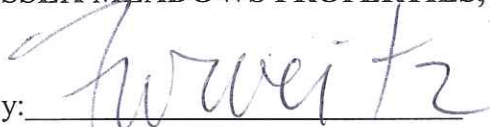
Wachovia Bank, National Association  
Attn: Corporate Trust Group  
230 4<sup>th</sup> Avenue North, 7<sup>th</sup> Floor  
Nashville, TN 37219  
Telephone: (615) 525-2312  
Facsimile: (615) 525-2449

15. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Operating Reserve Escrow Agreement to be effective on the day and year first above written.

**ESSEX MEADOWS PROPERTIES, INC.**

By: \_\_\_\_\_

  
Fred W. Weitz  
President

**WACHOVIA BANK, NATIONAL ASSOCIATION**

By: \_\_\_\_\_

  
Paul Williams  
Vice President

01/11/06  
operating reserve escrow agmt.doc

**ASSIGNMENT OF OPERATING RESERVE ESCROW AGREEMENT**  
**SCHEDULE 2**

**U.S. BANK NATIONAL ASSOCIATION**  
**SCHEDULE OF FEES**  
**ESSEX MEADOW PROPERTIES, INC.**  
**ESCROW SERVICES**

**I. ACCEPTANCE FEE**

**One-time upfront fee - Waived**

Covers review of documents, participation in document conferences, establishing records/accounts, receipt of funds, establishment of procedures and ticklers necessary to perform our duties and monitor the various terms and covenants in the documents.

**II. ESCROW ADMINISTRATION FEE**

**Payable annually in advance - \$2,500 for the first account, \$500 for each additional account**

Maintenance of records in connection with the investments held by the Escrow Agent; monitoring of compliance with the Escrow Agreement provisions; receive, invest, disburse and control the movement of funds; settlement of security purchases and sales as directed.

**III. OUT-OF-POCKET EXPENSES**

All out-of-pocket expenses, including travel expenses, postage, insurance, legal fees, courier expenses and telephone, will be billed at cost.

**IV. ACTIVITY CHARGES (if applicable)**

- |  |                            |
|--|----------------------------|
| • Wire Transfer (Incoming/Outgoing)    | \$25 per wire              |
| • Security Transactions (Buy/Sell)     | \$25 per settlement        |
| • Automatic Cash Investment Management | 25 Basis Points Annualized |
| • (AAA-rated daily money market funds) | (net of income)            |

*To help fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify and record information that identifies each client who opens an account. To this extent, please provide all contact information for parties to the agreement including Tax ID/identification numbers. Our acceptance of this transaction is subject to the review and approval of our New Business Acceptance Committee.*

**This Schedule applies to the Essex Meadows Properties, Inc. Operating Reserve Escrow Agreement, as amended. The applicable Escrow Administration Fee is \$500.**