

## Transition Agreement by and between

UFCW Local 1189 (the "Union" on behalf of Lynnhurst LPN employees, Lynnhurst Service and Maintenance employee, and Linden Service and Maintenance employees) and Monarch Healthcare Management (the "Company"), collectively the "Parties".

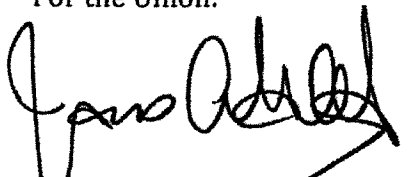
Whereas the parties have a mutual interest in ensuring a smooth transition and labor peace following the acquisition, including minimizing the risk of any grievances, litigation or other disputes regarding their contractual rights and obligation in connection with the acquisition;

**NOW THEREFORE, the Parties agree as follows:**

- 1) The Company has agreed to hire all current employees and honor their existing years of service, and seniority for all purposes outlined in the agreement.
- 2) The Company will assume the Golden Living CBAs with UFCW Local 1189, with modification where necessary to reflect the change in ownership.
- 3) The Company sponsored benefit programs will meet (or exceed) the requirements as set forth in the CBAs.
- 4) The Company agrees to amend the Agreements to allow for employees to use PTO as it accrues along with any PTO awarded through the acquisition ("earned"). Employees will be required to use all available "earned" PTO before using "accrued" PTO. "Accrued" PTO will be deemed "earned" on January 1 following the year the year it was "accrued". Only "earned" PTO is payable upon termination.
- 5) The Company agrees to amend the Agreements guaranteeing that in the event of a future sale, all "earned" PTO benefits will be paid out or transferred to the new entity to ensure no loss of "earned" PTO benefits for the employee.


Signed and dated this 17<sup>th</sup> day of February, 2017.

For the Union:



Jim Gleb, Secretary Treasurer

For the Employer:



Josh Legum, Chief Executive Officer