

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Fountains Senior Living Holdings, LLC		10/26/2009	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	HSH Nordbank AG, New York Branch		
Street Address:	230 Park Avenue		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10169-0005		
Entity Type:	COMPANY: GERMANY		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	2967111	WE'RE CREATING EXTRAORDINARY COMMUNITIES WHERE PEOPLE CHOOSE TO BE.	
Registration Number:	2871243	THE BEST MOVE FOR YOUR LIFE	
Registration Number:	2498086	THE FOUNTAINS	
CORRESPONDENCE DATA			
Fax Number:	(202)682-3580		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	2026823500		
Email:	jrynkiewicz@kayescholer.com		
Correspondent Name:	John P. Rynkiewicz		
Address Line 1:	901 Fifteenth Street, N.W.		
Address Line 2:	Suite 700		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20005		
ATTORNEY DOCKET NUMBER:	28468-0016		

CH \$90.00 2967111

NAME OF SUBMITTER:	John P. Rynkiewicz
Signature:	/john p rynkiewicz/
Date:	10/27/2009
<p>Total Attachments: 17</p> <p>source=HSHfountainsSecInt#page1.tif source=HSHfountainsSecInt#page2.tif source=HSHfountainsSecInt#page3.tif source=HSHfountainsSecInt#page4.tif source=HSHfountainsSecInt#page5.tif source=HSHfountainsSecInt#page6.tif source=HSHfountainsSecInt#page7.tif source=HSHfountainsSecInt#page8.tif source=HSHfountainsSecInt#page9.tif source=HSHfountainsSecInt#page10.tif source=HSHfountainsSecInt#page11.tif source=HSHfountainsSecInt#page12.tif source=HSHfountainsSecInt#page13.tif source=HSHfountainsSecInt#page14.tif source=HSHfountainsSecInt#page15.tif source=HSHfountainsSecInt#page16.tif source=HSHfountainsSecInt#page17.tif</p>	

TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (the “*Security Agreement*”), is made as of October 26, 2009 by and among **FOUNTAINS SENIOR LIVING HOLDINGS, LLC**, a Delaware limited liability company, (f/k/a Sunrise IV Senior Living Holdings, LLC) (the “*Borrower*”) for the benefit of **HSH NORDBANK AG, NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, as Collateral Agent (in such capacity, “*Collateral Agent*”) for the Lenders (as defined in the hereinafter defined Loan Agreement).

RECITALS:

Pursuant to that certain Second Amended and Restated Loan Agreement, dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the “*Loan Agreement*”), among the Loan Parties, Collateral Agent and Lenders, the Lenders have agreed to maintain a loan to Borrower upon the terms and subject to the conditions set forth therein. It is a condition precedent to the obligation of the Lenders to enter into the Loan Agreement that Borrower shall have executed and delivered this Security Agreement to the Collateral Agent.

NOW, THEREFORE, in consideration of the premises and to induce the Lenders to enter into the Loan Agreement and to induce the Lenders to maintain the Loan to the Borrower, Borrower hereby agrees with Collateral Agent as follows:

1. Defined Terms. (a) Unless otherwise defined herein, capitalized terms which are defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement; the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: General Intangibles; and the following terms shall have the following meanings:

“*Code*”: the Uniform Commercial Code as from time to time in effect in the State of New York.

“*Collateral*”: as defined in Section 2 of this Security Agreement.

“*Secured Obligations*”: the collective reference to (a) the Indebtedness and the Loan Obligations, and (b) all obligations and liabilities of Borrower to Collateral Agent, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of or in connection with the Loan and any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all reasonable fees and disbursements of counsel to the Collateral Agent) or otherwise.

“*Security Agreement*”: this Security Agreement, as amended, supplemented or otherwise modified from time to time.

“*Trademark License*”: any agreement, written or oral, providing for the grant by or to Borrower of any right to use any Trademark, including, without limitation, any thereof referred to in Schedule 3 hereto.

“Trademarks”: (a) all state (including common law) and federal trademarks, servicing marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos and other source or business identifiers, designs and other indicia of source, and the goodwill associated therewith or symbolized thereby, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or any state of the United States, or otherwise, used or owned by the Borrower including, without limitation, any thereof referred to in Schedule 1 or Schedule 2 hereto, (as the same may be amended, modified or supplemented from time to time) and (b) all extensions or renewals thereof.

(b) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Security Agreement shall refer to this Security Agreement as a whole and not to any particular provision of this Security Agreement or Section, Schedule, Annex, and Exhibit references are to this Security Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations, Borrower hereby grants to Collateral Agent a security interest in all of the following property now owned or at any time hereafter acquired by Borrower or in which Borrower now has or at any time in the future may acquire any right, title or interest (collectively, the **“Collateral”**):

- (i) all Trademarks;
- (ii) all Trademark Licenses; and
- (iii) to the extent not otherwise included, all proceeds and products of any and all of the foregoing, all other obligations in respect of any of the foregoing, and all collateral security and guarantees given by any Person with respect to any of the foregoing.

Borrower hereby agrees that this Security Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 8 hereof.

3. Representations and Warranties. Borrower hereby represents and warrants, in each case to the best of its knowledge, information and belief that:

(a) Title; No Other Liens. Except for the Liens granted to the Collateral Agent pursuant to this Security Agreement, Borrower owns each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of Collateral Agent pursuant to this Security Agreement.

(b) Perfected First Priority Liens. The Liens granted pursuant to this Security Agreement constitute perfected Liens in favor of Collateral Agent in the Collateral as collateral security for the Secured Obligations, which Liens are enforceable as such against all creditors of and purchasers from Borrower.

(c) Name. (i) The exact legal name of Borrower is as specified in the opening paragraph hereto; and (ii) Borrower has not done business under a previous name, assumed name or trade name, except as specified in the opening paragraph hereto.

(d) Trademarks. Schedule 1 hereto includes all Trademarks and Trademark Licenses, and Schedule 2 includes all trade names, owned by Borrower in its own name as of the date hereof. To the best of Borrower's knowledge, each Trademark is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set forth in Schedule 1 and Schedule 2, none of such Trademarks is the subject of any licensing or franchise agreement. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or invalidate any Trademark. Except as disclosed on Schedule 1, no action or proceeding is pending (i) seeking to limit, cancel or invalidate any Trademark, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Trademark.

4. Covenants. Borrower covenants and agrees with Collateral Agent that, from and after the date of this Security Agreement until the Secured Obligations are paid in full:

(a) Maintenance of Perfected Security Interests; Further Documentation. Borrower shall maintain the security interest created by this Security Agreement as a perfected security interest having at least the priority described in Section 3(b) hereof and shall defend such security interest against the claims and demands of all subsequent Persons whomsoever. At any time and from time to time, upon the written request of Collateral Agent, and at the sole expense of the Borrower, Borrower will promptly and duly execute and deliver such further instruments and documents and take such further action as Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens created hereby. Borrower also hereby authorizes Collateral Agent to file any such financing or continuation statement to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Security Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

(b) Indemnification. Borrower agrees, jointly and severally, to pay, and to hold Collateral Agent harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and expenses) (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any Applicable Law as it relates to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement.

(c) Maintenance of Records. Borrower will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Accounts. Upon the occurrence and during the continuance of an Event of Default, Borrower shall turn over any books and records pertaining to the Collateral to Collateral Agent or to its representatives during normal business hours at the request of Collateral Agent.

(d) Compliance with Laws, etc. Borrower will comply in all material respects with all Applicable Laws as they relate to the Collateral or any part thereof or to the operation of Borrower's business; provided, however, that Borrower may contest any such Applicable Laws in any reasonable manner which shall not, in the sole opinion of Collateral Agent, adversely affect Collateral Agent's rights or the priority of its Liens on the Collateral.

(e) Payment of Obligations. Borrower will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity thereof is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest therein and (iii) such charge is adequately reserved against on Borrower's books in accordance with GAAP.

(f) Limitation on Liens on Collateral. Borrower will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than the liens created hereby, and will defend the right, title and interest of Collateral Agent in and to any of the Collateral against the claims and demands of all subsequent Persons whomsoever.

(g) Limitations on Dispositions of Collateral. Borrower will not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so except as set permitted in the Loan Agreement.

(h) Further Identification of Collateral. Borrower will furnish to Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Collateral Agent may reasonably request, all in reasonable detail.

(i) Notices. Borrower will advise Collateral Agent promptly, in reasonable detail, at its addresses set forth below, (i) of any Lien (other than Liens created hereby or permitted under the Loan Agreement) on, or claim asserted against, any of the Collateral and (ii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the Liens created hereunder.

(j) Trademarks.

(i) Borrower (either itself or through licensees) will (i) continue to use each Trademark in connection with each and every trademark class of goods listed in the registrations which are applicable to its current line as

reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) employ such Trademark with the appropriate notice of registration and (iv) not do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(ii) Borrower will notify Collateral Agent immediately if it knows, or has reason to know, that any Trademark or any application or registration relating to any thereof may become abandoned, lost or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal or similar office in any country) regarding Borrower's ownership of any Trademark or its right to register the same or to keep and maintain the same.

(iii) Whenever Borrower, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Trademark with the United States Patent and Trademark Office or any state agency (Secretary of State) in the United States, Borrower shall report such filing to Collateral Agent within five (5) Business Days after the last day of the fiscal quarter in which such filing occurs.

(iv) Borrower shall from time to time execute and deliver any and all agreements, instruments, documents, and papers as Collateral Agent may request (including, without limitation, one or more Recording of Security Interest in Trademarks attached hereto as Annex A, with appropriate completions and schedules) to evidence Collateral Agent's security interest in any Trademark and the goodwill and General Intangibles of Borrower relating thereto or represented thereby, and Borrower hereby constitutes Collateral Agent its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed, such power being coupled with an interest is irrevocable until the Secured Obligations are paid in full.

(v) Borrower will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, or any state agency (Secretary of State) in the United States, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Trademarks, including, without limitation, timely filing of applications for renewal, affidavits of use and affidavits of incontestability and payment of maintenance fees.

(vi) In the event that any Trademark included in the Collateral is infringed, misappropriated or diluted by a third party, Borrower shall promptly notify Collateral Agent and Borrower, at the Borrower's sole expense, shall promptly take appropriate action to stop any such infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all

damages for such infringement, misappropriation or dilution, or take such other actions as Borrower shall reasonably deem appropriate under the circumstances to protect such Trademark. If Borrower decides not to take any such action, Collateral Agent may, at its sole discretion and expense, take appropriate action to stop any infringement, misappropriation or dilution, and to seek injunctive relief and Collateral Agent shall be entitled to recover all of Collateral Agent's expenses associated with such action, and only after such recovery by Collateral Agent shall any remaining damages be split equally with Borrower; provided, however that Collateral Agent shall not be obligated to take any such action.

(vii) Upon and during the continuance of an Event of Default and at the reasonable request of Collateral Agent, Borrower shall use its reasonable efforts to obtain all requisite consents or approvals by the licensor of each Trademark License to effect the assignment of all of such Borrower's rights, title and interest thereunder to the Collateral Agent or its designee.

5. Collateral Agent's Appointment as Attorney-in-Fact.

(a) Powers. Borrower hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the place and stead of Borrower and in the name of Borrower or in its own name, from time to time in the Collateral Agent's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, Borrower hereby gives Collateral Agent the power and right, on behalf of Borrower, to do the following:

(i) (A) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to Collateral Agent or as Collateral Agent shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against Borrower with respect to any Collateral; (F) to settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, to give such discharges or releases as Collateral Agent may deem appropriate; (G) to assign any Trademark (along with the goodwill of the business to which any such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as Collateral Agent shall in its sole discretion determine; and (H) generally, to sell,

transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Collateral Agent were the absolute owner thereof for all purposes, and to do, at Collateral Agent's option and the Collateral Agent's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's Liens thereon and to effect the intent of this Security Agreement, all as fully and effectively as Borrower might do.

Anything in this Section 5(a) to the contrary notwithstanding, Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section unless an Event of Default has occurred and is continuing.

Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and are irrevocable.

(b) No Duty on Collateral Agent's Part. The powers conferred on Collateral Agent hereunder are solely to protect Collateral Agent's interests in the Collateral and shall not impose any duty upon Collateral Agent to exercise any such powers. Collateral Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to Collateral Agent for any act or failure to act hereunder, except for its own gross negligence or willful misconduct.

6. Performance by Collateral Agent of Borrower's Obligations. If Borrower fails to perform or comply with any of its agreements contained herein, Collateral Agent, at its option, but without any obligation to do so, may for itself and the Lenders perform or comply, or otherwise cause performance or compliance, with such agreement. The expenses of Collateral Agent incurred in connection with such performance or compliance shall be payable by Borrower to Collateral Agent on demand and shall constitute Secured Obligations secured hereby.

7. Remedies. If an Event of Default shall occur and be continuing and such Event of Default is not cured within sixty (60) days from the date of notice of the Event of Default, Collateral Agent may exercise, in addition to all other rights and remedies granted to it in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Borrower or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of Collateral Agent or elsewhere upon such terms and conditions as it may deem advisable and at

such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Collateral Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby waived or released. Borrower further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to Collateral Agent at places which the Collateral Agent shall reasonably select, whether at Borrower's premises or elsewhere. Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Collateral Agent arising out of the exercise by Collateral Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, in such order as Collateral Agent may elect, and only after such application and after the payment by Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-615 of the Code, need Collateral Agent account for the surplus, if any, to Borrower. To the extent permitted by applicable law, Borrower waives all claims, damages and demands it may acquire against Collateral Agent arising out of the exercise by Collateral Agent of any of its rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition. Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Secured Obligations and the fees and disbursements of any attorneys employed by Collateral Agent to collect such deficiency.

8. Grant of License to Use Trademark Collateral In Event of Continuing Default. In the event that an Event of Default has occurred and is continuing, Borrower hereby grants to Collateral Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Borrower) to use, license or sublicense any of the Trademarks, now owned or hereafter acquired by Borrower, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored. The use of such license by Collateral Agent shall be exercised, at the option of Collateral Agent for any purpose appropriate in connection with the exercise of remedies hereunder, only upon the occurrence and during the continuance of an Event of Default and a failure by Borrower to cure; provided that any license, sublicense or other transaction entered into by Collateral Agent in accordance herewith shall be binding upon Borrower notwithstanding any subsequent cure of an Event of Default. The term of any license or sublicense hereunder shall not exceed three (3) years, which term shall be renegotiable and/or renewable by Borrower at its discretion in the event of any subsequent cure of an Event of Default that occurs within sixty (60) days of notice of the Event of Default; provided that if an Event of Default has occurred and is continuing beyond the sixty (60) days from the notice of the Event of Default but prior to (i) a foreclosure or other action for enforcement of the Loan Documents by Collateral Agent or (ii) an assignment or transfer of the Trademarks to Collateral Agent, after the expiration of the initial three (3) year term period the term shall be renegotiable and/or renewable by the Collateral Agent at its discretion during the continuance of such Event of Default. Collateral Agent agrees to apply the net proceeds received from any license as provided in Section 7 hereof. Any license or sublicense hereunder shall be in accordance with Borrower's trademark usage guidelines and the applicable standards of quality control as

enforced by and/or used by Borrower. Collateral Agent shall meet Borrower's trademark usage guidelines and/or Borrower's applicable standards of quality control. In the event Collateral Agent fails to meet Borrower's trademark usage guidelines and/or Borrower's applicable standards of quality control, Borrower shall provide notice to Collateral Agent of any insufficient usage and quality control. If Collateral Agent fails to timely remedy the situation, Borrower shall have the right to terminate any license or sublicense hereunder, Borrower's right to terminate being subject to the existence of no continuing Event of Default. Upon any subsequent cure of an Event of Default, all rights granted to Collateral Agent hereunder shall cease and Collateral Agent shall refrain from any further licensing of the Collateral.

9. Termination. This Security Agreement is made for collateral security purposes only. This Security Agreement shall create a continuing security interest in the Collateral and shall terminate upon payment and performance in full of the Secured Obligations and the termination of the Loan Agreement or when the Collateral is released from the lien created hereby. When this Security Agreement has terminated, the Collateral Agent shall execute and deliver such documents and instruments and take such further action reasonably requested by Borrower, at Borrower's expense, as Borrower shall reasonably request to evidence termination of the security interest granted by Borrower to Collateral Agent for the benefit of Collateral Agent hereunder, including release of this Security Agreement by written notice from Collateral Agent to the United States Patent and Trademark Office.

10. Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

11. Notices. All notices, requests, demands, directions and other communications (collectively "**notices**") under the provisions of this Security Agreement shall be in writing (including facsimile communication) unless otherwise expressly permitted hereunder and shall be sent and deemed delivered as follows: (i) if by first class mail, five (5) days after mailing; (ii) if by overnight delivery, on the next Business Day; (iii) if by telephone, when given to a person who confirms such receipt; and (iv) if by facsimile, when confirmation of receipt is obtained. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

If to Borrower:

c/o Fountains Senior Living Holdings, LLC
c/o Arcapita Inc.
75 Fourteenth Street, 24th Floor
Atlanta, GA 30309
Attention: C. MacLaine Kenan and Lex McGraw
Telephone: (404) 920-9046
Facsimile: (404) 920-9001
Email: lkenan@arcapita.com

with copy to:

Watermark Retirement Communities, Inc.
2020 W. Rudasill Road
Tucson, Arizona 85704
Attention: David Barnes
Telephone: (520) 797-4000
Facsimile: (520) 797-7797
Email: dbarnes@watermarkcommunities.com

with copy to:

King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Isam Salah, Esq.
Telephone: (212) 556-2140
Facsimile: (212) 556-2222
Email: isalah@kslaw.com

If to the Collateral Agent:

HSH Nordbank AG, New York Branch
230 Park Avenue
New York, New York 10169-0005
Attention: Gregory Nuber
Telephone: (212) 407-6038
Facsimile: (212) 407-6833
Email: gregory.nuber@hsh-nordbank.com

With a copy to:

HSH Nordbank New York Branch
230 Park Avenue
New York, NY 10169-0005
Attention: Jon D. Karnofsky, General Counsel
Telephone: (212) 407-6142
Facsimile: (212) 407-6011
Email: jon.karnofsky@hsh-nordbank.com

With a copy to:

Kaye Scholer LLP
425 Park Avenue
New York, NY 10022
Attention: Warren Bernstein, Esq.
Telephone: (212) 836-8073
Facsimile: (212) 407-6673
Email: wbernstein@kayescholer.com

12. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13. Paragraph Headings. The paragraph headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

14. No Waiver; Cumulative Remedies. Collateral Agent shall not by any act (except by a written instrument pursuant to Section 14 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of Collateral Agent, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial, exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Collateral Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Collateral Agent would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

15. Waivers and Amendments; Successors and Assigns; Governing Law. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Borrower and Collateral Agent, provided that any provision of this Security Agreement may be waived by Collateral Agent in a written instrument executed by Collateral Agent. This Security Agreement shall be binding upon the successors and assigns of Borrower and shall inure to the benefit of Borrower and its respective successors and assigns. This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

16. Counterparts. This Security Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

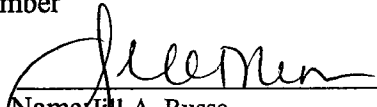
[signature page follows]

IN WITNESS WHEREOF, Borrower has caused this Security Agreement to be duly executed and delivered as of the date first above written.

BORROWER:

FOUNTAINS SENIOR LIVING HOLDINGS, LLC, a Delaware limited liability company

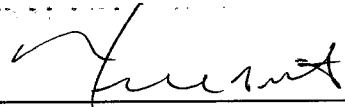
By: U.S. Senior Living Investments, LLC, a Delaware limited liability company, its Sole Member

By: 
Name: Jill A. Russo
Title: Vice President

STATE OF NEW YORK)
COUNTY OF NEW YORK)

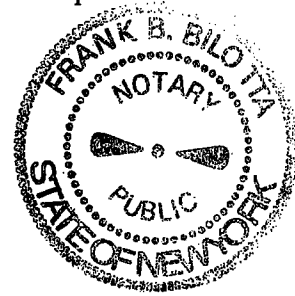
On this 3rd day of September, 2009 before me, the undersigned notary public, personally appeared Jill A. Russo, personally known to me or proved to me on the basis of satisfactory evidence of identification to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose (as a security agreement).

[affix notarial seal]




My commission expires:

FRANK B. BILOTTA
NOTARY PUBLIC, State of New York
No. 02815074374
Qualified in New York County
Commission Expires March 10, 2011



Schedule 1

Trademarks

Country	Trademark	Serial No.	Filing Date	Registration Date	Registration Number
United States	<p>THE FOUNTAINS and Design</p>  <p>THE FOUNTAINS</p>	76/101,052	August 2, 2000	October 16, 2001	2,498,086
United States	<p>THE BEST MOVE OF YOUR LIFE</p>	76/538,612	August 20, 2003	August 10, 2004	2,871,243
United States	<p>WE'RE CREATING EXTRAORDINARY COMMUNITIES WHERE PEOPLE CHOOSE TO BE</p>	78/430,698	June 7, 2004	July 12, 2005	2,967,111

Schedule 2

Trade Names

The Town Center
The Inn
The Gardens
The Springs
The Fountains at The Albemarle
The Fountains at Boca Ciega Bay
The Fountain at Bronson Place
The Fountains at Canterbury
The Fountains at the Carlotta
The Fountains at Crystal Lake
The Fountains at Franklin
The Fountains at Greenbriar
The Fountains at La Cholla
The Fountains at Lake Pointe Woods
The Fountains at Millbrook
The Fountains at Pacific Regent Bellevue
The Fountains at Pacific Regent La Jolla
The Fountains at RiverVue
The Fountains at Sea Bluffs
The Fountains at Washington House

Schedule 3

Trademark License Agreements

1. Trademark License Agreement dated as of July 1, 2005 by and between Sunrise Senior Living, Inc. and The Fountains at Logan Square, L.L.C.
2. Trademark License Agreement dated as of July 1, 2005 by and between Sunrise Senior Living, Inc. and The Fountains Operating Company (NY), Inc.
3. Trademark License Agreement dated as of October __, 2009 by and between Sunrise Senior Living, Inc. and Sunrise Corby Place SL, LLC.
4. Trademark License Agreement dated as of October __, 2009 by and between Sunrise Senior Living, Inc. and Sunrise Cedar Parke SL, LLC.

Annex A

Form of Memorandum of Security Interest in Trademarks

Mail Stop Assignment Recordation Services
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Ladies and Gentlemen:

Pursuant to a Trademark Security Agreement (the "**Security Agreement**") dated as of [____], 2009, [____] (the "**Assignor**") has granted to HSH Nordbank AG, New York Branch, as collateral agent for lenders ("**Assignee**") a continuing security interest in and a continuing lien upon the certain trademarks owned by Assignor including the trademarks listed on the annexed Exhibit A and all applications, registrations, renewals and proceeds (including accounts receivable and royalties) thereof (the "**Trademarks**") together with the goodwill of the business connected with the use of and symbolized by the Trademarks. The Assignee's security interest in the Trademarks can only be terminated in accordance with the terms of the Security Instrument and the Loan Agreement defined therein.

[NAME OF ASSIGNOR]


By: _____
Name:
Title:

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

Exhibit A

Trademarks

Country	Trademark	Serial No.	Filing Date	Registration Date	Registration Number
United States	THE FOUNTAINS and Design  THE FOUNTAINS	76/101,052	August 2, 2000	October 16, 2001	2,498,086
United States	THE BEST MOVE OF YOUR LIFE	76/538,612	August 20, 2003	August 10, 2004	2,871,243
United States	WE'RE CREATING EXTRAORDINARY COMMUNITIES WHERE PEOPLE CHOOSE TO BE	78/430,698	June 7, 2004	July 12, 2005	2,967,111