

SONIDA SENIOR LIVING, INC.

STATEMENT OF POLICY WITH RESPECT TO RELATED PERSON TRANSACTIONS

A. Introduction

The Board of Directors (the “Board”) of Sonida Senior Living, Inc. (the “Company”) recognizes that related person transactions present a heightened risk of conflicts of interest and/or improper valuation (or the perception thereof) and therefore has adopted this policy which shall be followed in connection with all related person transactions involving the Company.

Under this policy, any “Related Person Transaction” (as defined below) shall be consummated or shall continue only if the audit committee of the Board (the “Audit Committee”) shall approve or ratify such transaction in accordance with the guidelines set forth in this policy and if the transaction is on terms comparable to those that could be obtained in arm’s length dealings with an unrelated third party.

For the purposes of this policy, a “Related Person Transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant, and the amount involved exceeds \$25,000, and in which any Related Person had, has or will have a direct or indirect interest. Also for purposes of this policy, a “Related Person” is:

1. a senior officer (which shall include at a minimum each executive vice president and Section 16 officer) or director of the Company or any nominee to become a director of the Company;
2. a stockholder owning in excess of five percent of the Company’s outstanding voting securities (or those of its controlled affiliates);
3. a person who is an immediate family member of a senior officer or director. Immediate family member shall mean any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the senior officer, director, or nominee for director;
4. an entity which is owned or controlled by someone listed in 1, 2 or 3 above, or an entity in which someone listed in 1, 2 or 3 above has a substantial ownership interest or control of such entity.

B. Audit Committee Approval

The Board of Directors has determined that the Audit Committee of the Board is best suited to review and approve Related Person Transactions. Accordingly, at any regularly scheduled Audit Committee meeting, management shall review Related Person Transactions, if any, being considered by management, including the proposed aggregate value of such transactions, if applicable. After review, the Committee shall approve or disapprove such transactions and at each subsequently scheduled meeting, management shall update the Committee as to any material change to those proposed transactions.

In the event management recommends any further Related Person Transactions between meetings, such transactions may be preliminarily entered into by management subject to ratification by the Committee; provided that if ratification shall not be forthcoming, management shall make all reasonable efforts to cancel or annul such transaction.

No member of the Audit Committee shall participate in any discussion or approval of a Related Person Transaction for which he or she is a Related Person, except that such member shall provide all material information concerning the Related Person Transaction.

C. Disclosure

All Related Person Transactions that are required to be disclosed in the Company's applicable filings as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules shall be so disclosed in accordance with such laws and related rules.

D. Adoption and Amendment

This policy has been recommended for adoption by the Audit Committee to the Board and approved by the Board. Any amendments to this policy shall be recommended by the Audit Committee to the Board for approval.

*Adopted by Resolution of the Board of Directors
on March 5, 2007.*