

SUNRISE COMMUNITY, INC.
ETHICS AND COMPLIANCE ADDENDUM

Sunrise is committed to detecting and preventing fraud, waste and abuse. As part of Sunrise's Compliance Program, employees have an obligation to report compliance concerns to Sunrise. These concerns should first be reported to your supervisor. If you do not feel that you can candidly discuss the matter with your supervisor, you may contact the Compliance Officer at 305-273-3084. If you would prefer to leave an anonymous message, you may call the Compliance Hotline at **1-800-563-6299**. In no event shall any individual who reports a concern be subject to any retaliation related to a report which he or she reasonably believed to be true and offered in good faith.

Compliance with the Deficit Reduction Act of 2005

Section 6032 of the Deficit Reduction Act of 2005 requires Sunrise Community, Inc. ("Sunrise") to provide certain information regarding the Federal and state false claims acts, administrative remedies for false claims and statements, whistleblower protections, and Sunrise's processes for detecting and preventing fraud, waste and abuse. The Federal False Claims Act (the "FCA") prohibits the knowing submission of false or fraudulent claims or the making of a false record or statement in order to secure reimbursement from a government-sponsored program, such as Medicare or Medicaid. Penalties for violations of the FCA can be up to three times the value of the false claims, plus fines of \$5,500 to \$11,000 per claim. In addition, federal law provides administrative remedies of up to \$5,000 per false claim or statement and an assessment of up to twice the amount of each claim. Detailed information regarding the FCA is found in Sunrise's Whistleblower Protection policy. In addition, many states have laws that are similar to the FCA and detailed information regarding these state laws may be found by going to www.sunrisegroup.org and clicking on **Compliance**.

Under the FCA, an individual may file a civil suit for him or herself and for the government if he or she is the original source of the information. Employees who engage in lawful acts in furtherance of a false claims action (commonly referred to as "whistleblowers") and consequently suffer discrimination from their employer may be awarded two times their back pay plus interest, reinstatement at the seniority level they would have had except for the discrimination, and compensation for any costs or damages they have incurred. Certain states have laws with similar protections.

In addition to the reporting obligation, the Sunrise Compliance Program consists of compliance policies, training, audits, and an investigative process to minimize the risks of fraud, waste and abuse, such as the filing of false claims. You should take the opportunity to become familiar with the relevant policies, which are available by accessing the Sunrise Policies and Procedures. In particular, the following policy addresses the detection and prevention of fraud, waste and abuse: Whistleblower Protection Policy which is accessible by going to www.sunrisegroup.org and clicking on **Compliance**.

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