

Assisted Living Concepts, Inc.

BOARD OF DIRECTORS EXECUTIVE COMMITTEE CHARTER

(Adopted October 31, 2006; amended and restated December 16, 2008)

PURPOSE

The primary purpose of the Executive Committee (the "Committee") of the Board of Directors (the "Board") of Assisted Living Concepts, Inc. (the "Company") is to assist the Board in fulfilling its responsibilities in an efficient and timely manner during the intervals between regular meetings of the full Board. In performing this role, the Committee is empowered to exercise all powers and authority of the Board if Board action is needed during the intervals between meetings of the Board; provided that the Committee may not take any action which (i) would require the approval of the stockholders of the Company, (ii) would be in contravention of the powers that a committee may exercise pursuant to the Nevada Corporation Law or (iii) is in contravention of specific directions given by the full Board.

COMPOSITION

The Committee shall be comprised of not less than three (3), nor more than five (5), Board members, including a Committee Chairman, designated by the Board. Committee members shall be appointed at least annually by the full Board.

MEETINGS AND PROCEDURES

The Committee shall meet, in person or by conference telephone, between regular meetings of the full Board as frequently as circumstances require. Special meetings of the Committee may be called on twenty-four (24) hours' notice by any member of the Committee. The Committee may act either at a meeting of the Committee at which a quorum is present or by unanimous written consent of all of the Committee members. The Committee may ask other members of the Board, management or outside parties to participate in meetings and provide pertinent information as necessary. All of the Committee members must be in attendance to constitute a quorum for the transaction of business at a meeting of the Committee and the affirmative vote of a majority of the members shall be necessary for the adoption by it of any resolution. Written minutes shall be prepared for each meeting and highlights of each meeting shall be reported at the next regular meeting of the full Board.

EVALUATION

1. The Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes to the Charter as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the

information and recommendations presented by the Committee to the Board, the manner in which such information and recommendations were discussed or debated and the adequacy of the number and length of meetings of the Committee for completing its work in a thorough and thoughtful manner.

2. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary. The Committee shall have the sole authority to retain or terminate any consultant to assist the Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees and other retention terms, with such fees to be borne by the Company.