

# KENDAL~CROSSLANDS COMMUNITIES

## RESIDENCE AND CONTINUING CARE AGREEMENT

### FOR KENDAL AT LONGWOOD or CROSSLANDS (MODIFIED)

Notice of Right to Rescind

\_\_\_\_\_  
Date Rescission Period Begins

You may rescind and terminate your Residence and Continuing Care Agreement, without penalty or forfeiture, within seven (7) days of the above date. You are not required to move into Kendal at Longwood or Crosslands before the expiration of this seven (7) day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind this Agreement within the seven (7) day period.

To rescind your Residence and Continuing Care Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter, telegram or FAX, stating your desire to rescind to Kendal~Crosslands Communities at P.O. Box 100, Kennett Square, PA 19348 not later than midnight of \_\_\_\_\_.

Pursuant to this notice, I hereby cancel my Residence and Continuing Care Agreement.

Dated \_\_\_\_\_

\_\_\_\_\_  
Prospective Resident's Signature

Note: An index to this Agreement and to the General Conditions is found on pages 26-29.

# KENDAL AT LONGWOOD OR CROSSLANDS

## RESIDENCE AND CONTINUING CARE AGREEMENT

### INTRODUCTION

THIS AGREEMENT is made between \_\_\_\_\_,

hereafter called the "Resident" and referred to by the words "you" and "your" (if husband and wife, or two other persons, are parties hereto the word "Resident," "you" and "your" shall apply to them jointly and severally, where the context permits) and Kendal~Crosslands Communities, which owns and operates Kendal at Longwood and Crosslands, hereafter called the "Community," and referred to by the words "we," "us," and "our." The word "us" in "one of us," "both of us," "either of us," and similar phrases shall apply to the Resident and to the Community jointly.

Kendal~Crosslands Communities is an independent nonprofit Pennsylvania corporation governed by a Board of Directors, in accordance with the principles of the Religious Society of Friends (Quakers). Kendal~Crosslands Communities is affiliated with The Kendal Corporation and no other organization has any responsibility for or financial interest in Kendal~Crosslands Communities.

Where two persons have signed this Agreement, "Remaining Resident" shall refer to the Resident who still resides in the Community after the other Resident dies, voluntarily terminates this Agreement or the Community terminates the Agreement.

As you have applied for entry to Kendal at Longwood or Crosslands, and we have accepted your application subject to the signing of this agreement by both parties, both of us agree as follows:

#### 1. **Admission**

With the execution of this Agreement by both of us, you are guaranteed admission to the Community in accordance with the provisions of this Agreement, regardless of any change in your state of health between the date of this Agreement and the Occupancy Date.

#### 2. **Occupancy Date**

The Occupancy Date for all purposes under this agreement, including the General Conditions, shall be \_\_\_\_\_, or the date on which you first personally occupy your living accommodation, whichever first occurs. The Introductory Period expires ninety (90) days after your Occupancy Date.

3. **Services Provided**

From and after the Occupancy Date, we will furnish you the living accommodation identified in section 4, and the facilities, services, and medical care specified in the General Conditions, which are attached hereto, and you will become liable for payment of the Monthly Fee. These services will be provided for your life, unless this Agreement is terminated at some earlier date. We will provide you at least thirty days notice in advance of changes in fees or charges or the scope of care or services except for changes required by governmental laws and regulations.

4. **Living Accommodation**

The living accommodation you will occupy, subject to the provisions of this Agreement, is unit number \_\_\_\_\_ which is a \_\_\_\_\_ (type) at \_\_\_\_\_ (site).

5. **Entry Fee**

On or before the Occupancy Date, you will pay us an Entry Fee, less a credit for the Priority Deposit you have already made to us and less any applicable adjustments due to the purchase of a Self Insurance Period. You have selected a (check one) \_\_\_\_\_ 2% Declining Balance Entry Fee/ \_\_\_\_\_ 50% Refundable Entry Fee/ \_\_\_\_\_ 90% Refundable Entry Fee.

The amount of your Entry Fee, before the application of any credits or adjustments, is \_\_\_\_\_.

First Resident as noted in the signature line below has purchased a Self Insurance Period (defined below) resulting in a reduction of \_\_\_\_\_ to the Entry Fee. Second Resident as noted in the signature line below has purchased a Self Insurance Period (defined below) resulting in a reduction of \_\_\_\_\_ to the Entry Fee. The Entry Fee, net of adjustments for any Self Insurance Period(s), is \_\_\_\_\_. As further described in section 14 of the General Conditions, you will pay the full private per diem fee during your Self Insurance Period if you fail for any reason to maintain your long term care insurance, if required, or it fails to cover the then-current private per diem fee.

The Priority Deposit you paid is \_\_\_\_\_. The Entry Fee, net of all credits (Priority Deposit) and reductions (Self Insurance Period(s)), is \_\_\_\_\_.

You agree to pay the Entry Fee of \_\_\_\_\_ on or before your Occupancy Date.

6. **Monthly Fee and Per Diem Fees**

From and after the Occupancy Date, you will pay us a Monthly Fee each month. The Monthly Fee for your living accommodation is \_\_\_\_\_ as of the Occupancy Date.

The First Resident has selected and agreed to pay the private per diem fee for \_\_\_\_\_ days in our Health Center (First Resident Self Insurance Period). The Second Resident has agreed to pay the private per diem fee for \_\_\_\_\_ days in our Health Center (Second Resident Self Insurance Period).

As of the Occupancy Date, the private per diem fee in our Health Center for nursing care is \_\_\_\_\_ and the private per diem fee for personal care is \_\_\_\_\_.

During the time periods when either or both of you are in the Health Center, and your applicable Self Insurance Period applies, you will pay the then-current private per diem fees for either the personal care or skilled nursing facility, as applicable. Until the Resident exhausts his or her Self Insurance Period, no Monthly Fee applies to the Resident in the Health Center. If one of you remains in the living accommodation while one of you is in the Health Center, the Resident in the living accommodation will pay the single occupancy Monthly Fee for that living accommodation. See also section 14 of the General Conditions.

We may adjust the Monthly Fee and private per diem fees from time to time on the basis of our experience or to reflect changes in the cost of achieving our purposes. We agree that, in the exercise of our discretion, which shall be binding on you, we will endeavor to maintain the Monthly Fee and private per diem fees at the lowest feasible figure which in the judgment of the Board of Directors of Kendal~Crosslands Communities is consistent with sound financial operation and the maintenance of the quality of service we have undertaken to provide.

**7. Average Cost**

The average annual cost to us per resident for providing services under this Agreement is estimated to be \_\_\_\_\_ for the year ended March 31, 20\_\_\_\_.

**8. Termination or Death Prior to the Occupancy Date**

You may terminate this Agreement at any time prior to the Occupancy Date by written notice of termination to us. This Agreement will also be terminated by written notice to us that you have died prior to the Occupancy Date. In either such event, your Priority Deposit and Entry Fee, if paid, will be refunded to you or to your estate, without interest, within sixty (60) days after we receive written notification of death or termination (in accordance with section 19.4 of the General Conditions). If signed by two people, and one dies or withdraws prior to Occupancy Date, Agreement will be amended to continue with single resident at the single occupancy rate.

**9. Medical Services**

The medical services for which we assume responsibility are listed in section 14 of the General Conditions.

**10. Entire Agreement**

This Agreement constitutes the entire Agreement between us and includes the Priority List Agreement, the Resident Financial Statement, the Health Care Record, the report, if any, of the physical examination by a Community Physician or Nurse Practitioner and the General Conditions attached hereto. These documents are

K-C Rv. 4/09M

hereby incorporated by reference. Knowing that we will rely on your statements made therein, you represent that all such statements were true and complete when supplied and are substantially true and complete at the time this Agreement is signed.

11. **Non-transferability**

Your rights and privileges under this Agreement are personal to you and cannot be transferred or assigned by your act, by any proceeding at law, or otherwise.

12. **Modification of Agreement**

No amendment or modification of this Agreement shall be valid unless in writing executed by both of us.

13. **Enforcement**

We shall have the right at all times to enforce the provisions of this Agreement in strict accordance with their terms, notwithstanding any conduct or custom on our part in refraining from doing so at any time or times.

14. **Notices**

Notices, when required by the terms of this Agreement, shall be sufficient if given to us at our administrative office and if to you at the address given below until you enter the Community, and thereafter at your Community address.

Date: \_\_\_\_\_  
Signature (First Resident)

Witness: \_\_\_\_\_  
Address of Resident

Date: \_\_\_\_\_  
Signature (Second Resident)

Witness: \_\_\_\_\_  
Address of Resident

Community: \_\_\_\_\_ Date: \_\_\_\_\_ By: \_\_\_\_\_  
Executive Director or other authorized signature

Witness: \_\_\_\_\_

## **GENERAL CONDITIONS**

### **Facilities Provided by Us**

#### **1. Living Accommodation**

You have the right to occupy and use the living accommodation assigned subject to provisions for changes in living accommodations as hereinafter provided. We will furnish wall-to-wall carpeting, and (except in those living accommodations not having kitchens) stoves and refrigerators in the living accommodation. All other furnishings shall be provided by you subject to the Executive Director's supervision and prior approval.

Modifications to any living accommodation, other than those undertaken by us, will require the approval of the Executive Director and, if so approved, will be at your expense and will thereafter become our property. Approval of such modifications may be conditioned upon your payment to us of a sum sufficient to later restore the living accommodation to its original condition. The firm or individual retained to make such changes, and the plans for the changes, are subject to the prior approval of the Executive Director.

#### **2. Community Facilities**

You may use, in common with others, the dining rooms, lobbies, auditorium, library, social and recreational facilities (indoor and outdoor), craft facilities, fitness facilities, and other public facilities provided by us.

#### **3. Health Center**

We will provide the facilities necessary for the medical care and services (other than hospital care and specialized medical testing) specified in this Agreement. The facilities include a Resident Care Department and Personal Care and Skilled Nursing Facilities.

#### **4. Laundry Facilities**

Washers and dryers for personal laundry are available for your use without charge.

#### **5. Storage**

Limited storage facilities are available to you. We do not provide security and you bear the risk of damage or loss to stored property.

#### **6. Parking**

We will provide and maintain open parking areas. A limited number of covered parking areas will be available at extra cost to residents.

## **General Services Provided by Us**

### **7. Food and Meals**

#### **7.1 Meals Offered**

We will offer three meals a day with a choice of standard menus nutritionally well balanced, properly cooked and served.

#### **7.2 Tray Service**

When ordered by a Community Physician, tray service will be provided while in the Personal Care and Skilled Nursing facility. Tray service is also available, on a temporary basis, during a minor short-term illness in your assigned living accommodation when approved by the Resident Care Department.

#### **7.3 Other Service**

Meals comprising substitute or alternate diets will be provided when ordered by a Community Physician and our Registered Dietician.

#### **7.4 Meal Arrangements**

The Monthly Fee includes the main meal in one of our dining facilities. You have the option of purchasing additional meals as desired either on a per meal basis or through a meal plan. Meal plans must be selected for a whole calendar month or more and arranged in advance. If you require care in the skilled nursing facility for a period of thirty (30) consecutive days or more, you will be charged for the additional two meals per day beginning on day thirty-one (31).

#### **7.5 Away Allowance**

If you are away from the Community for fourteen (14) consecutive days or more, you will be credited with an away allowance on a per diem basis, as we determine, on your monthly statement. Arrangements for the away allowance must be made in advance.

#### **7.6 Meal Charges**

Amounts credited to you for away allowances, and charges for extra meals, meal plans and guest meals, will be computed according to the current established rates. We reserve the right to change these rates from time to time. We will notify you in writing of changes in rates no less than thirty (30) days in advance of their effective date.

## 8. **Housekeeping Services**

You will maintain the living accommodation in a clean, sanitary, and orderly condition and will perform or furnish all usual light housekeeping tasks in connection therewith. We will furnish heavier housecleaning service and will provide and launder standard sized linens and towels. If you do not maintain your living accommodation in a proper manner, we have the right, after notice to you, to maintain the living accommodation and to charge the cost of such maintenance to you. Additional housekeeping services may be available at an extra charge.

## 9. **Maintenance and Repair Service**

We will perform and provide repairs, maintenance, and replacement of property and equipment we own. Repairs, maintenance, and replacement of your personal property will be your responsibility. Redecoration of any living accommodation, in addition to or other than that scheduled by us, will require the prior approval of the Executive Director and will be at your expense. Any change or replacement by you of the property or equipment we provide in the living accommodation requires prior approval of the Executive Director and gives title thereto to us unless we agree otherwise in writing. Additional maintenance services may be available at an extra charge.

## 10. **Grounds**

We will furnish basic grounds keeping care, including lawn service and snow removal. With our approval, you may elect to plant and then maintain a specific area adjacent to your living accommodation.

## 11. **Utilities**

We will furnish water, electricity, heat and air conditioning, sewage disposal and garbage and trash removal from collection points. Installation and maintenance of private telephone service, cable television, and internet access and any other services not specifically listed here as covered are your responsibility.

## 12. **Local Transportation**

We will provide limited scheduled local transportation for residents.

## 13. **Taxes**

We will pay all real estate taxes assessed on the Community.

## 14. **Medical Services**

### 14.1 **General**

When prescribed by a Community Physician, we will furnish, or cause to be furnished, medical service, general nursing care in our nursing facilities, special dietary service (as described in 7.3), physical therapy, and semi-private hospital accommodations. The cost of such services, to the extent that you are not reimbursed by Medicare



Parts A and/or B and supplemental insurance or their equivalents as described in 14.9 and subject to the limitations specified below in sections 14.2. through 14.8, shall be paid by us.

#### **14.2 Community Physicians**

We retain the services of a Medical Director and Community Physicians as needed. The Community Physicians will be responsible for your medical care, including office visits, prescribing medications, medical review, attendance of personal care and skilled nursing facility patients, hospital attendance, and referral to specialists. The decisions of Community Physicians are subject to the review and approval of the Medical Director.

#### **14.3 Hospitalization**

If a Community Physician determines that it has become necessary or appropriate to hospitalize you, the Community Physician shall have the authority to arrange for such hospitalization. If a Community Physician determines the conditions necessitating hospitalization no longer exist, the Community Physician shall have the authority to arrange for your discharge and return to the Community.

#### **14.4 Medical Referrals**

We shall be financially responsible for medical and surgical services provided by licensed medical practitioners when you have been directly referred in writing by a Community Physician for treatment or consultation. Such responsibility shall be limited to the specific condition for which the referral was made. We shall not be responsible for secondary referrals or for follow-up visits unless approved in advance by a Community Physician.

#### **14.5 Use of Other Medical Practitioners and Facilities**

At your own expense, you may engage the services of medical practitioners or utilize medical facilities other than those designated by us and prescribed by a Community Physician. If you do so, you shall be liable for all expenses resulting from all such care ordered, prescribed, or occasioned by any such practitioner or such facilities.

#### **14.6 Exclusions**

In addition to the other costs to be paid by you under this section 14, you agree to be solely responsible for payment for all prescription drug costs not otherwise covered by your insurance, over-the-counter drugs, refractions, eye-glasses, contact lenses, hearing aids, dentistry, dentures, dental inlays, incontinent supplies, durable medical equipment, consumable supplies, including but not limited to, toothpaste, toothbrush, shampoo and combs, podiatry, chiropractic services, organ transplants, renal dialysis, treatment for alcohol or drug abuse, and diagnosis and therapy for psychiatric disorders. Certain specialized nursing services not currently provided, including but not limited to ventilator care, are also excluded. However, if you have a condition which requires placement in a more specialized care facility that provides services beyond those services currently provided in our Health Center, our liability for your care in such facility shall be equal to our Health Center semi-private per diem rate.

You are also solely responsible for all costs relating to those pre-existing conditions of disease, illness, sickness or physical condition, which are listed below, for which medical care, advice or treatment was recommended by or received from a physician within the 5 year period preceding the Occupancy Date:

Resident \_\_\_\_\_ Conditions \_\_\_\_\_

\_\_\_\_\_

Resident \_\_\_\_\_ Conditions \_\_\_\_\_

\_\_\_\_\_

#### **14.7 Exclusion for Residents under age 65**

In addition to the Monthly Fees described in section 16.1 and the Entry Fee described in 15.1, Residents under age 65 will pay for all services provided by us under this section 14. We may require that you maintain insurance that in our view is adequate to provide coverage for these expenses.

#### **14.8 Illness or Accident Away from the Community**

If an accident or illness occurs while you are away from the Community, we shall have no responsibility to pay for costs resulting from such accident or illness until you return to the Community and become subject to the care of a Community Physician. At that time, we shall assume our responsibility for medical services thereafter rendered as provided in this Agreement.

#### **14.9 Medical and Surgical Insurance**

##### **14.9.1 Your Obligation to Carry Insurance**

You agree to enroll in, maintain and pay all applicable premiums, deductibles, co-pays or other costs associated with the following types of health insurances:

(1) that provided by the Federal Social Security Amendments of 1965 (commonly referred to as "Medicare A and B") or any successor plan, or equivalent plans, whether now or in the future ; and (2) a Medigap plan that complements Medicare Parts A and B in the following ways:

- pays the in-patient hospital deductible and hospital co-pays in full, and includes 365 additional days after Medicare benefits end;
- pays the co-insurance for skilled nursing facility; and
- pays the co-insurance for all Medicare Part B approved amounts.

or

(2) an approved Medicare Health Maintenance Organization (referred to as HMO) or other insurance as approved by the Community. If you choose to enroll in this type of insurance, this will replace Federal Medicare and the K-C Rv. 4/09M

need to maintain a Medigap plan. You agree to pay for all services and related expenses not covered by your HMO plan, including prescription drugs, as well as all co-pays, deductibles and premiums. You agree to be financially responsible for any services rendered to you without the proper referral from the Community Physician or required prior authorization.

A list of HMO plans that have been approved by the Community will be maintained and will be publicly displayed for resident access. As HMO plans are subject to change, the approved list will be updated. If the HMO plan in which you are enrolled is no longer approved by the Community, you must enroll in an alternate plan which meets the requirements of 14.9.1 and such additional requirements as the Community may from time to time impose;

and

(3) at least standard coverage meeting the requirements of a Medicare Part D prescription drug plan or any successor thereto or actuarially equivalent standard coverage;

and, as required by the Community,

(4) long term care insurance coverage sufficient to meet your full obligations under your Self Insurance Period described in Section 6 of the Introduction. The Community shall be listed as a notification party in the event of cancellation, termination or modification of such policy or policies.

For 1, 2, 3 and 4 of this section 14.9.1, you agree to enroll in, maintain and pay all applicable premiums, deductibles, co-pays and other costs associated with any successor insurance programs or program equivalents, whether private or government-sponsored, in the event that any programs described above in which you are an enrollee ceases, changes or fails to provide coverage at least substantially equivalent to coverage provided with the programs herein described.

If we permit you, in our sole discretion, to maintain insurance coverage that does not meet the above requirements (including an employer-provided plan), or to forego obtaining any such required insurances, then, in addition to paying the above enumerated costs, you agree to pay the difference between the required benefit and benefit actually paid by your insurance, if any, or, if you have no insurance to cover a particular health care service (including prescription drugs and your Self Insurance Period), to pay all costs associated with your receipt of such health care. You are also financially responsible for any future changes in coverages which result in a difference between required benefit coverages and benefit coverages actually paid by your insurance.

Furthermore, should you fail to arrange for and maintain any of the required insurances, we may, in our sole discretion: make application on your behalf for any insurance coverage(s) required by this contract and to pay on your behalf premiums in connection with such insurance coverage(s) and to charge such cost to you; if you are unable or unwilling to obtain such insurance coverages, require you to pay a higher Monthly Fee than that charged residents who maintain such insurance; or charge you the full costs of all health care services you receive for which you do not have coverage, including but not limited to, medical, surgical, nursing and pharmacy services (provided by our pharmacy).

K-C Rv. 4/09M

Any exception granted to you by us under 14.9.1 is done solely at our discretion and is specific to you and your circumstances at the time the exception is granted. We retain the right to revoke any exception at any time upon notice to you. Where two persons sign this Agreement as Resident, we may, in our sole discretion, grant or revoke an exception to only one person.

#### **14.9.2 Our Option to Insure for Health Care Costs**

We may, at our option, obtain insurance to cover our obligation to pay for the costs of health care under this Agreement.

#### **14.9.3 Our Right to Insurance Benefits**

We have a right to any benefits payable under the insurance you are required to carry by this Agreement, except such as may be reimbursement to you for your out-of-pocket expenses for health care costs, including but not limited to, expenses you may incur for medical, surgical, and prescription drug costs. You hereby authorize us to make any and all claims for all prescription drug benefits and any other insurance benefits to which we are entitled under this Agreement and agree to execute any and all documents necessary to enable us to collect or enforce such claims. If for any reason we cannot directly apply for benefits payable under insurance required by this Agreement, you agree to make such application and to pay to us the proceeds received.

#### **14.9.4 Our Rights in Case of Injury Caused by Third Party**

In case of accident or injury to you caused by third parties, and, in the event that, for any reason, you fail to proceed against or abandon any action, claim or proceeding against any third parties, you hereby grant a power of attorney to us, which power shall not be affected by your disability, at our election to make any claims or initiate legal action, if necessary, against the person who has caused injury to you for compensation for the injury or expenses thereby caused. You agree to execute such further authorizations as shall be desirable to prosecute such claims or causes of action. In such event and at our election, we may sue on and enforce any cause of action for you, in your name, or in our own name, for injury or damages so resulting.

After we have been reimbursed for all costs, expenses, and damages incurred by us (including reasonable costs of past and anticipated future care we furnish to you because of such accident or injury), the balance of any amount recovered will be paid to you or credited to your account, or, in the event of your death, will be paid to your estate, or the persons entitled thereto. We may limit our election as provided above to claims for recovery of the costs and expenses incurred by us, and in such event, we shall not be obligated to assert any claim of yours arising out of such accident or injury beyond the expenses incurred by us.

#### **14.10 Self Insurance Period**

##### **14.10.1 Monthly fee – single occupant**

Under this Agreement, if you are a single occupant, we will provide to you a lifetime limit of up to one hundred (100) days of Health Center care (personal care and skilled nursing facilities) without any cost to you beyond the

K-C Rv. 4/09M

Monthly Fee (“Initial Covered Days”). Any days of skilled nursing care covered by Medicare (Medicare Covered Days) will also be provided and will not be counted toward our provision of the Initial Covered Days. The Initial Covered Days may occur at any time, consecutively or not, in any combination of personal care or nursing care, in either temporary or permanent residency in our Health Center. After the Initial Covered Days have been exhausted by you, you agree to pay the Community’s then-current private per diem fee for your Self Insurance Period, excluding Medicare Covered Days, specified in Section 6 of the Introduction. You agree to pay the full private per diem fee whether or not you are reimbursed, in whole or in part, by your long term care insurance, if applicable. During any period the private per diem fee is applicable, you will not be responsible for the Monthly Fee.

Should you reside in our Health Center as a temporary or permanent resident and exhaust your Self Insurance Period, you agree to pay thereafter the applicable single occupancy Monthly Fee associated with the living accommodation most recently occupied.

#### **14.10.2 Monthly fee – double occupants**

Under this Agreement, we will provide to each of you a lifetime limit of up to one hundred (100) days of Health Center care (personal care and skilled nursing facilities) without any cost to you beyond the Monthly Fee (“Initial Covered Days”). Any days of skilled nursing care covered by Medicare (Medicare Covered Days) will also be provided and will not be counted toward our provision of the Initial Covered Days. The Initial Covered Days may occur at any time, consecutively or not, in any combination of personal care or nursing care, in either temporary or permanent residency in our Health Center. The first co-occupant to use his or her Initial Covered Days, excluding Medicare Covered Days, agrees to pay the Community’s then-current private per diem fee during the applicable Self Insurance Period specified in Section 6 of the Introduction. Such co-occupant agrees to pay the full private per diem fee whether or not he or she is reimbursed, in whole or in part, by his or her long term care insurance, if applicable. The resident remaining in the living accommodation agrees to pay the applicable single occupancy Monthly Fee associated with your current living accommodation.

If both co-occupants are transferred to our Health Center, the Monthly Fee will be adjusted as follows: following the provision of Initial Covered Days to each of you, each of you will pay the Community’s then-current private per diem fees during the applicable Self Insurance Periods, excluding Medicare Covered Days. If one of you exhausts your Self Insurance Period and one has not, the resident who has exhausted his or her Self Insurance Period will pay the Community’s then-current single occupancy Monthly Fee associated with the living accommodation most recently occupied until the other resident exhausts his or her Self Insurance Period. At such time, you both will then jointly pay the applicable double occupancy Monthly Fee associated with the living accommodation you both most recently occupied.

Should one of you reside in our Health Center as a temporary or permanent resident and exhaust your Self Insurance Period, and your co-occupant remains in the living accommodation, you both will jointly pay the applicable double occupancy Monthly Fee associated with that living accommodation.

#### **15. Entry Fee**

### **15.1 Amount**

You pay the Entry Fee as a condition of entrance according to the type of living accommodation selected. Under the 2% Declining Balance Plan, if the Entry Fee has been paid on behalf of two Residents, one-half of the Entry Fee will be deemed to be paid on behalf of each of you. Under the 50% or 90% Refundable Entry Fee Plan, both of you will be deemed to have jointly paid the entire Entry Fee.

### **15.2 Use**

The Entry Fee will not be held in escrow, except as we may be required by law to do so prior to the Occupancy Date. We may use the Entry Fee and apply it to any proper corporate purpose, whether or not directly or indirectly related to this Agreement.

### **15.3 Changes in the Entry Fee**

The Entry Fee paid by you will not be increased during the life of this Agreement except on transfer to a larger living accommodation or on the entry of a spouse or other person not already a Resident to share the living accommodation with you pursuant to section 15.4 below. The Entry Fee will not be reduced or refunded for a transfer to a smaller living accommodation.

### **15.4 Co-Occupancy with a Person Who is Not a Resident**

If you wish to occupy the living accommodation with a person who is not a Resident, your co-occupant may apply for admission as a Resident. If accepted for residency by us, your co-occupant will pay one half the current double occupancy Entry Fee for the living accommodation you occupy, or the lowest single occupancy Entry Fee charged by us, whichever is less. On and after your co-occupant's Occupancy Date, you and your co-occupant will jointly pay the double occupancy Monthly Fee. Prior to occupancy, your co-occupant must sign such Agreements, Addenda and other documents which the Community may require to properly establish your co-occupant's rights and responsibilities as a Resident.

If your proposed co-occupant is not accepted as a Resident or chooses not to apply as a Resident, we may permit that person to occupy your living accommodation with you only for the time in which you physically occupy the living accommodation. Such co-occupant must vacate the living accommodation within thirty (30) days of your death, withdrawal, termination or transfer to the Health Center. The co-occupant will have a right to the services specified in this contract except for the services described in section 14, which will be available if the co-occupant pays for them separately. You and your co-occupant will jointly pay the double occupancy Monthly Fee but no additional Entry Fee.

### **16.1 Monthly Fee**

We bill the Monthly Fee in advance and it is payable in advance by you. The Monthly Fee is based on the size of the living accommodation and the number of persons occupying the living accommodation. If you transfer to a smaller living accommodation (except in one of the personal care or skilled nursing facilities) then the Monthly

K-C Rv. 4/09M

Fee is reduced to that for the smaller living accommodation. If Resident refers to two persons, payment of the full Monthly Fee is a joint obligation of each of you.

If you are permanently transferred to the personal care or skilled nursing facility or other facility authorized under this Agreement, your Monthly Fee is the same as it would be if you had remained in your most recently occupied living accommodation. If one of two persons signing this agreement, or a person admitted as a Resident, under the provisions of section 15.4 remains in the living accommodation while the other permanently moves to a personal care or skilled nursing facility, then you continue to pay the double occupancy Monthly Fee for the residential living accommodation. If two persons sign this Agreement, the Monthly Fee will be reduced to the single occupancy rate if one of the two dies or withdraws from the Community.

## **16.2 Monthly Statement**

We shall present you a detailed monthly statement including: (a) the Monthly Fee for the following month; (b) any credits including meal allowance; (c) charges for additional services rendered prior to the bill and not previously charged to or paid by you; and (d) any other amounts due us.

## **16.3 Payment of Monthly Charges**

The Monthly Fee is due in advance, and it and all other charges appearing on the monthly statement shall be paid to us on or before the first day of the calendar month following the date of the statement. Amounts unpaid after the tenth day of the calendar month are subject to a service charge equal to the greater of \$50.00 or 5% of the unpaid amount. If you fail to make the full payment within thirty (30) days after the due date, we may give you written notice that you must make such payment within fifteen (15) days after receiving such notice, and if you fail to comply with such notice, we may terminate this Agreement and require you to vacate the living accommodation.

## **16.4 Inability to Pay**

### **16.4.1 Our Policy**

Without in any way qualifying our right to terminate this Agreement, our policy is that if the sole reason for non-payment of your financial obligations to us is insufficient funds, beyond your control, we will review the matter with you. If you present us with facts which, in our opinion, justify special financial consideration, we may partly or wholly subsidize your Monthly Fee provided that such subsidy can be granted or continued without impairing our ability to attain our objectives while operating on a sound financial basis. All determinations we make concerning the granting or continuing of special financial consideration shall be binding on you, and any such determination shall be regarded as a confidential transaction between us, except for reports required to be made to financial institutions lending monies to us or to regulatory or other governmental bodies. We reserve the right to review your financial situation periodically to determine if the subsidy is still appropriate.

#### **16.4.2 Your Responsibility**

It shall be a condition of receiving a subsidy that you shall represent that you have not made any gift or other transfer of money or personal property subsequent to the submission of your financial statement, which would impair your ability or the ability of your estate to satisfy the financial obligations under this Agreement. If your income is found to be inadequate to meet your responsibilities to us and to pay personal and incidental expenses, you will make every effort to obtain assistance from available resources and, if you can qualify, to take the necessary steps to obtain county, state or federal aid or assistance. If your Entry Fee or Monthly Fee is subsidized wholly or partly by us, you may not make substantial gifts of your property without our written consent. If your Monthly Fee or Entry Fee is subsidized wholly or partly by us, from time to time at our request, you will supply us with financial statements and copies of tax returns.

#### **16.4.3 Recovery of Community Subsidy**

When you die, if your Monthly Fee has been subsidized wholly or partly by us, your estate, if any, shall be liable to us for the full amount of the subsidy for the entire time of residency. This subsection shall apply whether or not you are in residence at the Community at the time of death.

### **17. Changes in Living Accommodations**

#### **17.1 Policy**

We will publish, from time to time, policies regarding consideration of requests for changes in living accommodation initiated by you.

#### **17.2 Change in Living Accommodation by Our Action**

We may relocate you to another living accommodation if we determine that such a move is necessary to better meet your health and/or safety needs, the health and/or safety needs of other Residents, for the proper operation of the Community or to enable the Community to comply with all applicable statutory and/or regulatory requirements. Your financial circumstances will not be a factor in our decision to relocate you.

#### **17.3 Permanent Transfer to a Personal Care, Skilled Nursing Facility or Hospital**

We may declare your living accommodation vacant if you have been transferred to a personal care or skilled nursing facility (whether owned by us or not) or hospital for health conditions which require permanent or prolonged occupancy of such quarters. In such cases, you shall make arrangements to vacate the original living accommodation within thirty (30) days after it has been determined that the transfer will be of a permanent or prolonged nature. No Entry Fee refund is due on such a transfer. If the living accommodation is not vacated within 30 days, an additional service charge of \$50.00 per day may be assessed until the living accommodation is vacated.



#### **17.4 Transfer Made by One or Both of Two Residents Sharing a Living Accommodation**

The Monthly Fee does not change if one or both of two Residents occupying a living accommodation have been permanently transferred to a personal care or skilled nursing facility or to a hospital. Except as otherwise provided in any policy we may publish, Residents will continue to pay the double occupancy Monthly Fee for the living accommodation most recently occupied, provided that, if the living accommodation is not the original living accommodation and you have moved to a smaller living accommodation within 18 months of such transfer, the Monthly Fee shall be based on the prior living accommodation.

#### **17.5 Transfer from Single to Joint Occupancy**

If two Residents occupying separate living accommodations request a transfer into one of the two living accommodations, and if such transfer is approved by the Executive Director, then no additional Entry Fee payment or refund is due upon such transfer. The Monthly Fee will be the applicable double occupancy rate for the living accommodation occupied.

### **18. Termination**

#### **18.1 Death**

##### **18.1.1 One of Two Co-Occupants**

If this Agreement is signed by two Residents and one Resident dies, the Agreement shall terminate as to the Resident who dies and shall continue with the Remaining Resident.

##### **18.1.2 Single Resident**

If the Agreement is with a single Resident or is continuing with a Remaining Resident, the Agreement shall terminate on your death as provided in section 18.5.

#### **18.2 Voluntary Termination by You**

##### **18.2.1 Within the Introductory Period**

If this Agreement is signed by two Residents, either or both of you may terminate this Agreement within the Introductory Period by delivery of written notice to us stating the date on which the Agreement will terminate, which shall not be more than 30 days after such notice.

If the Agreement is with a single Resident or is continuing with a Remaining Resident, you may terminate this Agreement by delivery of written notice to us within the Introductory Period stating the date on which the Agreement will terminate, which shall not be more than 30 days after such notice.

### **18.2.2 After the Introductory Period**

If this Agreement is signed by two Residents, either or both of you may terminate this Agreement after the Introductory Period by delivery of written notice to us stating the date on which the Agreement will terminate, which shall not be more than 120 days nor less than 30 days after notice has been given.

If this Agreement is with a single Resident or is continuing with a Remaining Resident, you may terminate this Agreement after the Introductory Period by delivery of written notice to us stating the date on which the Agreement will terminate, which shall not be more than 120 days nor less than 30 days after notice has been given.

### **18.2.3 One of Two Co-Occupants**

If the Agreement is voluntarily terminated by only one of two Residents at any time, the Agreement shall continue with the Remaining Resident.

### **18.2.4 Vacating the Living Accommodation**

Any Resident who voluntarily terminates this Agreement agrees to vacate the living accommodation on or before the date of termination.

## **18.3 Termination by Us**

### **18.3.1 Within or After the Introductory Period**

We reserve the right to terminate this Agreement within the Introductory Period for any reason, and thereafter for just cause, including but not limited to, any one or more of the following: failure on your part to abide by the rules adopted by us; the making of any material misrepresentation or omission in connection with the application for admission; your breach of any other term of this Agreement; or if your continued presence has become seriously disruptive to or a threat to your life, health, safety, or peace or that of the other Residents or other persons in the premises. In such case, we shall give you written notice stating the date on which the Agreement will terminate, which shall be not more than 120 days nor less than 30 days after notice has been given.

### **18.3.2 For Safety Reasons**

However, if the notice recites that it is based upon a written statement of the Executive Director and Community Medical Director that the continued occupancy of the living accommodation by you, or either of you if this Agreement is signed by two Residents, creates a serious threat to your safety or to the safety of other persons on the premises, then the date for termination shall be fixed at a date which is reasonable in light of the circumstances.

### **18.3.3 One of Two Co-Occupants**

If we terminate this Agreement as to only one of two Residents, the Agreement shall continue with the Remaining Resident.

### **18.3.4 Vacating the Living Accommodation**

Any Resident whose rights are terminated under this section shall vacate the living accommodation on or before the date of termination.

### **18.4 Permanent Transfer**

If you have been transferred to a personal care or skilled nursing facility (whether owned by us or not) or to a hospital as provided in section 17.3 above, this Agreement shall not terminate, you agree to continue to pay your Monthly Fee and you shall not be entitled to any return of your Entry Fee, except in the case of death within the first year of Occupancy as provided in section 19.2.

### **18.5 Termination Date**

#### **18.5.1 Death of Resident(s)**

If this Agreement terminates by death of one of two Residents, the Effective Date of Termination shall be the date of death. If the Agreement terminates by the death of a Remaining Resident or a single Resident, the Effective Date of Termination shall be the date the living accommodation is vacated, which shall be not later than 30 days for a cottage, apartment, or personal care room or 14 days for a skilled nursing bed. If the living accommodation is not vacated within the applicable time periods, you will continue to be liable to us for the full Monthly Fee until the living accommodation is vacated.

#### **18.5.2 Termination**

If the Agreement terminates by your voluntary termination or by our termination, the Effective Date of Termination shall be the date set forth in the notice of termination. If the living accommodation is not vacated on or before the Effective Date of Termination, you shall be liable to us for the full Monthly Fee until the living accommodation is vacated.

### **18.6 Release Upon Termination**

Upon the Effective Date of Termination of this Agreement as to any Resident, we shall be released from any further obligations to the Resident or to the Resident's estate, except for delivery of personal property to the extent provided in section 20.4 and payment of any refund which may be due pursuant to this Agreement. Upon the Effective Date of Termination, the Resident, or the Resident's estate, shall be released from any further obligations to us, except for the cost of storage of your personal property, if applicable, the reimbursement of any subsidy pursuant to section 16.4.3, and payment of the Monthly Fee, if any required under sections 18.5.1 and

18.5.2.

#### **18.7 Options of Remaining Resident**

If this Agreement has been signed by two Residents, a termination of this Agreement as to one Resident shall not affect the continuation of this Agreement with the other. The Remaining Resident shall have the option of (a) retaining the same living accommodation with no addition or reduction in the Entry Fee, but with the Monthly Fee reduced to the rate for single occupancy for such living accommodation; or (b) requesting a move to another living accommodation in accordance with the terms of our then current policy referenced in section 17.1.

#### **18.8 Vacating the Living Accommodation and Payment of Monthly Fee**

When used throughout this Agreement, the term “vacate,” “vacated” or “vacating” the living accommodation shall mean the removal of all items from the living accommodation, regardless of ownership, other than items provided by the Community. If the living accommodation is not vacated when required pursuant to this Agreement, you shall be liable to us for the full Monthly Fee until the living accommodation is vacated.

#### **19. Refunds**

##### **19.1 On Death**

Regardless of the type of Entry Fee Plan (either 2% Declining Balance Plan or 50% or 90% Refundable Plan) chosen, if one of two Residents admitted as co-occupants under one Agreement and one Entry Fee dies at any time after the Occupancy Date, no refund shall be due to either the deceased Resident’s estate or the Remaining Resident.

If the Agreement is with a Remaining Resident or a single Resident, a refund of the Entry Fee shall be made to your estate as follows in 19.1.1 and 19.1.2 and in accordance with Sections 19.3 and 19.4 of the Agreement.

In the event of the simultaneous death of two such co-occupants, the estate of each resident shall be paid one-half of the refund due, if any.

##### **19.1.1 2% Declining Balance Plan**

If the Agreement is originally with two Residents admitted as co-occupants under one Agreement and one Entry Fee, one half of the Entry Fee shall be deemed paid by each of you, and any refund of Entry Fee to a Remaining Resident shall be based on half of the total Entry Fee.

In the event of the death of a Remaining Resident or a single Resident within one year of the Occupancy Date, the estate of such Resident shall be refunded one-half of the applicable Entry Fee. For Remaining Residents, this is twenty-five percent (25%) of the total original Entry Fee. No refund of any portion of the Entry Fee is due if the death of any Remaining Resident or single Resident occurs more than one year after the Occupancy Date.

### **19.1.2 50% or 90% Refundable Plan**

In the event of the death of a Remaining Resident or a single Resident, we will refund to your estate 50% or 90% of the total, original Entry Fee in accordance with the plan chosen under Section 5 of the Introduction.

## **19.2 Voluntary Termination by You or Termination by Us**

The provisions below apply without regard to whether a Resident or the Community gives notice of termination. For purposes of this Section 19.2, an Agreement shall be deemed terminated on the effective date set forth in the notice of termination or the date the living accommodation is vacated, whichever is later.

### **19.2.1 Prior to end of Introductory Period**

#### **(i) 2% Declining Balance Plan**

If this Agreement is with two Residents and terminates as to both Residents, either prior to the Occupancy Date or within the Introductory Period, the entire Entry Fee shall be refunded, one half to each Resident.

If this Agreement is terminated as to only one of two Residents during this period, the terminating or terminated Resident shall receive a refund equal to the amount of the difference between the single and double occupancy Entry Fee for the living accommodation then occupied. The Remaining Resident shall thereafter be deemed to have paid the single occupancy Entry Fee.

If this Agreement is terminated as to a single Resident or as to a Remaining Resident prior to the Occupancy Date or within the Introductory Period, the Entry Fee paid (or deemed paid) shall be refunded to the Resident.

#### **(ii) 50% or 90% Refundable Plan**

If this Agreement is with two Residents, and the Agreement is terminated by both Residents either prior to the Occupancy Date or within the Introductory Period, the entire Entry Fee shall be refunded.

If this Agreement is terminated as to only one of two Residents during this period, neither the terminating Resident nor the Remaining Resident shall receive a refund. The Entry Fee shall be deemed paid by the Remaining Resident.

If this Agreement is terminated as to a single Resident or as to a Remaining Resident prior to the Occupancy Date or within the Introductory Period, the entire Entry Fee paid shall be refunded to the Resident.

### **19.2.2 After the Introductory Period**

#### **(i) 2% Declining Balance Plan**

If this Agreement is terminated after the Introductory Period as to one of two Residents admitted under one Agreement, no refund of the Entry Fee shall be due to either Resident. One-half of the Entry Fee shall be deemed to have been paid by the Remaining Resident.

K-C Rv. 4/09M

If this Agreement is terminated after the Introductory Period as to either a single Resident, both of two Residents admitted under one Agreement, or a Remaining Resident, then we will refund the Entry Fee paid (or deemed paid) reduced by a sum equal to 2% of the Entry Fee for each month, or part thereof, from the Occupancy Date to the effective date of termination.

(ii) **50% or 90% Refundable Plan**

If this Agreement is terminated after the Introductory Period as to only one of two Residents, no refund shall be due either Resident.

If this Agreement is terminated after the Introductory Period as to either a single Resident, a Remaining Resident, or both of two Residents admitted under one Agreement, then we will refund to you or your estate either 50% or 90% of the original Entry Fee paid, according to the plan chosen under section 5 of the Introduction.

**19.3 Recipient of Refund**

We will pay any refund to you, or to your estate if you are no longer living, unless you have given us written direction to pay the refund to some other person.

**19.4 Time of Repayment**

**19.4.1 After Termination Date**

Except as provided below, we will pay any refund due within 60 days after the Effective Date of Termination of this Agreement (30 days if we terminate the Agreement), provided that all outstanding charges have been paid. If all such charges have not been paid, we may deduct any unpaid amount and any estimated future amount from the refund due.

**19.4.2 After the Occupancy Date**

If you voluntarily terminate this Agreement after the Occupancy Date, we will not be obligated to pay any refund until we have entered into a new Residence and Continuing Care Agreement and completed the seven day rescission period with a new Resident for your living accommodation and the new Resident has paid the applicable Entry Fee. This provision shall not apply if a co-signer of this Agreement remains a Resident of the Community. Any delay in such payment shall not extend more than one year from the Effective Date of Termination.

**19.5 Interest**

No interest shall be due on any refund of Entry Fee.

**20. Rights and Obligations Concerning Property**

K-C Rv. 4/09M

## **20.1 Rights to Property**

The rights and privileges granted to you by this Agreement do not include any right, title or interest in any part of the personal property, land, buildings, and improvements owned, leased, or administered by us. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between us. Your rights are primarily for services, with a right of occupancy subject to all the terms and conditions of this Agreement. Any rights, privileges, or benefits under this Agreement shall be subordinate to any mortgage on any of the premises or interest in our real property and to such reasonable rules and regulations on the use of all Community property as shall from time to time be imposed by us.

## **20.2 Right of Entry**

You recognize and accept our right and responsibility to enter your living accommodation in order to carry out the purpose and intent of this Agreement. The purposes for which such entry may be made include but are not limited to (a) performance of scheduled housekeeping duties, (b) response to the medical alert system, (c) response to the fire alarm system, (d) if you are reported missing or as having not responded to a call, and (e) maintenance. We recognize your right to privacy and our responsibility to limit entry to the living accommodation to emergencies and to maintenance and housekeeping work as set forth in this section.

## **20.3 Responsibility for Damages**

Any loss or damage to our property caused by your negligence shall be charged to and paid for by you. Similarly, if any negligence of another Resident results in injury, illness, or damage to you, we assume no responsibility therefore, and you hereby release and discharge us from all liability or responsibility for injury or damage to you or to your property caused by the fault or negligence of third parties other than Community employees.

## **20.4 Responsibility of Protection of Your Property**

We shall not be responsible for the loss of any property belonging to you due to theft, fire, or any other cause. You shall have the responsibility, at your own expense, of providing any insurance you desire to protect against any such loss.

In the event of death or if you are no longer able to occupy the living accommodation or fail to vacate after having been given notice to do so, we shall have the right, but not the obligation, at your cost, to promptly remove all your property from the living accommodation and store the same. We shall be required to exercise only ordinary care to protect such property against theft or other loss while stored.

If the property is stored in a commercial warehouse, we shall have no responsibility for such property after storage has been accomplished (including costs of storage). In the case of your death, it shall be our obligation to deliver all property in the living accommodation theretofore occupied by you, and any of your property previously stored by us, to the person designated by you or, if none, to your executor, administrator, or personal representative, or if none qualifies within thirty (30) days after your death, to any of your next of kin.

We will hold such personal property for a period not to exceed thirty (30) days at the risk of your estate or of the persons entitled thereto, subject to ordinary care by us in safeguarding the same until delivery can be made. You shall, at the time you move to the Community, designate to whom such property should be delivered. If not picked up within 30 days, the Community may dispose of the items without compensation to you or your estate.

**21. Arrangements for Guardianship**

You agree to make arrangements for the handling of your affairs in case of your incapacity and to notify us of the arrangements within ninety (90) days after the Occupancy Date. You agree to revise these arrangements as necessary to keep them current and to notify us of any changes as they occur.

If you become unable to care properly for yourself or your property, and if you have made no other designation of a person or legal entity to serve as guardian, or trustee, or under power of attorney, then you hereby authorize us to nominate a person or entity to serve as legal guardian when approved by a court as provided by law.

**22. Your Obligation to Us for Arrangements at Death**

You agree to provide us with the following information within ninety (90) days after the Occupancy Date: name and address of the funeral director with whom you have made arrangements, the location of your will, the name and address of your lawyer and executor, the names and addresses of any banks, trust officers, etc., and information necessary to complete a death certificate, and whom to notify in case of death, including the person to whom your personal property is to be released.

**23. Delegation by the Executive Director**

It is understood that any authority or responsibility given by this Agreement to the Community Executive Director may be delegated by him or her to any one or more members of our staff.

**24. No Discrimination**

We do not discriminate on any basis prohibited by applicable federal, state or local law or regulation.

**25. Rules, Values and Practices Adopted by Us**

We reserve the right to adopt policies, procedures and rules regarding residency that are consistent with the provisions of this Agreement, and you agree to abide by such policies, procedures and rules.

We will operate in accordance with the Statement of Values and Practices published and adopted by The Kendal Corporation as amended from time to time (the "Statement"). By signing this Agreement, you acknowledge receipt of a copy of the Statement.



26. **Guest Policies**

No one other than you shall have a right of occupancy in a living accommodation without the consent of the Executive Director unless otherwise permitted pursuant to guest policies established by us from time to time. The intent of such policies shall be to permit stays of short duration by your guests where such stays shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of residents.

27. **Changes Because of Regulatory Agencies**

Notwithstanding any other provision of this Agreement, we shall have the right to alter your living accommodations or the terms of this Agreement to meet the requirements of law, the regulations of regulatory agencies, or other duly constituted authorities or agencies.

28. **Residents Association and Residents Council**

You shall have the right to be a member of a Residents Association and to participate in electing a board of directors and officers of the Association.

29. **Exceptions**

Any exception granted to you by us from the performance of any provision of this Agreement is done solely at our discretion and is specific to you and your circumstances at the time the exception is granted. We retain the right to revoke any exception at any time upon notice to you. Where two persons sign this Agreement as Resident, we may, in our sole discretion, grant or revoke an exception to only one person.

30. **Right to Receive Financial Information**

By signing this Agreement, you acknowledge receipt of our most recent disclosure statement. We will furnish you annually with a copy of our annual disclosure statement.

## Index

Sections which include items individually entered for each Agreement are marked with an asterisk (\*).

Section	Page
Agreement	
Right of Rescission* .....	1
Introduction* .....	2
1. Admission .....	2
2. Occupancy Date* .....	2
3. Services Provided .....	3
4. Living Accommodation* .....	3
5. Entry Fee* .....	3
6. Monthly Fee and Per Diem Fees* .....	3-4
7. Average Cost* .....	4
8. Termination or death prior to Occupancy Date .....	4
9. Medical Services .....	4
10. Entire Agreement .....	4-5
11. Non-transferability .....	5
12. Modification of Agreement .....	5
13. Enforcement .....	5
14. Notices* .....	5
General Conditions	
Facilities Provided by Us .....	6
1. Living Accommodation .....	6
2. Community Facilities .....	6
3. Health Center .....	6
4. Laundry Facilities .....	6
5. Storage .....	6
6. Parking .....	6
General Services Provided by Us	
7. Food and Meals .....	7
7.1 Meals Offered .....	7
7.2 Tray Service .....	7
7.3 Other Service .....	7
7.4 Meal Arrangements .....	7
7.5 Away Allowance .....	7
7.6 Meal charges .....	7
8. Housekeeping Services .....	8
K-C Rv. 4/09M	

9. Maintenance and Repair Service .....	8
10. Grounds .....	8
11. Utilities .....	8
12. Local Transportation .....	8
13. Taxes .....	8
14. Medical Services .....	8
14.1 General .....	8-9
14.2 Community Physicians .....	9
14.3 Hospitalization .....	9
14.4 Medical Referrals .....	9
14.5 Use of Other Medical Practitioners and Facilities .....	9
14.6 Exclusions* .....	9-10
14.7 Exclusion for Residents under age 65 .....	10
14.8 Illness or Accident Away from the Community .....	10
14.9 Medical and Surgical Insurance .....	10
14.9.1 Your Obligation to Carry Insurance .....	10-12
14.9.2 Our Option to Insure for Health Care Costs .....	12
14.9.3 Our Right to Insurance Benefits .....	12
14.9.4 Our Rights in Case of Injury Caused by a Third Party .....	12
14.10 Self Insurance Period .....	12
14.10.1 Monthly Fee – single occupant .....	12-13
14.10.2 Monthly Fee – double occupants .....	13
15. Entry Fee .....	13
15.1 Amount .....	14
15.2 Use .....	14
15.3 Changes in the Entry Fee .....	14
15.4 Co-Occupancy With a Person Who is Not a Resident .....	14
16.1 Monthly Fee .....	14-15
16.2 Monthly Statement .....	15
16.3 Payment of Monthly Charges .....	15
16.4 Inability to Pay .....	15
16.4.1 Our Policy .....	15
16.4.2 Your Responsibility .....	16
16.4.3 Recovery of Community Subsidy .....	16
17. Changes in Living Accommodations .....	16
17.1 Policy .....	16
17.2 Change in Living Accommodation by Our Action .....	16
17.3 Permanent Transfer to a Personal Care, Skilled Nursing Facility or Hospital .....	16
17.4 Transfer Made by One or Both of Two Residents Sharing a Living Accommodation .....	17
17.5 Transfer from Single to Joint Occupancy .....	17
18. Termination .....	17
18.1 Death .....	17
18.1.1 One of Two Co-Occupants .....	17
18.1.2 Single Resident .....	17

18.2 Voluntary Termination by You .....	17
18.2.1 Within the Introductory Period .....	17
18.2.2 After the Introductory Period .....	18
18.2.3 One of Two Co-Occupants .....	18
18.2.4 Vacating the Living Accommodation .....	18
18.3 Termination by Us .....	18
18.3.1 Within or After the Introductory Period .....	18
18.3.2 For Safety Reasons .....	18
18.3.3 One Of Two Co-Occupants .....	19
18.3.4 Vacating the Living Accommodation .....	19
18.4 Permanent Transfer .....	19
18.5 Termination Date .....	19
18.5.1 Death of Resident(s) .....	19
18.5.2 Termination .....	19
18.6 Release Upon Termination .....	19-20
18.7 Options of Remaining Resident .....	20
18.8 Vacating the Living Accommodation and Payment of Monthly Fee .....	20
19 Refunds .....	20
19.1 On Death .....	20
19.1.1 2% Declining Balance Plan .....	20
19.1.2 50% or 90% Refundable Plan .....	21
19.2 Voluntary Termination by You or Termination by Us .....	21
19.2.1 Prior to the end of Introductory Period .....	21
19.2.1 (i) 2% Declining Balance Plan .....	21
19.2.1(ii) 50% or 90% Refundable Plan .....	21
19.2.2 After the Introductory Period .....	21
19.2.2 (i) 2% Declining Balance Plan .....	21-22
19.2.2 (ii) 50% or 90% Refundable Plan .....	22
19.3 Recipient of Refund .....	22
19.4 Time of Repayment .....	22
19.4.1 After the Termination Date .....	22
19.4.2 After the Occupancy Date .....	22
19.5 Interest .....	22
20. Rights and Obligations Concerning Property .....	22
20.1 Rights to Property .....	23
20.2 Right of Entry .....	23
20.3 Responsibility for Damages .....	23
20.4 Responsibility of Protection of Your Property .....	23-24
21. Arrangements for Guardianship .....	24
22. Your Obligation to Us for Arrangements at Death .....	24
23. Delegation by the Executive Director .....	24
24. No Discrimination .....	24
25. Rules, Values and Practices Adopted by Us .....	24
26. Guest Policies .....	25

27. Changes Because of Regulatory Agencies .....	25
28. Residents Association and Residents Council .....	25
29. Exceptions .....	25
30. Right to Receive Financial Information .....	25
Index .....	26-29

Addendum (If Applicable) - Optional Products or Services Purchased at Extra Cost* .....	29
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#### Addendum -Optional Products or Services Purchased at Extra Cost

This page is to be completed if you have agreed to purchase, at an additional price, optional products or services beyond those included in the Entry and Monthly Fees. If the Residence and Continuing Care Agreement is canceled by you prior to the Occupancy Date, then those costs incurred by us in providing the following products or services will be deducted from any refund otherwise due to you or to your estate.

Product or Service	Cost, Including Installation
--------------------	------------------------------

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Signatures: Resident \_\_\_\_\_ Date \_\_\_\_\_

Resident \_\_\_\_\_ Date \_\_\_\_\_

Community \_\_\_\_\_ Date \_\_\_\_\_