

RESIDENCY AGREEMENT

This Residency Agreement is made and entered into as of this 15th day of April, 2008 by and between _____, a Delaware limited partnership ("Community") and _____ ("Resident"). (If there is more than one resident, then "Resident" shall refer to both collectively, except where they are distinguished as "First Resident" and "Second Resident".)

- A. Community owns and operates _____ ("Facility"), located at _____. The Facility is licensed as a _____.
- B. Community provides residency, care and services at the Facility to qualified persons meeting the age requirements set forth in the applicable regulations. Community operates the Facility on a non-discriminatory basis and affords equal treatment and access to services to all eligible persons.
- C. You have applied for accommodations at the Facility and Community has accepted your application. The purpose of this Residency Agreement is to provide a statement of the services that will be furnished to you by Community at the Facility, and the other legal obligations that Community will assume. This Residency Agreement, together with its attachments, also sets forth your legal obligations to Community, both financial and non-financial.
- D. Please note that as a residential care facility for the elderly, _____ is not permitted to use restraints on its residents, and the use of restraints is also inconsistent with our philosophy. We encourage our residents to participate in physical activities to the extent of their capabilities. Thus, falls and other personal injuries will occur from time to time. If you are not comfortable with this type of environment, we suggest that you consider a higher level of care.

I. LIVING ACCOMODATIONS

A. Residency. Resident is entitled to occupy a unit in the Facility throughout the term of this Residency Agreement. Resident has selected Unit Number XXX (the "Unit").

B. Common Community Areas. Resident is entitled to use the common areas of the Facility on a non-exclusive basis, subject to the rights of use and enjoyment by other persons entitled to their use including, but not limited to, other residents of the Facility and their guests and the Facility's employees, agents and invitees. The common areas may consist of a dining room, activity area, lounges, wellness center, and all other communal areas within the building and grounds of the Facility generally understood to be common areas. Resident agrees to use the common areas in such a manner so as to not unreasonably interfere with the normal and customary use by any other person entitled to use such areas. Resident acknowledges that not all of the common areas may be available at all times due to normal maintenance and repair or other circumstances. No such unavailability shall constitute a breach of this Residency Agreement.

II. TERM OF RESIDENCY AGREEMENT

A. Right of Occupancy. It is understood and agreed that Resident is not acquiring any ownership or leasehold interest in the Unit, the Facility or any part thereof. This Residency Agreement provides a right of occupancy of the Unit and use of specified common areas of the Facility. This right of occupancy and use is personal to Resident and cannot be conveyed, transferred, assigned or pledged to any other person or entity, except as provided in Section XV (A) of this Residency Agreement.

B. Term. The initial term (the "Term") of this Residency Agreement shall commence on (DATE) so long as the Resident pays the Total Monthly Charges (as defined below) for the first full month

of residency when occupancy occurs on the first day of the month, for the prorated portion of the first month of this Residency Agreement when the first month's occupancy equals or exceeds fifteen (15) days, or for one full month's total monthly charges together with a prorated amount thereof for the remaining days of the first month when less than fifteen (15) days remain in the first month, and the Resident Application is completed by Resident and accepted by Community and the Application Fee (as defined below) is paid. The Term will be month-to-month, until this Agreement is terminated in accordance with the applicable provisions of this Agreement.

C. Expiration of Term. At the expiration of the Term, Resident will leave the Unit in the same condition as existed at the beginning of the Term, except for reasonable wear and tear and except for any alterations or additions made which Community elects to retain. Resident agrees to reimburse Community for any and all costs of restoring the Unit to the condition existing at the beginning of Resident's occupancy.

D. Personal Property. Community is not responsible for Resident's personal property, whether located in the Unit or elsewhere at the Facility, unless the loss or damage was caused by the negligence of Community or its employees. The Community recommends that the Resident maintain insurance for Resident's personal property.

Community is required by law to notify new residents, upon admission, of its written policies and procedures regarding its theft and loss prevention program. A copy of the law that sets forth the requirements of this program (Health and Safety Code Sections 1569.152 - .154) must be provided to all residents and their responsible persons; and, upon request, to all prospective residents and their responsible persons.

I have received a copy of the Community's Residential Care Theft and Loss Policy.

Initials: _____ Initials: _____

I have received a copy of the law setting forth the requirements for a theft and loss prevention program.

Initials: _____ Initials: _____

When Resident vacates the Unit due to death and there are no surviving occupants within the unit, Resident's estate shall continue to pay the Service Fee under Section III.C for a period of thirty (30) days. If Resident's personal property is not completely removed within that time period, Resident's estate shall continue to pay the Service Fee under Section III.C until all of Resident's personal property has been removed from the Unit. Unless Community has been supplied with written directions as to how to dispose of Resident's personal property, Community shall have the right to inventory and dispose of all property or possessions not claimed after the aforementioned thirty (30) day period in any manner in which Community determines to be appropriate. Resident's estate shall bear all costs associated with any disposition. In the event Community chooses to move Resident's personal items into storage, Resident will be responsible for the payment of all storage costs and all other risks and costs associated with such removal.

III. FEES

A. Personal Care and Assistance Services. Community shall provide personal care and Assisted Living services. A description of the services included in the monthly service fee are set forth in **Appendix A** attached hereto.

Based on a comprehensive assessment performed by Community in connection with the application by Resident for admission to the Facility, Community has determined that the First Resident currently requires the services that are checked off in **Appendices A & B**. If applicable, the Second Resident currently requires the services that are checked off in **Appendices A & B**.

Community may reassess, on a monthly basis, personal care and assistance required by Resident(s) to determine whether a change in services recommended for Resident(s) is warranted to attempt to ensure that Resident(s) will receive services appropriate to the individual needs of Resident. The services offered to Resident may change, from time to time, in accordance with the provisions of Section III (B).

B. Change of Services. Resident will be offered the services as long as such services indicated in **Appendices A & B** are conducive to Resident's safety and well-being and to the safety and well-being of other residents in the Facility and satisfy the requirements of all applicable laws. Community will perform a re-evaluation as frequently as necessary to note significant changes in Resident needs. If Community determines, in consultation with Resident and, if appropriate, with Resident's family or responsible person and Resident's physician, that Resident requires different services than the services currently provided, the Resident shall accept a change to the services determined by Community to be appropriate for Resident, which shall be documented in **Appendices A & B**. The fee(s) for the new service(s) will apply immediately and will be prorated for any partial month.

C. Service Fee. Resident agrees to pay Community a monthly service fee (the "Service Fee") of _____ Dollars (\$X,XXX.XX), payable in advance, without offset, on or before the first day of each calendar month during the Term of this Residency Agreement. The Total Monthly Charge (as hereinafter defined) shall be made by check or money order payable to _____ and delivered or mailed to Community at the Facility. If Resident occupies the Unit for a period of less than one calendar month at the beginning or end of the Term of this Residency Agreement, the Service Fee will be prorated accordingly. The Service Fee does not include a fee for a second occupant in the Unit or charges for guest meals, meal tray service, guest accommodations, telephone, additional personal care services and other personal items. The additional monthly sums paid for a second occupant in the Unit are intended to defray the costs of meals, housekeeping, linen service, transportation and other services and amenities provided to the additional occupant in the Unit. Resident will receive a monthly statement that lists any fees or charges that Resident has incurred.

Charge	First Resident	Second Resident
Service Fee	\$ x,xxx.xx	\$
Additional Personal Care Services	\$	\$
Parking	\$	\$
Other Fees	\$	\$
Total Monthly Service Fee	\$	\$

Total Resident Monthly Service Fee \$5,700

D. Adjustment of Service Fee. Except as specifically set forth herein, the Service Fee shall not be increased during the initial twelve (12) months of the Term of this Residency Agreement unless the services offered to Resident change in accordance with Section III(B). Thereafter, the Service Fee may be

adjusted, and other terms and conditions of this Residency Agreement modified, at the sole discretion of Community, at any time. Community shall give at least sixty (60) days written notice of its intent to adjust the Service Fee, or modify other terms and conditions under this Residency Agreement. In the notice, Community shall describe the proposed reasons for the adjustment to the Service Fee and provide a general description of the additional costs that Community has incurred that led to the adjustment. If Resident does not accept the adjustment, Resident may terminate this Residency Agreement by the delivery to Community of written notice of such termination, in which event this Residency Agreement shall terminate sixty (60) days following receipt by Community of the notice of termination.

E. Nonpayment of Fees. The Total Monthly Service Fee, and any other charges included in the monthly statement delivered to Resident (the "Total Monthly Charges") are due and payable on or before the first day of each calendar month during the Term of this Residency Agreement. If any fees are not paid by the tenth (10th) day of the month, Resident will be charged a late fee of one percent (1 %) of the Total Monthly Charges, and, if any fees are not paid by the fifteenth (15th) day of the month, Resident will be charged an additional late fee of two percent (2%) of the Total Monthly Charges, or the maximum amount permitted by law, if less, which will additionally be charged monthly on the fifteenth (15th) day of each month until all amounts are paid in full and will continue to accrue notwithstanding any termination of this Residency Agreement. In the event a check is returned by the bank for "non-sufficient funds" or any other reason, Resident shall be assessed a fee in the amount of twenty-five dollars (\$25.00) in addition to any applicable interest or late payment charges.

F. Community Fee: Upon admission to the Community, Resident paid a community fee (the "Community Fee") of _____ Dollars (\$x,xxx.xx). The Community Fee is used to reimburse Community for the costs associated with reviewing and processing application, review of the Physician's Report, assessing Resident, developing a care plan and admitting Resident to the Community. The Community Fee is refundable to the extent described herein. If Resident decides, prior to completion of a pre-admission appraisal, not to enter the Community, Resident is entitled to a full, one hundred percent (100 %) refund of the Community Fee.

If Resident completes a pre-admission appraisal, ____ hundred dollars (\$X00.00) of the Community Fee becomes non-refundable, with the remainder of the Community Fee ("Refundable Amount") subject to the following refund rules:

1. If Resident decides, after the completion of a preadmission appraisal, not to enter the Community, Resident is entitled to a refund of eighty percent (80%) of the Refundable Amount.
2. Once Resident enters the Community, if this Agreement terminates and Resident leaves for any reason within the first month of residency, Resident is entitled to a refund of eighty percent (80%) of the Refundable Amount.
3. Once Resident enters the Community, if this Agreement terminates and Resident leaves for any reason within the second month of residency, Resident is entitled to a refund of sixty percent (60%) of the Refundable Amount.
4. Once Resident enters the Community, if this Agreement terminates and Resident leaves for any reason within the third month of residency, Resident is entitled to a refund of forty percent (40%) of the Refundable Amount.
5. Once Resident has been a member of the Community for a full three (3) months, Resident is no longer entitled to a refund of the Community Fee.

G. Optional Services. Community will make available to you optional services at an extra charge, to be billed to you on a monthly basis. These services and associated fees are listed in **Appendix B** to this Residency Agreement.

IV. CORE SERVICES

The following services (the "Core Services") shall be provided for the Service Fee, unless otherwise provided below. Fees for services not included in the Service Fee are set forth as additional services in **Appendix A** and optional service in **Appendix B**.

A. Meals. Three nutritionally balanced meals will be provided by Community each day, and Community will also make available between-meal snacks, as Community determines to be appropriate. Additional meal service information, including tray service and guest meals are available for an additional fee as set forth in **Appendix B**.

B. Transportation. Community will make available transportation to and from neighboring shopping centers, social events, medical and dental facilities, religious organizations and special resident group functions within a la-mile radius in accordance with a schedule prepared by Community. The schedule may be modified from time to time at Community's sole discretion. In addition, the staff at the Facility will arrange personal transportation for Resident at Resident's expense using local taxi services.

C. Laundry. Community shall provide weekly changes to Resident's bed linens at no additional charge, which changes shall include one top sheet, one bottom sheet, and two pillowcases. Residents may wash personal items at Community's laundry facilities on a "first come first-serve" basis at no additional charge. Additional laundry services may be arranged for an additional fee (see **Appendix B**).

D. Utilities. All utilities, including water, electricity, heat and gas, sewer and air conditioning and cable television, shall be provided by Community. Resident shall be responsible for the procurement of telephone service and for the payment of any and all expenses relating to the telephone. The Service Fee may be increased upon sixty (60) days' prior written notice at any time during the Term to reflect the increased cost of utilities to Community. Resident agrees to conserve heat, utilize electricity only when necessary and in general conserve the utilities and facilities.

E. Housekeeping. Community shall furnish housekeeping services on a weekly basis. Such services shall include, to the extent necessary in Community's determination, cleaning of the bathroom and kitchen, vacuuming and dusting. Resident must allow Community access to the Unit for the performance of these services. Additional housekeeping services as required by Resident will be provided for an additional charge as set forth in **Appendix B**.

F. Repairs. Except as hereinafter provided in Section VIII (D), Community shall provide necessary repairs, maintenance and replacement of appliances and equipment. Community, at its sole cost and expense, shall maintain in good and reasonable operating condition, order and repair, the structure of the Facility, the common areas, elevators, electrical, plumbing, sewer and air conditioning of the Facility. To the extent Community performs maintenance work on Resident's personal property, Resident shall pay the cost thereof.

G. Groundskeeping. Community shall provide groundskeeping care at the Facility, including landscaping, and painting.

H. Emergency Call Service. Emergency call facilities, consisting of an emergency response system in the Unit shall be provided. When Resident initiates the Emergency Response System, an employee

of Community will respond thereto and take whatever further action is deemed necessary (e.g., request emergency medical assistance and notify the Resident's family, guardian or personal physician). Resident must keep on file with Community the name and telephone number of Resident's current personal physician and dentist, and an individual to call in the event of an emergency.

I. Parking. Where available, the Community will provide you with the use of an assigned parking space, provided that you (a) own the car that you wish to park, (b) maintain a current valid driver's license, registration and automobile insurance, and (c) execute and agree to comply with the terms of the Parking Rider, attached as **Appendix C**. Your parking fee, if applicable, will be included as part of your Monthly Services Fee.

Parking is self-parking and as such the Community shall not be responsible for any damage or injury to person or property occurring in the parking area arising out of the acts or actions of residents or any other persons.

It is acknowledged that there is no exclusive parking area allocated to the guests of Resident, but, when visiting the Facility, such guests shall have the right to use any and all unassigned and unreserved parking areas of the Facility, with others who have a right to use the unassigned and unreserved parking area. It is hereby agreed that Community shall have the right to designate at any time, special parking areas which shall be so marked, and also to designate and change, if necessary, the parking areas that guests of residents of the Facility shall be required to use. If Resident or a guest of Resident shall violate the conditions contained in this paragraph and park in an area other than the one designated therefor, Community shall have the right to remove the vehicle parked in the unauthorized parking space, and the Resident hereby agrees to pay the cost of such removal and to save Community harmless from any and all damages arising therefrom.

J. Observation and Consultation. Community will observe Resident's health status to identify, social and health care needs and will consult with Resident regarding social and health-related issues, at such times as Community determines to be appropriate.

K. Assistance with Access to Outside Services. Community will assist Resident with arranging needed appointments with professionals offering medical, dental and other health care services and with accessing and transferring to outside facilities providing higher levels of care than the level of care provided at the Facility, as needed and prescribed by Resident's primary care physician. Community will also assist Resident in accessing community resources and recreational or social activities provided away from the Facility.

L. Medical and Health Services. Notwithstanding anything contained in this Residency Agreement to the contrary, Community does not undertake to offer or supply or pay for any medical care or services of any nature or kind to Resident beyond the scope of the required services outlined for residential care facilities for the elderly ("RCFE") in the State of California.

It shall be the responsibility of Resident, at Resident's cost and expense, to procure adequate and suitable medical care and treatment. Community shall, however, make appropriate arrangements with a hospital and other appropriate entities to procure emergency medical care on a 24-hour basis. Resident shall bear the cost of such emergency medical treatment, whether or not covered by health insurance. Resident shall bear the cost of any and all extended and convalescent care and any physician services rendered in connection therewith. Nothing contained herein shall be construed as requiring Resident to utilize the facilities of any particular hospital. Resident shall be responsible for all costs of any medical consultation with Resident. Community shall have no responsibility for the payment of the costs of any of the above-described services.

M. Furnishings. Resident may furnish the Unit with Resident's own furniture. Resident may also

use Resident's own minor electrical appliances and special equipment (such as televisions and radios), provided Community's size restrictions and safety standards are met. Members of the Facility's staff must inspect and install all electrical appliances Resident chooses to use in the Unit. Resident or Resident's estate will be responsible for removing all furnishings and personal belongings after the Unit is vacated.

N. Personal Supplies. Resident shall be responsible for the purchase and provision of all other supplies for personal care and hygiene. If a Resident needs assistance in obtaining personal care and hygiene supplies, the community will provide to Residents such supplies upon request, at cost of items.

O. Planned Activities. Community will prepare a monthly calendar of various social and recreational activities, both at and away from the Facility, for the residents of the Facility. Community also will assist resident groups in planning additional activities. Resident is welcome to participate in such activities as Resident desires.

P. General. In addition to the foregoing, Community shall maintain the exterior of the Facility and have the right to do the following:

(a) To enter the Unit at all reasonable times, whether or not Resident is present, to inspect the Unit or to make or facilitate any repairs or alterations or for emergency purposes and, in addition, to show the Unit to prospective residents during the sixty (60) days prior to the expiration of the Term;

(b) To designate any vending machine operators, food and/or beverage dispensers, who shall be permitted to serve the Facility and its residents;

(c) To establish rules and regulations pertaining to the use and appearance of common community areas; and

(d) After due notice to Resident, to establish such further rules and regulations pertaining to the use and occupancy of the Unit as shall be required for the health, safety and welfare of residents of the Facility.

V. RELOCATION TO HEALTH CARE CENTER

A. RCFE Status. The portion of the Facility where the Unit is located is a "Residential Care Facility for the Elderly" licensed by the State of California that is intended to provide a residential environment offering aide to continued community living with assisted living services, such as transportation, housekeeping, maintenance and meals. The Facility is not a nursing home or a medical facility.

B. Relocation to a Health Care Center. In the event Resident requires long-term nursing care services or no longer meets the health requirements as stated in Section VII and in the State of California's RCFE Regulations, Community will assist in Resident's transfer to another facility or institution for such care, in which event, this Residency Agreement will terminate in accordance with Section VII(A) hereof. If you do not move out under these circumstances, and Community determines that it is necessary to provide you with one-on-one care in order to protect your health or safety or the health or safety of others, Community will provide such care and you will be charged for it in accordance with **Appendix A.**

VI. MEAL SERVICE PROGRAM

A. Meal Service Program. There will be a charge for meals in addition to the meals provided under the core services program, as provided in **Appendix B**.

B. Resident's Absence. There will be no reduction in the Meal Service Program until resident is absent from the Facility for thirty (30) continuous days.

C. Guest Meals. Residents may bring guests to the dining room to the extent space is available in the dining room, with residents of the Facility having first preference. There will be a charge for guests' meals, as provided in **Appendix B**. Community shall determine, in its sole discretion, whether extra meals shall be paid for at the dining room or billed to Resident on a monthly or other basis.

VII. RESIDENCY QUALIFICATIONS

A. Health Requirements. To reside in _____, Resident must be capable of living in a safe fashion, be capable of maintaining Resident's own personal appearance and hygiene, with assistance if necessary, and be able to perform the obligations under this Residency Agreement. Resident must not have a mental or physical condition that would jeopardize the property, health or well being of Resident or other residents of Inn at the Park. Resident must be capable of comprehending and implementing safety evacuation procedures, with assistance from Community staff if necessary, in the event of an emergency.

Resident hereby represents and warrants to Community that Resident qualifies under this paragraph to reside in the Unit. Notwithstanding anything to the contrary provided herein, Community shall not discriminate in making a unit in the Facility available to any potential resident because of a handicap, as such term is defined in 42 U.S.C. 3602. If Community determines that Resident does not meet the health requirements as set forth in this Section or as outlined in the State of California's RCFE Regulations, this Residency Agreement may be subject to termination by Community as provided in Section XI. Please note that the following conditions, among others, may lead to a reappraisal and a termination of your residency in accordance with Section XI. Termination may occur if:

1. Resident does not meet the requirements for residency established by state law and the Department of Social Services regulations.
2. Resident presents an immediate physical threat or danger to yourself or others
3. Resident has active communicable tuberculosis or another similar communicable disease.
4. Resident requires 24-hour skilled nursing or intermediate care.
5. Resident is not elderly and has needs in conflict with other residents or the programs of services offered, or require more care and supervision than other residents.
6. Resident has a primary need for care and supervision that results from dementia or a mental disorder resulting in ongoing behavior which would upset the general resident group, would require a greater amount of care and supervision than other residents at _____ or if Resident cannot generally benefit from the program of services available at _____.
7. Resident is bedridden as defined by state licensing regulations.
8. Resident refuses to accept services required in order for Community to meet Resident's needs.

9. Resident has health care needs that cannot be met at _____ for reasons such as licensure, design or staffing.

10. Resident's personal physician has determined that you require services not available at _____.

B. Medical Examination. At the request of Community and in accordance with state law, prior to occupancy, Resident shall provide the Facility's Administrator or Resident Services Director (or other person designated by Community) with a completed health history and medical assessment prepared by the Resident's physician within one month prior to admission to the Facility. The Resident shall also provide Community with written medical and dental information so that the information is available in the event of an emergency. All medical and dental information that Resident supplies to Community shall be treated as confidential; however, the Resident hereby consents to the submission and disclosure of medical information to paramedics and other medical professionals in the event of an emergency.

VIII. MAINTENANCE, REPAIRS AND ALTERATIONS

A. Maintenance and Repair. Community will perform necessary repairs and maintenance to the Facility associated with normal wear and tear in the Unit.

B. Redecoration. Resident may redecorate Resident's Unit at Resident's expense only upon written approval of Community. Redecoration shall mean and shall be limited to painting, the hanging of wallpaper, wall coverings, curtain rods, drapery, window shades and/or wall hangings, so long as: (a) said redecoration does not constitute a structural change to the Facility or the Unit; and (b) with regard to any drapery or window shade, Community must specifically approve the drapery or window shade and shall permit only those which, in the opinion of Community, are in no manner detrimental to the appearance of the Facility.

C. Structural and Non-Structural Alterations. Community, at its sole determination, will permit reasonable alterations to the Unit if Resident has a handicap and if the proposed modification is necessary to afford Resident full enjoyment of the Unit. Structural or physical alterations in the Unit, whether based on a handicap or not, may be made only upon prior written approval of Community. All structural or physical changes to the Unit shall remain at the Unit and be considered part of the Unit and the Facility. The cost of any alterations made by Resident shall be paid by Resident unless otherwise agreed to in writing by Community. Resident agrees that Resident will bear the cost of restoring the Unit to its original condition, reasonable wear and tear excepted, upon the termination of this Residency Agreement, if such restoration is requested by Community. Community may enter and make any modifications or alterations to the Unit in order to meet the requirements of any federal, state, or local law.

D. Basic Housekeeping. Resident shall maintain the Unit in clean, sanitary and orderly condition and perform such light housekeeping tasks, which are not expressly the duties or responsibility of Community hereunder. Community shall determine, in its sole discretion, whether or not Resident is maintaining the Unit in such condition and, to the extent Community shall determine that Resident is not complying with this provision, Resident shall forthwith comply with this provision. At Resident's expense, Community shall have the right to maintain the Unit in good order and repair any damage to the Unit caused by Resident's negligence or willful conduct. Resident shall not make holes in the floors, walls or fixtures of the Unit without the prior written approval of Community. At Resident's expense, Community will maintain the carpeting in the Unit in good order, replacing any carpeting or portion thereof which is damaged or destroyed as a result of Resident's negligence or misuse with carpeting of the same or similar quality. Resident shall use appliances provided by Community only in the manner described in the manufacturer's instructions. Upon termination of this Agreement and/or termination of Resident's occupancy of the Unit,

Resident shall remove all personal property and leave the Unit in a clean and tenantable condition.

E. Damages. Resident is liable for any damages to the Unit or to any other part of the Facility that are caused by the negligence or misconduct of Resident or Resident's family members or guests, including costs, expenses and reasonable attorneys' fees incurred in connection therewith. In the event Resident's non-compliance or breach of this Residency Agreement can be remedied by repair or replacement of a damaged item or cleaning and the Resident fails to remedy such non-compliance or breach as promptly as circumstances require in the case of an emergency or, in any event, within fourteen (14) days after written notice from Community to Resident specifying the non-compliance or breach and requesting that the Resident remedy such non-compliance or breach within that period of time, Community may enter the Unit and cause the work to be done in a workmanlike manner and submit an itemized bill for the actual and reasonable cost or the fair and reasonable value thereof as part of the next Total Monthly Service Fee or, if this Residency Agreement has terminated, for immediate payment. This provision will survive any termination of this Residency Agreement.

IX. USE OF UNIT

A. Use of Unit Generally. Resident shall use the Unit only for residential purposes and shall not use it for business purposes or the practice of any profession without the express prior written consent of Community. Resident shall not injure, overload, or deface the Unit or any portion of the Facility, nor permit any auction sale in the Unit nor permit any use of the Unit which is improper, offensive, or contrary to law or ordinance or which renders or is likely to render necessary any alterations or additions to the Unit or any portion of the Facility.

B. Specific Use of Unit. Resident shall not: (a) make or permit to be made any disturbing noises; (b) cause odors or disturbances; (c) change or add locks; (d) place foreign matter in toilets or sinks; (e) make any alterations or decorations to the Unit other than as is provided herein; (f) obstruct or permit to be obstructed sidewalks, drives, walkways, hallways, or parking areas of the Facility; (g) cause any damage to the exterior of any portion of the Facility; (h) store flammable material; (i) leave rubbish or personal articles in hallways, common areas, or exterior portions of the Facility; (j) install exterior antennas or aerials without the prior express written consent of Community; or (k) park cars in areas or spaces other than as are designated by Community. Further, Resident shall keep the volume of radios, stereos and televisions sufficiently reduced so as not to disturb other residents.

C. Locks and Entry. The Resident shall allow Community's agent and/or employees to enter the Unit for maintenance, health or safety reasons. For Resident's safety, Resident agrees not to use any private locks or locking devices other than those supplied by Community.

D. Guests. Resident may have guests overnight in the Unit, but if Resident desires to have guests overnight for more than seven days in anyone month, Resident shall first obtain the prior express written consent of Community. Resident shall be responsible for the charges incurred by and actions of any guest. No more than two overnight guests may be present in any Unit without the prior express written consent of Community. In no event may Resident charge guests for the use of the Unit. Resident and Resident's guests shall at all times abide by Facility's rules and regulations ("Rules and Regulations"), including the Resident Handbook, in effect from time to time and as such Rules and Regulations may be amended or modified from time to time and which are hereby incorporated herein by reference. Resident and guest(s) of Resident will make every effort to live in harmony with other residents in the Facility and to cooperate with the Facility's staff.

E. Pets. Resident may keep a common household pet in the Unit only if Resident has executed the Pet Rider (attached in **Appendix D** to this Residency Agreement), which rider shall be incorporated

herein and made a part hereof.

X. JOINT OCCUPANCY

A. Joint Occupancy. If there is more than one individual entering into this Residency Agreement, each is individually responsible for any and all payments due to Community. Each Resident is entitled to all of the benefits and services provided under this Residency Agreement. In the event that one of the Residents moves out or Resident's occupancy is otherwise terminated for whatever reason, the remaining Resident is responsible for the payment of the Total Monthly Charges and all other charges relating to the Unit, except for the Second Person Fee. The remaining Resident may continue to reside in the Unit or move to a smaller Unit, if available, and pay the reduced fee for a single occupancy Unit or may find another resident to occupy the double occupancy Unit provided such resident meets all requirements for such occupancy in the Unit. Each potential resident must meet all applicable age, medical and financial requirements before being accepted for occupancy in the Unit.

B. Joint and Several Liability. In the event there is more than one Resident, the liability of all Residents that are parties to this Residency Agreement shall be joint and several. To the extent the content hereof permits, references to "Resident" shall be deemed to be references to "Residents".

XI. TERMINATION

A. Termination by Resident. A Resident may terminate this Residency Agreement at any time during the Term of this Residency Agreement, with or without cause, by giving the Administrator of the Facility or his/her designee sixty (60) days' prior written notice of termination. Additionally, Resident may terminate this Residency Agreement at any time during the Term of the Residency Agreement for reasons of death or health by giving the Administrator of the Facility or his/her designee thirty (30) days' prior written notice of termination, together with a written statement from Resident's physician confirming the health need. When Resident is the sole occupant of the unit and terminates occupancy of the unit due to death, thirty (30) day notice will be considered to have been given as of the date of Resident's death. If you fail to provide the Administrator with the aforementioned numbers of days of notice, you will be responsible for the daily rate at your then current fee level for the number of days between the termination date and the sixty (60) days or thirty (30) days period following the date we receive your notice, depending upon the situation.

1. Community may upon thirty (30) days' written notice to Resident, evict Resident for one or more of the following reasons:

(i) Nonpayment of the rate for basic services that is, the Total Monthly Service Fee within ten (10) days of the due date;

(ii) Failure of the Resident to comply with State or local law after receiving written notice of the alleged violation;

(iii) Failure of the Resident to comply with general policies of the Facility. These policies are as described below and in the Resident Handbook;

(iv) If after admission, it is determined that the Resident has a need not previously identified and a reappraisal has been conducted pursuant to Section 87587 [of Title 22 of the California Code of Regulations], and Community and the person who performs the reappraisal believe that the facility is not appropriate for the Resident; or

2. In addition, Community may, upon obtaining prior written approval from the

licensing agency [the Department of Social **Services**], evict the Resident upon three (3) days written notice to quit. The licensing agency may grant approval for the eviction upon a finding of good cause. Good cause exists if the Resident is engaging in behavior which is a threat to the mental and/or physical health or safety of him or herself or to the mental and/or physical health or safety of others in the Facility.

C. Appeal of Termination. If Resident wishes to appeal a termination, Resident may do so by requesting a review in writing to the Administrator within ten (10) days following the termination notice. The Administrator will schedule a meeting with Resident's representatives during which you can present reasons why the termination should not occur. The Administrator will then make a final determination which will be provided to Resident in writing.

D. Death of Resident. If this Agreement terminates as a result of your death, Resident hereby agrees that charges for the unit shall continue for 30 days after the date of death. Moreover, Resident agrees that if unit is not vacated as described in Section II D, that charges shall continue in effect.

E. Vacating Apartment. Upon termination of this Agreement described in this Section XI, Resident or Resident's estate shall vacate and remove all of Resident's property from Resident's Apartment. Resident or Resident's estate shall remain liable for the Monthly Fee until the later of (i) the date on which this Agreement terminates or (ii) the date on which the Unit is vacated and all of Resident's property is removed from it. Please note, however, that if Resident's Unit is vacated prior to the termination date and Community is able to find a new resident for the Unit, this Agreement will be deemed terminated on the date the new resident begins paying the Monthly Fee for the Unit.

F. Amount of Refund. Within thirty (30) business days after Resident's Unit has been vacated and Resident's property has been removed from it, Community shall pay Resident or Resident's estate a refund, if applicable, equal to any amount that Community owes to you pursuant to this Agreement, minus (i) the amount of any unpaid Monthly Fees, charges for optional services, or other charges that you owe to Community under this Agreement; and (ii) any expense incurred by Community to remove and/or store any of Resident's property that was not removed when Resident vacated the Unit. If the amount you owe to Community exceeds your final Monthly Fee, Community will bill you for the difference.

G. Survival After Termination. Sections XI(D) and XI(E) shall survive the termination of this Agreement.

H. Material Representation. The resident application is a material part of this Residency Agreement. Any material misrepresentation or falsification made by Resident in this Residency Agreement, in the resident application or in any way in connection with this Residency Agreement or the resident application will be a cause for termination.

I. Referral Procedures. In the event this Residency Agreement is terminated by Community, at the request of Resident or Resident's family, Community shall provide Resident and Resident's family with referrals to alternate housing and/or services.

J. Termination Based on Licensure Forfeiture or Facility Closure

1. Upon sixty (60) Days Written Notice. Community may terminate this Agreement upon sixty (60) days' prior written notice to you or your responsible person, if any, if the following events occur:

- (a) Community's license is forfeited because of a sale or transfer of the Facility

or its property, surrender of the license, or abandonment of the Facility in accordance with Health and Safety Code Sections 1569.19(a), (b) or (f); or

(b) Change of the use of facility

2. Notice. If Community terminates this Agreement under this Section A, you and your responsible person, if any, shall receive a notice of the reason for the termination, with specific facts to permit a determination of the date, place, witnesses, and circumstances concerning the reasons. The notice will also include a copy of your current service plan, your relocation evaluation prepared by Community (see Section 6 below), a list of referral agencies, and an explanation of your or your legal representative's right to contact the California Department of Social Services ("DSS") to investigate the reasons given for the termination. Community will send to DSS a written report of the termination within five (5) days after issuing the termination notice.

3. Refund of Community Fee

(a) If Community terminates this Agreement under this Section, the first five hundred dollars (\$500) or less of any Community fee that you paid to Community is non-refundable. The remainder of any Community fee paid (that is, after deducting \$500 (thereinafter referred to as the "balance")) is refundable to you or your legal representative on the following basis:

(i) a full refund of the balance if the Community fee was paid within six months of the notice of termination.

(ii) a seventy five (75) percent refund of the balance if the Community fee was paid more than six months but not more than twelve months before the notice of termination.

(iii) a fifty (50) percent refund of the balance if the Community fee was paid more than twelve months but not more than eighteen months before the notice of termination.

(iv) a twenty five (25) percent refund of the balance if the Community fee was paid more than eighteen months but less than twenty five months before the notice of termination.

(b) You shall not be entitled to a refund of the Community fee, or any part thereof, if you paid it twenty five (25) months or more before the notice of termination.

4. Timing of Refund/Credit. Any refund due under Section 3 above shall be paid to you within fifteen (15) days of issuing the notice of termination. Instead of receiving a refund due under Section 3 above, Community shall, at your request, give you a credit toward your Monthly Fee payment obligation in an amount equal to the refund due under Section 3 above.

5. Refund of Prepaid Monthly Fee. Following termination of this Agreement under this Section A, Community will pay you or your legal representative a proportional per diem amount of any prepaid Monthly Fee. You or your legal representative shall receive the refund on the date you move out of the Facility and vacate your Unit (see Section E (*Vacating Apartment*)), provided you submit a written request to Community to receive such refund on that date at least five (5) days before your scheduled move-out date. Otherwise, you or your legal representative shall receive such refund within seven (7) days from the date that you leave the Facility and your Unit is vacated (see Section E (*Vacating Apartment*)).

6. Relocation Evaluation. If Community terminates Admission Agreements under this Section A, it will take all reasonable steps to transfer affected residents safely and to minimize possible

transfer trauma. Before you receive a termination notice under Section 2 above, Community will prepare a relocation evaluation of your needs. Your relocation evaluation shall include recommendations on the type of facility that would meet your present needs based on your current service plan and a list of those type of facilities that are located within a 60-mile radius of the Facility. Community shall discuss your relocation evaluation with you and your legal representative, if any, within thirty (30) days of issuing the notice of termination under Section 2.

7. Closure Plan. If Community plans to terminate the residency of seven (7) or more residents under Section 1 above, Community shall submit a proposed closure plan in accordance with Health and Safety Code Section 1569.682(b) to DSS for approval. Community will not accept new residents or enter into new Admission Agreements after it submits the closure plan to DSS. Until such time that DSS approves the closure plan, Community shall not issue a notice of termination to any resident under Section 2 above or require any resident to transfer. Upon approval by DSS, Community shall send a copy of the closure plan to the local ombudsperson program and commence issuing termination notices under Section 2 above.

8. Notice to DSS and Ombudsperson. Community shall submit a final list of names and new locations of all transferred residents to DSS and the local ombudsperson program within ten (10) days of the date that the final resident is transferred from the Facility.

XII. REMEDIES

A. Remedies. In the event of any termination of this Residency Agreement:

- (a) Resident shall have all personal items promptly removed from the Unit;
- (b) Community may enter into a Residency Agreement with others for occupancy of the Unit;
- (c) Resident will remain obligated for all fees, charges and other obligations incurred or accrued through the date of such termination;
- (d) Unless otherwise provided in this Residency Agreement, Community may recover from Resident the amount of the Total Monthly Charges and other amounts payable under this Residency Agreement for the remainder of the Term.

B. Costs. Resident shall bear all costs, expenses and reasonable attorneys' fees incurred by Community in enforcing the terms and provisions of this Residency Agreement or exercising any remedies of Community hereunder.

C. Failure to Perform. If Resident at any time or from time to time fails to perform any of Resident's obligations under this Residency Agreement, Community may immediately or at any time thereafter, without notice, perform any such obligations for the account or benefit of Resident and, in any such event, any monies paid by Community for such purpose shall be deemed to be an additional monthly charge due hereunder as part of the Total Monthly Charges and shall be payable forthwith by Resident upon delivery of an invoice therefor. The failure to pay such invoice within fourteen (14) days of receipt shall be deemed a default by Resident under this Residency Agreement.

D. Other Rights. The mention in this Residency Agreement of any specific right shall not preclude Community from exercising any other right or from having any other remedy or from maintaining any action to which it may be otherwise entitled either at law or in equity. The failure of Community to insist in anyone or more instances upon a strict performance of any covenant of this Residency Agreement or to

exercise any option or right herein contained shall not be construed as a waiver or relinquishment for the future of such covenant, right or option, but the same shall remain in full force and effect, unless the contrary is expressed in writing by Community.

In the event of any suit by Community brought or based on this Residency Agreement, this Residency Agreement shall be construed to be a divisible contract and successive actions may be maintained as successive periodic sums shall mature or become due under this Residency Agreement. Failure to include in any suit or action any sum or sums then matured or due shall not be a bar to the maintenance of any suit or action for the recovery of said sum or sums so omitted.

XIII. LIABILITY

A. Insurance. Resident shall be responsible for maintaining insurance on the personal contents and property in the Unit or any storage areas and for maintaining personal liability insurance.

B. Liability. Community shall not be responsible for the loss of any of Resident's money, valuables, or personal effects, either within the Unit or elsewhere at the Facility unless such loss is the result of the negligent, reckless, or intentional act or omission of Community or any agent of Community. Further, Community shall not be responsible for any losses sustained by Resident's guests.

Resident shall indemnify, defend and hold harmless Community and its officers, directors, shareholders, affiliates, employees, representatives and agents, and their respective heirs, legal representatives, successors and assigns, from and against any and all losses, costs, damages and expenses incurred, whether in the Unit, in any portion of the Facility or on the grounds of the Facility or while in transit thereto or therefrom, or for any injury to person or property of others, resulting from the negligent, reckless, intentional act or omission of Resident or Resident's guests. Community is not responsible for payment or reimbursement of health care costs of the Resident resulting from any services provided to Resident, from the failure or inability to maintain insurance or for loss or damage resulting from the acts or omissions of any health care provider.

XIV. ASSIGNMENT OR SUBLETTING

Resident shall not assign this Residency Agreement in whole or in part nor let all or any part of the Unit without Community's express prior written consent. Consent by Community to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. Nothing contained herein shall be construed as requiring or mandating the granting of permission by Community to any assignment or subletting. Notwithstanding any such consents, Resident shall remain liable to Community for the payment of the entire amount of the Total Monthly Charges and other amounts payable hereunder and for the full performance of all obligations, covenants and conditions set forth in this Residency Agreement.

XV. PRIVATE DUTY AIDS

A. Agency Relationship. If Resident retains, or otherwise uses, the services of private duty aides or other third party care givers, Resident hereby acknowledges and agrees that such private duty aides or other third party care givers are agent(s) of Resident and not of Community and that Community has no affiliation or other relationship therewith.

B. Rules and Regulations. If Resident retains, or otherwise uses, the services of private duty aides or other third party care givers, Resident hereby agrees to ensure that such private duty aides or other third party care givers abide by all of the Rules and Regulations and the policies and procedures of Community and the Facility, including, without limitation, those set forth in the Resident Handbook and

those relating to parking, or any other applicable State or Federal regulations.

C. Indemnity. If Resident retains, or otherwise uses, the services of private duty aides or other third party care givers, Resident shall indemnify and hold harmless Community and its officers, directors, employees, contractors, representatives and agents and their respective successors and assigns, from and against all losses, costs, damages and liabilities (including reasonable attorneys' fees and costs) arising out of the acts or omissions of any private duty aide or other third party care giver or their officers, directors, employees, contractors, representatives and agents and their respective successors and assigns.

XVI. MISCELLANEOUS

A. Resident's Rights. Consistent with California law, Resident shall have the rights set forth in the Statement of Residents' Personal Rights, a copy of which is attached hereto as **Appendix E**.

I have received a copy of the Statement of Residents' Personal Rights, as attached to this Agreement as **Appendix E**.

Initials: _____ Initials: _____

B. Visits and Communication. Community encourages family visits and communication. Visitors are welcome at any time provided they respect the rights of other residents and staff, and abide by visitation policies as set forth in the Resident Handbook, which Resident is receiving with this Agreement. Before any visitor stays in the Unit overnight, Resident must notify the Administrator in writing. All visitors must register at the Facility when they arrive.

C. Resident Handbook. Resident agrees to abide by the general policies of the Facility contained below in this section and in the Resident Handbook, as it now exists or as it may later be amended in Community's sole and absolute discretion. Resident understands failure to abide by general policies may result in termination of this Residency Agreement by Community.

I have received a copy of the current Resident Handbook.

Initials: _____ Initials: _____

In accordance with state law, the Facility's policies must be reasonable. By signing this Agreement and initialing above, Resident acknowledges that Resident has reviewed the Resident Handbook and the general policies of _____ and agrees that they are reasonable. The following additional general policies apply:

1. Residents must pay all fees and charges that are owing to Community in accordance with their Resident Agreement when due.

2. Residents may not breach any representation, covenant, agreement or obligation of the resident under their Residency Agreement.

3. Residents must not be disruptive, must not create unsafe conditions, and must not be physically or verbally abusive to other residents or staff.

4. Residents must ensure that their family members, guardians, personal representatives or guests are not disruptive, do not create unsafe conditions, and are not physically or verbally abusive to the

detriment of the resident, other residents or staff.

If you wish to suggest changes to the general policies of Inn at the Park you may do so at any time by notifying the Administrator.

D. Accuracy of Application Documents. As part of Resident's application to the Facility, Resident has filed with Community an application form and a physician's report, both of which are attached to this Residency Agreement as **Appendix F**, which is hereby incorporated by reference into this Residency Agreement and made an expressed part hereof. Resident warrants all information contained in these documents is true and correct, and Resident understands Community has relied on this information in accepting Resident for residency at the Facility.

E. Examination of Records. All documents pertaining to Resident's residency at the Facility are confidential. However, as required by State of California law, representatives from the Department of Social Services may inspect Resident records that are on file at the Facility as part of their evaluation of the Facility.

F. Notices. Notices to Community hereunder shall be in writing, effective upon receipt thereof at the management office at the Facility. Notices to Resident shall be at the Resident's address at the Facility, if the Resident is residing therein, otherwise notice shall be sent to Resident's last known address.

G. Licensing Surveys. A copy of licensing surveys for the past year for the Facility performed by the California Department of Social Services will be posted for your review. Copies of the licensing surveys and other documents pertaining to the Facility are available from the Department's district office at the following address and telephone number:

Address:

H. Grievances. If Resident has a concern or complaint regarding the Facility, the Resident may proceed in accordance with the Facility's Grievance Policy, a copy of which the Resident will receive with this Agreement. You may also contact Community's corporate office at _____. In addition, you have the right to contact the Department of Social Services or the Long-Term Care Ombudsman.

Address:

I. Conservator or Guardian. If the Resident becomes legally incompetent or is unable to care for himself or herself and he or she has not designated a person to serve as guardian or conservator, the Resident grants Community the authority to apply on the Resident's behalf to a court for the appointment of a conservator or guardian.

J. Casualty. If the Unit or a material portion of the Facility is taken by eminent domain or damaged or destroyed by fire or other casualty, Community may terminate this Residency Agreement immediately upon written notice to Resident.

K. Captions. The captions of the Sections hereof are for convenience only and in no way shall limit, enlarge, define or otherwise affect the scope or intent of this Residency Agreement or any provisions hereof.

L. Nondiscrimination. Community hereby agrees not to discriminate based upon race, color, religion, creed, national origin or sex.

M. Applicable Law. The laws of the State of California shall apply to this Residency Agreement. References herein to statutes shall be deemed to incorporate the statutes in effect as of the date hereof. Amendment or repeal of applicable statutory law shall entitle Community to the benefit of the existing law or to the law as amended, whichever provides Community with greater protection and preserves its rights and remedies hereunder. If part of this Residency Agreement is determined to be invalid, the remainder of this Residency Agreement shall be and remain in force. Nothing in this Residency Agreement shall be construed to violate any provision of the National Housing Act, 12 U.S.C. § 1701 et seq. or Title VI of the Housing and Community Development Act.

N. Subordination. This Residency Agreement is subordinate to any mortgage, lease or land use restriction affecting the Facility. Resident shall, within ten (10) days of receipt thereof, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this Agreement to said mortgage, lease, land use restriction or other such instrument in the nature thereof.

O. Successors. This Residency Agreement shall bind and benefit the successors and assigns of Community.

P. Time is of the Essence. Time is of the essence hereunder.

Q. Enforcement. Resident shall be responsible for paying Community's expenses, including reasonable attorneys' fees and costs, incurred in enforcing any obligations of Resident under this Residency Agreement that are not complied with.

R. Appendices. The documents attached to this Residency Agreement ("Appendices") are hereby incorporated herein and made a part of this Residency Agreement as if fully stated herein.

S. Amendments. This Residency Agreement may not be modified or amended except in writing signed by the parties hereto.

T. Arbitration. By entering into this Agreement, Resident agrees that any and all claims and disputes arising from or related to this Agreement or to residency, care or services at _____ shall be resolved by submission to neutral, binding arbitration; except that any claim or dispute involving eviction or any claims that can be brought in small claims court shall not be subject to arbitration unless both parties agree to arbitrate such proceedings. Both parties give up their constitutional rights to have any such dispute decided in a court of law before a jury, and instead accept the use of arbitration. The arbitration shall be conducted in _____, California, by a single neutral arbitrator selected as provided in the California Code of Civil Procedure, unless otherwise mutually agreed. In reaching a decision, the arbitrator shall prepare findings of fact and conclusions of law. Each party shall bear its own costs and fees in connection with the arbitration. This arbitration clause binds all parties to this Agreement and their spouse, heirs, representatives, executors, administrators, successors, and assigns, as applicable. After termination of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

U. Waiver. The failure of Community in any instance or instances to insist upon your strict performance or observation of or compliance with, any of the terms or provisions of this Agreement, shall not be construed to be a waiver or relinquishment of its right to insist upon your strict compliance with all of the terms and provisions of this Agreement. In addition, acceptance by Community of any payment from you after your breach of any term of this Agreement or after providing you with a notice of termination based on

a reappraisal as described in Section XI., above, shall not constitute a waiver of the right of Community to insist upon full performance of all terms of this Agreement, nor shall it waive the Community's right to terminate this Agreement for any breach previously committed or to terminate in accordance with Section XI..

V. Entire Agreement. This Residency Agreement, including the Attachments, which are a part of this Residency Agreement, constitutes the entire agreement between Resident and Community. Community is not liable for and not bound in any manner by any statement made by any person representing or claiming to represent Community, unless those statements are expressly set forth in this Residency Agreement. Any modifications of this Residency Agreement must be in writing and signed by all parties hereto.

W. Acknowledgment. By the signature(s) below, Resident and Resident's co-signing or responsible party (if any) acknowledge this Residency Agreement in its entirety, acknowledge receipt of the Attachments hereto and certify that they have read this entire Residency Agreement in full, together with the Attachments and applicable Riders.

X. Required Resident Handouts.

1. Resident will receive a copy of the brochure entitled "Your Right to Make Decisions about Medical Treatment" published by the California Department of Social Services and of the law setting forth Resident's rights concerning medical decisions and advance health care directives (see California Code of Regulations, Title 22, Section 87575.1).

I have received a copy of the brochure entitled "Your Right to Make Decisions about Medical Treatment."

Initials: _____ Initials: _____

I have received a copy of California Code of Regulations, Title 22, Section 87575.1, setting forth my rights concerning medical decisions and advance health care directives.

Initials: _____ Initials: _____

2. Resident will receive a copy of the DSS Telecommunications Device form (LIC 9158) and, if appropriate, will complete it.

Initials: _____ Initials: _____

IN WITNESS WHEREOF, the parties have set their names or caused their names to be set and affixed hereto on the date first above mentioned.

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, the cosigning party undersigned hereby guarantees to Community on behalf of Resident(s), the payment in full when due of the Total Monthly Charges and all other amounts payable under the terms of this Residency Agreement and any Attachments, Riders or amendments thereto.