

UPON ELECTION OF THE PARTIES, DISPUTES BETWEEN THE CORPORATION AND RESIDENT ARE SUBJECT TO BINDING ARBITRATION IN ACCORDANCE WITH THE AMERICAN ARBITRATION ASSOCIATION COMMERCIAL ARBITRATION RULES, WITH SUPPLEMENTARY PROCEDURES FOR CONSUMER-RELATED DISPUTES; OR, ALTERNATIVELY, THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, S.C. CODE ANN. §§ 15-48-10, *et seq.*

**Kiawah Life Plan Village, Inc.
Residency Agreement**

This agreement (hereinafter called "the Residency Agreement") is made this ____ day of _____, 20__ (the "Effective Date") by and between Kiawah Life Plan Village, Inc., a South Carolina non-profit corporation that is not affiliated with a religious organization but is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code and authorized to transact business in the State of South Carolina (hereinafter called "The Community"), and _____, (hereinafter called "Resident", "You", or "Your").

You and The Community agree to the following terms for Your continuing care:

I. RESIDENCE, PROGRAMS, AND SERVICES

- A. Your Residence.** Upon paying the Entrance Fee as discussed in Paragraph III.B., the Resident will secure the use of a living unit located within the The Community (hereinafter called the "Residence"), for the remainder of the Resident's life once that unit is available for occupancy and within the limits of liability established by this Residency Agreement.
- B. Care Level Definitions.** The following definitions refer to the level of care the Resident requires, which informs the Resident's necessary accommodation:
- 1. Residential Living** – The Resident is capable of self-maintenance with limited assistance from outside help for the performance of daily living activities.
 - 2. Residential Assisted Living** – The Resident requires a greater level of assistance and supervision in performing activities of daily living, but does not need constant assistance or skilled nursing care.
 - 3. Skilled Nursing Living** – The Resident requires supervision 24 hours per day in a skilled nursing facility.
- C. Parking.** The Community will make a covered parking space available for one vehicle per Resident per living accommodation. There will be a charge for any additional parking spaces, if they are available.
- D. Services and Programs Included in the Residential Living Monthly Fee.** The Monthly Service Fee for Residential Living is a monthly charge for meals, housekeeping, maintenance, transportation, center services, and activities routinely provided to the Resident as determined by the Community. The Monthly Service Fee will cover the following services:
- 1. Dining Services.** Meals are provided in dining areas. The fee schedule reflects the number, value of, or credit of meals to which You are entitled.

2. **Special Diets.** When Your physician orders a special diet for You, Dining Services will endeavor to prepare meals that conform to the requested diet.
 3. **Housekeeping Services.** Housekeeping is provided for all common areas. Frequency of Housekeeping in the Resident's living unit is defined by the published pricing schedule.
 4. **Maintenance of the Living Unit.** The Community's maintenance staff shall provide repair to all Community-owned items in and around the living units within a reasonably prompt time period.
 5. **Maintenance and Landscaping of the Facility.** The Community's maintenance and grounds staff shall perform repairs, maintenance and landscaping services to maintain the Community's buildings, equipment and grounds.
 6. **Scheduled Transportation.** The Community will schedule periodic trips to nearby banks, grocery stores, shopping centers, medical offices, and other residential service related areas.
 7. **Planned Events and Activities.** The Community will provide recreational, social, cultural and spiritual events and activities for the Resident. Involvement of Residents will be encouraged in organizing these types of events and desired activities.
 8. **Use of Common Space.** The Community will make available to the Resident and guests common space such as lounges, dining areas, meeting rooms, libraries and activity areas. Private uses of these spaces may require scheduling and fees for additional services rendered by staff.
 9. **Insurance.** The Community will insure the Community against reasonable losses and liabilities. The Resident is responsible for insurance coverage of his/her own personal property and personal liability.
 10. **Utilities and Taxes.** The Community will pay all utilities and taxes associated with the Residence.
- E. **Other Services and Programs at Additional Charge.** Other services and programs will be available to You at Your expense based on published rates established by the Community. These additional services include, but not limited to: additional Resident meals not included in the Monthly Service Fee, guest meals, alcoholic beverages, additional housekeeping or maintenance services, supplies and services for activities, barber and beauty shop services, setup/clean up charges for private uses of common spaces designated for such purposes, additional parking spaces as available, prescription drugs, and other special services performed for You beyond the normal scope of services offered by The Community, as approved by the Board of Directors. The availability and charges for additional services will be determined by The Community, and disclosed to You in printed literature.
- F. **Residential Assisted Living Accommodations and Services.** The Community will provide Residential Assisted Living accommodations and services as follows:
1. **Residential Assisted Living Units.** The Community will have accommodations, equipment, staffing, programs, services, and supervision necessary for Residential Assisted Living. The assisted living residences and services are available to You if needed, as determined by The

Community.

2. **Staffing.** Twenty-four (24) hour licensed nursing staff will be provided within The Community.
 3. **Medical Director.** The overall coordination and supervision of health care services within The Community will be provided by a Medical Director, who will be a licensed physician selected by The Community.
 4. **Fees and Charges.** Fees and charges for the Residential Assisted Living accommodations and services described above in this paragraph shall be as set forth in Paragraph III.H.1. of this Agreement.
 5. **Assisted Living Services.** The Community will furnish dining services (three meals per day); housekeeping; linens; towels; soap; toilet paper; social and leisure activities; arranging medical appointments and transportation; and personal services as needed, which may include administration of medicine by a licensed nurse; assistance with self-administered medicine; individual assistance with ambulation, bathing, dressing, eating, and grooming (except barber/beauty shop); resident bed checks; laundry; and limited therapeutic diet service.
 6. **Assisted Living Services for an Additional Fee.** When utilizing the Residential Assisted Living units, other services may be available to You at Your expense, including, but not limited to: pharmacy services, laboratory tests, physical therapy, occupational therapy, speech therapy, including therapeutic activities, rehabilitative treatments, and wheelchairs and other medical equipment and supplies. The cost of such services shall not be covered by, and are in addition to, the charges described in Paragraph III.H.1.
 7. **Refusal of Services.** The Community shall make good faith efforts to provide services to You, including those prescribed by Your physician. However, The Community shall not be responsible for outcomes associated with Your refusal to comply with or receive such services.
- G. **Personal Physician.** You may engage the services of any physician. In the event that You need to be hospitalized, You will ensure Your personal physician has admission privileges at a local hospital when choosing which physician to engage. You agree to abide by the orders of Your private physician when the physician deems hospitalization necessary for Your wellbeing. You are responsible for the cost and bills of Your physician(s), hospital stays, pharmacies and other outside service facilities.

II. DATE OF AVAILABILITY, DATE OF OCCUPANCY AND OCCUPANCY

- A. **Date of Availability.** The Date of Availability is the date when Your Residence is declared by The Community to be available for occupancy. The Resident's Monthly Service Fees begin on the later of the Effective Date for this Residency Agreement and Your Date of Availability.
- B. **Date of Occupancy.** The Date of Occupancy is defined as the date you elect to begin making additional modifications to the Residence, move items into the Residence, or begin residency in the Residence.

- C. **Occupancy.** As used in this Agreement, "Occupancy" will have occurred when You have signed the Residency Agreement, have paid the Entrance Fee in full as described below in Paragraph III.B.1., and have paid the first month's Monthly Fee as described below in Paragraph III.C. These payments must occur prior to moving any items into Your Residence, making any additional modifications to Your Residence, or beginning to reside in Your Residence. The obligations of The Community to You as outlined in this Agreement shall begin upon Occupancy.

III. FINANCIAL ARRANGEMENTS

- A. **Entrance Fee.** You agree to pay to The Community an Entrance Fee as a condition of becoming a Resident.

- B. **Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee shall be as follows:

- 1) **Entrance Fee Amount and Refundability.** The Entrance Fee for Your Residence is \$. If this Agreement terminates after Your occupancy, you may be entitled to a refund. Paragraph VII.F. below addresses the process for receiving your refund, if any. The Community will use the following chosen method to calculate Your refund:

After taking occupancy, You or Your estate will be entitled to a refund of the Entrance Fee on the following schedule: (1) The Community will apply a **five percent (5%)** processing fee to the Entrance Fee amount; (2) the remaining **ninety-five percent (95%)** of the Entrance Fee shall be amortized down over the first **fifty (50) months** of occupancy at a rate of **two percent (2%)** of the **ninety-five percent (95%)** remainder per month; and, (3) if the Agreement terminates **after the first fifty (50) months** of occupancy, **You or Your estate will not be entitled to a refund.**

After taking occupancy, You or Your estate will be entitled to a refund of the Entrance Fee on the following schedule: (1) The Community will apply a **five percent (5%)** processing fee to the Entrance Fee amount; (2) the remaining **ninety-five percent (95%)** of the Entrance fee will shall be amortized down for the first five months of occupancy at a rate of **one percent (1%)** per month; and, (3) if the Agreement terminates at any time after the **fifth (5th) month** of occupancy, You or Your estate will be entitled to refund of **ninety percent (90%)** of the Entrance Fee.

- 2) **Entrance Fee Payment Schedule.** Upon You signing this Agreement, **ten percent (10%)** of the Entrance Fee amount in Paragraph III.B.1. will be due and payable. The balance of the total Entrance Fee will be due and payable on the Date of Occupancy.

- 3) **Reservation Deposit.** Resident paid a refundable Reservation Deposit of _____ **Thousand Dollars (\$_____)** to reserve a Residence at The Community, pursuant to the Reservation Agreement between Resident and The Community. With the execution of this Residency Agreement, The Community will apply the Reservation Deposit to the Entrance Fee amount

owed by Resident in Paragraph III.B.2 above.

The Community will give You a receipt for any Entrance Fee paid. If You pay the Entrance Fee before the Date of Availability, The Community will place Your Entrance Fee in an escrow account with a trust institution, which shall then be released to The Community consistent with the requirements of Section 37-11-90 of the South Carolina Code of Laws.

- C. Monthly Service Fee for Residential Living.** In addition to the Entrance Fee, You agree to pay a Monthly Service Fee for the term of this Agreement. The Monthly Service Fees are billed and payable a month in advance. Payment of your first month's fee will be due on the later of the Effective Date or Your Date of Availability, unless otherwise agreed to in writing by The Community. The Monthly Service Fee associated with the Residence as of the date of this Residency Agreement is reflected in the rate sheet, incorporated herein as Attachment A. Attachment A also includes the current Monthly Service Fee for any second resident occupying the Residence.
- D. Adjustments in the Monthly Service Fee.** The Monthly Service Fee is paid to provide the facilities, programs, and services described in this Residency Agreement and is intended to cover costs of the expenses associated with the operation and management of The Community. The Community, with the approval of its Board of Directors, shall have the authority to increase the Monthly Fee during the term of this Agreement as projected in The Community's financial plan and as relates to the costs of providing facilities, and services described in this Residency Agreement, consistent with operating on a sound financial basis and maintaining the quality services called for by this Residency Agreement and the discretion of The Board of Directors of The Community. The Community may make any such increases in the Monthly Service Fee, or other charges, upon sixty (60) days written notice to You, unless the change is as required by the State or Federal assistance programs and a sixty (60) day notice period is not feasible.
- E. Monthly Statements.** At the beginning of each month The Community will furnish You a monthly statement showing the Monthly Service Fee payable in advance and any additional charges from the previous month. These charges shall be payable by the tenth (10th) day of the current month.
- F. Interest and Late Payment.** The Community may charge interest at a rate of one and one-half percent (1.5%) per month on any unpaid balance owed by You more than ten (10) days after the monthly statement is furnished. You agree to pay any related legal, collection or court fees that the Community may incur in the collection of Resident's debt, interest and late payment fees.
- G. Fixed Fees.** The Community, with this Residency Agreement, does not consent to undertake the lifetime care of the Resident for fixed fees.
- H. Residential Assisted Living Charges at The Community.**

 - 1. Fee for Services.** Your Monthly Service Fee shall be calculated to reflect The Community's standard Residential Assisted Living rates, except that You will be entitled to: (i) ninety (90) free days of assisted living services during the term of Your Residency Agreement, provided at The

Community and/or at a preferred facility consistent with Paragraph III.I. and (ii) a discount of forty percent (40%) from The Community's standard Residential Assisted Living rates for the term of Your Residency Agreement after exhausting the ninety (90) day benefit (collectively "the Healthcare Benefit"). The Monthly Service Fee associated with use of a Residential Assisted Living unit as of the date of this Residency Agreement is reflected in Attachment A, as is the additional monthly fee owed for a second resident occupying the Residential Assisted Living unit. The second resident monthly fee is not subject to the Healthcare Benefit. Consistent with Paragraph III.D., the Monthly Service Fee for Residential Assisted Living units may be adjusted in the future.

- 2. Additional Charges for Ancillary Assisted Living Services.** You may be responsible for additional charges for ancillary assisted living services provided at The Community. Ancillary services will include all services not provided by the staff of The Community and are therefore not included in the monthly fees. Examples of such additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, occupational therapy, rehabilitative treatments, wheelchairs, other medical equipment and supplies, and any other medical services beyond that available in The Community. Also, any professional services (medical or otherwise) contracted by You or on Your behalf shall be billed directly to You.

I. Care in Another Facility.

- 1. Need for Transfer.** At some point after the start of Your occupancy at The Community, You may require a level of care not currently available at The Community or beyond that licensed and provided at The Community and require transfer to another facility. In this situation, all expenses that result from such transfer, care, and services shall be borne entirely by You.
- 2. Preferred Facilities.** For these situations, The Community has entered into one or more preferred facility agreements with appropriately licensed Assisted Living Facilities ("Preferred ALFs") and Skilled Nursing Facilities ("Preferred SNFs"), with at least one of each category that is physically near The Community. You shall have guaranteed, prompt access to a bed and services at one or more Preferred ALFs and at one or more preferred SNFs. If there are more than one Preferred ALFs or Preferred SNFs with availability (as appropriate), You will be able to select a transfer to the Preferred ALF or Preferred SNF of Your choice, although The Community will contact its primary Preferred Facility in the absence of You expressing a preference. A list of Preferred ALFs and Preferred SNFs is included with this Residency Agreement as Attachment B, along with an indication which Preferred SNFs and ALFs are The Community's primary partners, and the current version of Attachment B shall also be posted conspicuously within a common area of The Community. The Community may unilaterally amend Attachment B as long as The Community provides at least sixty (60) days' written notice to Resident and posting such change conspicuously within a common area of The Community. Resident shall have the opportunity to object to such change within the sixty (60) day notice period.
- 3. Charges and Fees.** For assisted living services, Your Monthly Service Fee shall be calculated

according to The Community's standard rates for Residential Assisted Living, and Your Healthcare Benefit described in Paragraph III.H.1. will also apply to Preferred ALFs. Additionally, for skilled nursing services, You will receive thirty (30) days of free skilled nursing services, and after exhausting those days, Your Monthly Service Fee for a Preferred SNF will receive a twenty percent (20%) discount from the Preferred SNF's standard rates for the term of Your Residency Agreement (collectively the "SNF Healthcare Benefit"). When You transfer to a Preferred ALF or Preferred SNF, Your Monthly Service Fee will be prorated based upon the number of days of the month You reside at The Community in Your Residence and the number of days of the month You reside at the Preferred ALF or Preferred SNF.

IV. ADMISSION REQUIREMENTS AND PROCEDURES

You must meet the following qualifications before The Community can approve this Residency Agreement. Any exception to these qualifications will be at the discretion of The Community. Applicants have no right to occupancy until approved by The Community. Approved exceptions will be placed in Your file maintained by The Community.

- A. **Age.** Admission is restricted to persons sixty-two (62) years of age or older.
- B. **Physical Health.** You must meet the health standards set forth by The Community or applicable South Carolina Statutes. You must also submit the results of a pre-entrance physical examination by a physician who has been approved by The Community. If The Community does not approve of Your chosen physician, The Community will provide a list of alternative, approved physicians who have agreed to perform pre-entrance physical examinations. The physician must administer this examination no more than sixty (60) days prior to your Date of Occupancy. If Your health, as disclosed by this physical examination, does not meet the criteria for Residential Living, The Community shall have the sole discretion to decline Your admission and to terminate this Residency Agreement or to permit You to take occupancy of a Residential Assisted Living unit at the Community, if available.
- C. **Financial Requirements.** You must complete the financial disclosure form provided by The Community to demonstrate that You have assets and income sufficient to pay Your financial obligations under this Residency Agreement and to meet Your ordinary living expenses. The Community may require You to furnish additional or updated financial information as may be needed.
- D. **Joint and Several Liability.** Residents who request joint occupancy and who execute a joint Residency Agreement for the life of the Residents are jointly and severally liable for all payments due under this Residency Agreement. Should one individual of the joint Residency Agreement die or otherwise vacate The Community, both Residents, including the estate of the deceased Resident, shall remain liable for payment of the applicable Monthly Service Fees and any other applicable charges.
- E. **Representations.** You affirm that the representations made in the Confidential Financial Statement and Physician's Examination Report are true and correct and may be relied upon by The Community as a basis for entering into this Residency Agreement.

- G. **Statement as to Non-Discrimination.** The Community shall not limit residency to persons on the basis of gender, race, religion, national origin, or marital status.

V. **TERMS OF RESIDENCY**

- A. **Rights of Resident.** Subject to the terms and provisions of this Agreement, You have the right to occupy, use, and enjoy the Residence, common areas, amenities, programs and services of The Community during Your lifetime unless this Agreement is terminated. It is understood that this Agreement does not transfer or grant any interest in the real or personal property owned by The Community other than the rights and privileges as described in this Agreement.
- B. **Policies and Procedures.** You shall abide by The Community's policies and procedures and such amendments, modifications, and changes of the policies and procedures as The Community may adopt. Such policies and procedures shall be published and made available to You.
- C. **Changes to the Residence.** The Community has the right to change the Residence to meet requirements of any applicable statutes, laws, or regulations. The Residence may not be used in any matter in violation of any zoning ordinances or other governmental law or regulation. To the extent You want to change the Residence, The Community must approve in writing all unit revisions, attachment and improvements, and those revisions, attachments and improvements shall become the property of The Community when You vacate the Residence. The cost of desired unit revisions, attachments and improvements are not part of the Entrance Fee and are therefore non-refundable. Improvements and changes to accommodations will be handled as an addendum to this Residency Agreement.
- D. **Visitors.** Except for short-term visitors or guests, no person other than You may reside in the Residence without the approval of The Community. Visitors may not occupy Your Residence when You are absent from The Community. Visitors do not have the same rights as the Resident.
- E. **Occupancy by Two Residents.** Two (2) residents may occupy a Residence and must pay fees consistent with Paragraph III.C. and/or III.H.1. When two (2) residents occupy a Residence, and one resident terminates this Residency Agreement, upon death or otherwise, the Residency Agreement shall continue in effect for the remaining resident, and all rights and obligations within the Residency Agreement, including refunds, shall vest in the remaining resident to the same extent as if the remaining resident had been the sole Resident under the Residency Agreement. Any future refund will be determined based only on the length of occupancy of the remaining resident.
- F. **Loss of Property.** The Community shall not be liable for the care or maintenance of Your personal property or possessions that You bring into Your Residence. Moreover, The Community shall not be responsible for the loss of any property belonging to You due to theft, mysterious disappearance, fire or any other cause. You are advised to provide personal property, liability and flood insurance, where applicable.

- G. Marriage During Occupancy.** Should You marry a person who is also a Resident of The Community, the two (2) of You may occupy either Residence and shall surrender the Residence not to be occupied by You both. You will pay the Monthly Service Fee for two residents upon Occupancy by both of You in the chosen Residence, consistent with Paragraph III.C. or Paragraph III.H.1., as applicable. The Monthly Service Fee for the vacated residence will continue until all Your belongings are removed.

If You should marry a person who is not a resident of The Community, Your spouse may become a resident if your spouse meets all the requirements for admission in place at the time, enters into a Residency Agreement with The Community, and pays the then-current Second-Person Entrance Fee for the Residence to be occupied by You and Your spouse. You and Your spouse shall pay the Monthly Fee for two residents. If Your spouse does not meet the requirements of The Community for admission as a resident, You may terminate this Agreement in the same manner as provided in Paragraph VII.B. with respect to a voluntary termination, or Your spouse may be approved for admission under special circumstances and financial arrangements as agreed to in writing by The Community and You.

- I. Right of Entry.** You shall authorize employees or agents of The Community to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. The Community will always endeavor to maintain Your privacy and the privacy of the Residence.

VI. TRANSFERS OR CHANGES IN LEVELS OF CARE

- A. Transfer to a Residential Assisted Living Unit.** The Community shall have authority to determine that You should be transferred from Your Residence to a Residential Assisted Living Unit. Such determination shall be based on the opinion of The Community's Resident Review Team, and shall be made after consultation with You or Your representative and Your attending physician. Such decisions shall be made only with Your input and with Your best interest in mind, as determined by The Community.
- B. Transfer to Other Facility.** If it is determined by The Community that You need care beyond that which can be provided by The Community, You may be transferred at Your expense to a Preferred ALF, Preferred SNF, hospital or institution equipped to give such care. Such transfer will be made only after consultation with You or Your representative, and Your attending physician. The Community will make it a priority to return you to The Community from another facility when You no longer need a level of care or health services beyond that licensed or provided at The Community and Your condition meets the level of care The Community is able to provide, or when an appropriate accommodation is available.
- C. Long-Term Transfer.** If Your physician or The Community determines that You will be unable to return to a Residential Living unit for three months or longer, You agree to change Your living accommodation to the unit or facility that provides the appropriate level of care. Upon this situation, You will continue to pay the appropriate fees as outlined in Paragraph III, which may include any fees for Preferred ALFs or Preferred SNFs. If You want to retain Your current Residence while you stay in the alternate accommodation, You must submit a written request to The Community. If The

Community approves Your request, You must pay the Monthly Service Fee for Your Residence in addition to the appropriate fee for Your new accommodation. Otherwise, You consent to The Community making Your Residence available to other current or prospective residents. In this situation, if Your physician and The Community subsequently determine that You are able to return to Residential Living, You will be eligible to return to a unit of similar size and pricing at The Community as the unit You vacated prior to transfer. You will be responsible for all related charges.

- D. **Surrender of Residence.** If The Community makes a determination that any transfer described in Paragraph VI.A. or Paragraph VI.B. is permanent, You agree to surrender Your present Residence. You will have priority to move to such new accommodations as soon as they become available.

VII. TERMINATION AND REFUND PROVISIONS

- A. **Termination by Resident Prior to Occupancy.** You may terminate this Residency Agreement for any reason prior to occupancy by giving written notice to The Community. In the event such termination is due to the prospective Resident's death, illness, injury, or incapacity, You or Your legal representative shall receive a full refund of all monies paid to The Community, except those costs specifically incurred by The Community at Your request and set forth in writing in a separate addendum to this Residency Agreement. If You terminate the Residency Agreement prior to occupancy for any other reason and outside of the cancellation period described in Paragraph VIII, You shall receive a refund of Your Entrance Fee less a five hundred dollar (\$500.00) processing fee and less any costs specifically incurred by The Community per Your written request, attached as an addendum to this Residency Agreement if applicable. You agree that any service fees paid for services actually rendered to You prior to Your termination are the sole property of The Community.

The Community shall pay any such refund within thirty days (30) following receipt of written notification of such termination.

- B. **Voluntary Termination by Resident After Occupancy.** At any time after occupancy, You may terminate this Agreement by giving The Community thirty (30) days' written notice of such termination. The amount of refund due to You shall be determined according to the Entrance Fee option chosen and described in Paragraph III.B. and Paragraph VII.F. The Monthly Service Fee shall continue until the unit is vacated or thirty (30) days, whichever is later. The Community shall have the option of moving Your items still in the unit to place in storage for up to six (6) months at Your expense if the unit is not vacated within thirty (30) days. If You or Your estate does not claim the items within six (6) months, The Community will take ownership of the unclaimed items, after which The Community will sell, donate, or otherwise dispose of the unclaimed items. If You terminate this Residency Agreement and later desire readmission, You must meet the admission policy in effect at that time.
- C. **Transfers.** Upon transferring to another unit within the Community, if the entrance fee for the new residence is more than the entrance fee of the old residence, You will pay the difference of the entrance fees. If the entrance fee of the new residence is less than that of the old, no additional entrance fee will be due nor will a refund be due to You. The amortization schedule will not change from the original date of the Residency Agreement. Transferring to assisted living or skilled nursing does not constitute

termination of this Residency Agreement. Refunds will be issued as described in Paragraph III.B. and Paragraph VII.F.

- D. Termination Upon Death.** In the event of death of a single Resident, or the survivor of two Residents, at any time after occupancy, this Agreement shall terminate and the refund of the Entrance Fee shall be determined in the same manner described in Paragraph III.B. and Paragraph VII.F. The Resident's Monthly Service Fees shall continue until the unit is vacated, consistent with Paragraph VII.B.
- E. Termination by The Community.** The Community may terminate this Residency Agreement at any time if there has been a material misrepresentation or omission made by You in Your Confidential Financial Statement or Physician's Examination Report; if You fail to make payment to The Community of any fees or charges due within sixty (60) days of the date when due; or if You do not abide by the rules and regulations adopted by The Community or breach any of the terms and conditions of this Residency Agreement. The Community's written notice of termination for just cause shall be signed by the medical director or administrator of the facility and shall state that The Community made the decision in good faith, the reasons supporting The Community's determination of just cause, and the basis for the conclusion that there is no less restrictive alternative to termination. In the event of termination due to any of such causes, the refund of the Entrance Fee paid by You shall be determined in the same manner described in Paragraph III.B. Should this Agreement be terminated by The Community prior to Your Date of Occupancy, You will receive a refund consistent with Paragraph VII.A.
- F. Payment of Refunds.** In the event of Your permanent departure from The Community, then the refundable portion of Your Entrance Fee, if any, will be paid when The Community has received a replacement Entrance Fee and a new resident has occupied the Residence being vacated by You. Refunds will be made payable to You or Your estate, unless You have submitted other written directions to The Community. The Community shall be entitled to deduct from the refund any sums owed to The Community by You, which may include a pro-rated amount based on the number of days during the month of termination that the Residency Agreement was in force.
- G. Condition of Residence.** Upon vacating the Residence, You shall leave it in good condition except for normal wear and tear. You or Your estate shall be liable to The Community for costs required to restore the Residence to good condition or standard condition, except for normal wear and tear. Such costs will be deducted from the refundable portion of the Entrance Fee due to You.

VIII. RESIDENT'S RIGHT TO CANCEL.

You may cancel this agreement by sending notice of your wish to cancel to The Community before midnight on the thirtieth (30th) day after you sign this Agreement. This notice must be sent in writing to the following: Kiawah Life Plan Village, Inc., 3642 Pompano Court, Seabrook Island, South Carolina 29455.

If you cancel within thirty (30) days, all money or property paid or transferred by you must be refunded

fully, less those reasonable costs incurred by The Community. If the living unit was available for occupancy, The Community may charge a daily rate based on the usual monthly fee for that living unit beginning on the eighth (8th) day after signing and ending on the day notice of cancellation is given to The Community. Within thirty (30) days of receipt of the cancellation notice, The Community must return any payments made and return any note or evidence of indebtedness.

IX. FINANCIAL ASSISTANCE

The Community has established a Residents' Assistance Fund to assist a limited number of residents whose assets may become depleted, allowing such residents to continue to live at The Community. The Board of Directors determines the policies relating to financial assistance. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual resident.

If You are unable to pay the Monthly Fee and other charges, You may make a confidential application for financial assistance to the appropriate Committee of the Board of Directors. The Committee will consider Your explanation, documentation, or justifiable reasons for non-payment. Your continued occupancy of Your Residence is subject to the Community's ability to continue operating on a sound financial basis while receiving less than full payment from You. The Board of Directors of The Community, in its sole discretion, shall determine whether You are paying the maximum extent of Your ability to pay, and whether The Community may continue to operate on a sound financial basis while receiving less than full payment from You.

In the event You require financial assistance, and The Community provides You a discount and/or accepts less than full payment from you, the discount/unpaid amount will be deducted from Your Entrance Fee prior to calculating any refund owed under Paragraph III.B. and Paragraph VII.F.

X. DISPUTE RESOLUTION

- A. Agreement Terms Control.** Resolution of any controversy, dispute, claim, or disagreement regarding the provisions of services under or breach of this Residency Agreement (a "Dispute" or "Disputes") shall be governed exclusively by the terms of the Residency Agreement.
- B. Negotiated Dispute Resolution.** In the event of any Dispute, Resident and The Community shall use their best efforts to settle the Dispute. To this effect, they shall consult and negotiate with each other in good faith and recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If the parties cannot reach a solution within a period of thirty (30) days, then, upon notice by either party to the other, all Disputes shall be submitted to mediation in accordance with Subsection C below.
- C. Binding Arbitration.** If resolution of any portion of a Dispute is unresolved at the conclusion of negotiated dispute resolution as provided in Subsection B above, the parties may agree to submit that portion of the Dispute to binding arbitration in accordance with the American Arbitration Association Commercial Arbitration Rules with Supplementary Procedures for Consumer-Related Disputes. The arbitration shall be administered by the American Arbitration Association. If the Dispute involves a monetary amount greater than \$30,000, the arbitration shall be conducted before a panel of three neutral arbitrators. The three arbitrators shall be selected as follows. Each party to a dispute appoints

one arbitrator (who might or might not be a member of the American Arbitration Association National Roster of Neutrals) and the two arbitrators select a third arbitrator from the American Arbitration Association's National Roster of Neutrals in accordance with the standard American Arbitration Association procedures.

Within fifteen days after a demand for arbitration is served, each party shall select one arbitrator and the arbitrators selected by the parties shall, within ten days of their appointment, select a third neutral arbitrator.

In the event both parties do not appoint an arbitrator or the arbitrators appointed by the parties are unable to appoint a third arbitrator, the parties or their attorneys may request the American Arbitration Association to appoint one or more arbitrators as may be required for the appointment of three arbitrators. If the Dispute involves a monetary amount less than or equal to \$30,000 or does not involve any monetary amount, the arbitration shall be conducted before a single arbitrator selected by the American Arbitration Association. Prior to the commencement of hearings, the arbitrator, or if three arbitrators are appointed, each of the arbitrators shall provide an oath or undertaking of impartiality. After selection of the arbitrator(s) the arbitration shall be conducted in accordance with the American Arbitration Association Commercial Arbitration Rules with Supplementary Procedures for Consumer-Related Disputes. Judgment on the award of the arbitrator(s) may be entered by any court having jurisdiction thereof.

- D. Judicial Action.** If the parties do not agree to submit the Dispute to binding arbitration, and the Dispute is raised in a judicial action or proceeding (including, without limitation, any claim, counterclaim, cross-claim or third party claim) the court shall determine all issues of law and fact, a jury trial being expressly waived.
- E. Pending Payments.** During the pendency of any Dispute, Resident shall remain responsible for paying in full and on time both the Monthly Service Fee and any other fees for services that are not included in the Monthly Service Fee. If applicable, the Community will refund any payments after the Dispute is settled.

XI. GENERAL

- A. Resident Representations.** By signing this Residency Agreement, You represent that:
1. You meet all the criteria for residency at The Community and performance of Your obligations under this Residency Agreement;
 2. You have sufficient assets and income to cover Your Monthly Service Fees and other living expenses after You move in;
 3. Your personal physician certifies that You do not have a health condition that would likely cause You to transfer permanently to an ALF or SNF within two (2) years of moving in; and
 4. All representations made by You or on Your behalf, with respect to Your acceptance to The

Community, are true and correct. The Community may terminate this Residency Agreement if You or Your representative made any material misrepresentation or omission.

- B. Damage to the Residence.** You will be liable for damage caused to the Residence if caused by You or Your representative. The damage will be a debt to Your account and may be charged to You or Your estate, as applicable.
- C. Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of The Community are personal to You and may not be transferred or assigned by You.
- D. Management of the Community.** The Community, its Board of Directors, and its administrators as delegated by the Board of Directors reserve the absolute rights of management. This Residency Agreement does not convey any ownership or management interest to You. The Community reserves the right to accept or reject any person for residency. Residents do not have the right to determine admission or terms of admission for any other Resident.
- E. Entire Agreement.** This Agreement constitutes the entire agreement between The Community and You. The Community shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent The Community, unless such statements, representations, or promises are set forth in this Agreement.
- F. Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of The Community and Your heirs, executors, administrators, and assigns.
- G. Transfer of Property.** You agree not to make any gift or other transfer of property for the purpose of evading Your obligations under this Agreement or if such gift or transfer would render You unable to meet such obligations.
- H. Indemnity.** You agree to indemnify and hold The Community harmless, including the payment of any and all court costs and attorney's fees, for any injury to the person or property of others resulting from Your negligence.
- I. Waiver of Liability.** You agree that The Community, The Community's affiliates, directors, officers, agents (including The Community's manager), and employees will not be liable to You or Your employees, guests, or invitees claiming under you for any injury or damage to the person or property of Resident or Resident's employees, guests, or invitees, except as provided by applicable law.
- J. Subordination.** You agree that Your rights under this Residency Agreement shall be subordinated or junior to any leases, the lien of all mortgages, or land use restriction which have been or may be executed in the future by The Community covering The Community's real estate. You agree to sign any document confirming this provision that any lender may reasonable require.

- K. Governing Law.** The laws of the State of South Carolina shall govern this Agreement. The parties agree to comply with the Federal and State laws in effect and any that may be enacted during the term of this Residency Agreement. If requested by The Community, You agree to execute all amendments to this Residency Agreement if required by law.
- L. Notice Provisions.** Any notices, consents, or other communications to The Community (collectively "notices") shall be in writing and addressed as follows:

Kiawah Life Plan Village, Inc.
3642 Pompano Court
Seabrook Island, South Carolina 29455

Your address for the purpose of giving notice is the address appearing after Your signature below.

A LICENSE ISSUED BY THE SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS IS NOT AN ENDORSEMENT OR GUARANTEE OF THIS FACILITY BY THE STATE OF SOUTH CAROLINA. THE SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS URGES YOU TO CONSULT WITH AN ATTORNEY AND A SUITABLE FINANCIAL ADVISOR BEFORE SIGNING ANY DOCUMENTS.

Kiawah Life Plan Village

IN WITNESS WHEREOF, The Community and the Resident(s) have executed this Agreement as of the day and year first above written.

Witness

Resident

Witness

Resident

Current Address (Number and Street)

City, State, Zip Code

Telephone

KIAWAH LIFE PLAN VILLAGE, INC.

Witness

Authorized Representative

Title

Date

ATTACHMENT A

Rate Sheet

ATTACHMENT B¹

Preferred Assisted Living Facilities

Preferred Skilled Nursing Facilities

- Bishop Gadsden

¹ This Attachment A, and the list of Preferred ALF(s) and Preferred SNF(s) incorporated herein, shall be posted conspicuously within a common area of The Community. This Attachment A, and the list of Preferred ALF(s) and Preferred SNF(s) incorporated herein, may be amended unilaterally by The Community with 60 days' notice to Resident by posting such change conspicuously within the same common area of The Community referenced above, unless Resident objects to such change within the 60-day notice period. Note that The Community is not responsible for any changes to the ALFs' or SNFs' contact information including physical addresses, telephone numbers or e-mail addresses that may be listed in this Attachment A.

**DISCLOSURE STATEMENT
ACKNOWLEDGMENT OF RECEIPT**

With this statement, I acknowledge receipt of the Disclosure Statement of Kiawah Life Plan Village, Inc., dated _____, 20___. This Disclosure Statement was made available to me prior to the signing of the Residency Agreement.

Signature

Date

Signature

Date