

**RIVERVIEW RETIREMENT COMMUNITY OF SPOKANE
TERRACE DIVISION
RESIDENCY AGREEMENT**

This Residency Agreement (the "**Agreement**") is dated _____, 20____ and is between Riverview Retirement Community of Spokane, a Washington non-profit corporation doing business as Riverview Retirement Community ("**Riverview**" or "**Community**"), and _____ ("**you**" or "**Resident**"). (If more than one person signs this Agreement, the term "you" or "Resident" shall apply to each of you individually, and to both of you together, and the rights and obligations of each of you are joint and several, except when the context of this Agreement requires otherwise.)

RECITALS

- A. Riverview operates a Continuing Care Retirement Community located at 1801 E. Upriver Drive, Spokane, Washington 99207 ("**the Community**"), with residents who are 62 years of age or older, consistent with its policies and procedures. Riverview is affiliated with the Lutheran Church; however, Riverview controls and operates the Community and is solely responsible for the promises and legal obligations made to you in this Agreement.
- B. This Agreement applies to residency at the Terrace Division, a licensed assisted living building at the Community. It does not apply to residency in the Village Division or the Care Center Division. You understand that the right to reside in other divisions may require signing a Residency Agreement that is different from this Agreement and that additional fees may apply.
- C. You have applied for residency at the Terrace Division and Riverview has approved your admission. The purpose of this Agreement is to provide a statement of the services that Riverview will provide to you at the Community and the legal obligations that Riverview will be assuming. This Agreement also sets forth your obligations to the Community, both financial and non-financial. By signing this Agreement, you agree to comply with the policies and procedures of Riverview, and you understand that your residency is subject to the terms and conditions in this Agreement.

AGREEMENT

1. LIVING ACCOMMODATIONS AND PROVIDED SERVICES

In consideration of payment of the Accommodation Fee, Monthly Apartment Fee, Monthly Care Fee, and the other fees payable by you, and your promises under this Agreement, Riverview will provide you with the following accommodations and services at the Community, subject to the terms and conditions of this Agreement, including the termination provisions. This Agreement shall be effective from and after the date on which all parties sign this Agreement so long as you are in full compliance with the terms and conditions of this Agreement and unless and until terminated as provided in this Agreement.

1.1 Apartment

You have chosen to live in Apartment No. _____ (the "**Apartment**" or "**Residence**") in the Riverview Terrace building located at 1801 East Upriver Drive, Spokane, Washington 99207. You will have a personal and non-assignable right to live in your Apartment, subject to the terms of this Agreement and to the rules and regulations of the Community, described in the Terrace Resident Guide, as it now exists or as it may later be amended. Your date of occupancy shall be _____, 20____ ("**Occupancy Date**").

1.2 Conveniences and Utilities

The following utilities and conveniences are currently provided and included in your Monthly Apartment Fee: water, sewer, electricity, cable service, telephone for local phone calls, heating and cooling. In addition, the resident laundry rooms are available for your use at no additional charge.

1.3 Furnishings and Appliances

Riverview shall provide accommodation furnishings and fixtures including refrigerator, and microwave in the Apartment. You shall provide any other furnishings or fixtures. The furnishings and fixtures provided by Riverview shall be in good repair and working order as of the Occupancy Date. You or your estate is responsible for the timely removal of your own furniture, your personal appliances, and special equipment when your Apartment is vacated.

1.4 Maintenance and Repairs

Riverview will be responsible for maintaining and making all necessary repairs to your Apartment and to the appliances supplied to you by Riverview. You will be responsible for maintaining and repairing your own personal property, including your own personal appliances or special equipment, and for reimbursing Riverview for the cost of any damage that you or your guests cause to Riverview's property (except ordinary wear and tear). You agree to notify Riverview promptly if you detect any damage or defects in your Apartment or any of its systems or appliances.

1.5 Housekeeping

Weekly housekeeping services are provided, which include vacuuming, dusting, bed linen change, bathroom sanitation, provision of clean towels, replenishing toilet tissue and soap supplies.

1.6 Mail

Mail is delivered directly to your mailbox by the United States Postal Service ("USPS") postal carrier. Outgoing mail is picked up by the USPS postal carrier. Riverview may assist with obtaining mail for you if pre-authorization is given in writing.

1.7 Meal Service

Three meals are provided daily in the Riverview Terrace dining facilities. Special diets will be provided upon your request with physician's orders. Snacks and beverages are available at the dining facility twenty four (24) hours per day.

1.8 Emergency Assistance

Your Apartment includes an emergency response system. Emergency assistance is provided and includes assessment and assistance to access the emergency medical system. If transfer to a medical facility is not required, first aid will be administered by the appropriately trained Riverview staff and the designated physician, family member or responsible party will be notified by Riverview.

1.9 Spiritual Ministries

A variety of worship opportunities, including the services of a full-time ordained Chaplain, are available at Riverview.

1.10 Additional Fee Services

For an additional fee, Riverview provides the following services: (a) assistance in obtaining transportation; (b) assistance in administering and ordering medications with a physician's order; (c) supervision and assistance with personal hygiene, dressing, bathing, and meals; and (d) select clinical treatments.

2. FEES

2.1 Accommodation Fee

Your Accommodation Fee for your Apartment at the Community is _____ Dollars (\$_____). Your Accommodation Fee is due prior to admission to the Community and is non-refundable.

2.2 Monthly Apartment Fee

2.2.1 Amount and Payment Procedure. The single-person (or two-person) Monthly Apartment Fee for residency in Apartment #_____ is currently _____ Dollars (\$_____) (hereinafter referred to as the "**Monthly Apartment Fee**"). You agree to pay the Monthly Apartment Fee for your Apartment, commencing no later than the Occupancy Date regardless of whether you occupy your Apartment at that time. The Monthly Apartment Fee and all other charges shall be paid on or before the 15th day of the month.

2.2.2 Late Payment Charge and Interest. Riverview reserves the right to impose a late payment charge and interest at the maximum legal rate if you do not pay your Monthly Apartment Fee by the due date.

2.2.3 Adjustments. The Monthly Apartment Fee set forth in this paragraph is adjustable by Riverview in its sole discretion. You shall receive at least thirty (30) days' advance notice of any increase in your Monthly Apartment Fee.

2.2.4 Absences. No reduction or credit to the Monthly Apartment Fee will be given because of lack of use of the Apartment, or services and facilities provided by Riverview. Your obligation to pay the Monthly Apartment Fee continues under the terms of this Agreement unless otherwise provided by Riverview in writing.

2.3 Monthly Care Fee

2.3.1 Determination of Care Level. Your level of care needs shall be evaluated by a system or other method established by Riverview and you will be charged a Monthly Care Fee (in addition to the Monthly Apartment Fee) according to the then-current Riverview rates pertaining to the level of care assessment. The determination of your level of care needs is an ongoing process. An initial assessment, conducted prior to your Occupancy Date, will establish your initial level of care needs. Within thirty (30) days of your Occupancy Date, Riverview will conduct a subsequent reassessment to determine your care needs going forward.

2.3.2 Amount and Payment Procedure. As of the date of this Agreement, the Monthly Care Fee is \$_____. This initial assessment level and corresponding Monthly Care Fee may change after subsequent reassessment is conducted. Further, the level of care and corresponding Monthly Care Fee charged shall be adjusted based on any change in your condition which requires a change in level of care. The Monthly Care Fee is subject to adjustment by Riverview in its sole discretion.

2.3.3 Late Payment Charge and Interest. Riverview reserves the right to impose a late payment charge and interest at the maximum legal rate if you do not pay your Monthly Care Fee by the due date.

2.4 Additional Services

You may request additional services from Riverview that are not included in your Monthly Apartment Fee or Monthly Care Fee. These additional services may include, but are not limited to: beauty/barber shop services, guest meals, additional housekeeping services, delivery of meals to your Apartment, outpatient therapy services, laundry services and medical transport. At the sole discretion of Riverview, it may provide these additional services at an additional cost, which may be added to your monthly statement.

2.5 Joint and Several Liability for Fees

If you share your Apartment with another resident, you and the other resident shall be jointly and severally liable for all fees due under your Residency Agreement, including late payment charges and interest.

2.6 Default

2.6.1 Non-Payment; Termination. In the event you fail to pay any of the monthly service fees or other fees when due, Riverview may, with thirty (30) days written notice to you, terminate this Agreement, and any such unpaid fees shall be deducted from any refund due to you.

2.6.2 Benevolence. Pursuant to the terms of Section 6.3, in the event you are unable to pay the monthly fees because of insufficient income or assets, you and Riverview shall explore all means of working out a solution. Notwithstanding the foregoing, Riverview is under no obligation to provide financial assistance to you.

2.6.3 Assistance. If your income and assets are reduced to the extent that you are eligible to receive public benefits, including but not limited to Supplemental Security Income/State Supplemental Program, Veterans' pensions, Medicaid, etc., you agree that you will apply for and diligently seek such public benefits in a timely manner. **FAILURE TO DO SO IN A TIMELY MANNER MAY RESULT IN TERMINATION OF THIS AGREEMENT BY RIVERVIEW AND RELEASE OF ITS OBLIGATIONS HEREUNDER.**

3. MEDICAID ELIGIBLE RESIDENTS

3.1 General

A Resident that receives Medicaid benefits is eligible to reside in a Medicaid Apartment. Please be aware that Resident's application for Medicaid does not guarantee Resident a Medicaid Apartment at Riverview. If Resident is eligible for Medicaid benefits, and such Medicaid benefits are necessary for Resident to meet its financial obligations to Riverview under this Agreement, Resident agrees to apply for any such benefits in a timely manner and to cooperate in complying with all requirements of such third party payor, including submitting any and all information necessary to process Resident's application for coverage. To facilitate Riverview's ability to assist Resident, **RIVERVIEW REQUIRES THAT RESIDENT NOTIFY RIVERVIEW IN WRITING SIX (6) MONTHS PRIOR TO THE TIME**

RESIDENT ANTICIPATES BEING ELIGIBLE FOR ANY MEDICAID BENEFITS. RIVERVIEW MAKES NO GUARANTEE AND GIVES NO ASSURANCE THAT RIVERVIEW WILL CONTINUE TO ACCEPT MEDICAID AS A PAYMENT SOURCE IN THE FUTURE.

If Resident applies for Medicaid benefits and Resident's application is approved, Resident may be required to contribute to the cost of the care and services Riverview provides to Resident from any and all sources, including but not limited to social security benefits and pension benefits. In such circumstances, Resident agrees to pay to Riverview from Resident's benefits the amount determined by the Washington Department of Social and Health Services to be Resident's contribution toward the cost of the care and services Riverview provides to Resident. Failure to make such payments may result in the termination of this Agreement and Resident's transfer or discharge from Riverview.

3.3 Conversion to Medicaid

3.3.1 Supplemental Payments. Conversion to Medicaid will be covered in part by Riverview's policy regarding supplemental payments for Medicaid Residents. When private pay Residents converting to Medicaid-funded care reside in a prime view apartment, enhanced studio apartment, roomette apartment, one-bedroom apartment, two-bedroom apartment or an apartment exceeding the requirements of the Medicaid contract, Riverview will request a supplemental payment from Resident to cover the cost difference.

3.3.2 Transfer to Medicaid Apartment. Private pay Residents converting to Medicaid while living in a prime view apartment, enhanced studio apartment, roomette apartment, one-bedroom apartment, two-bedroom apartment or an apartment exceeding the requirements of the Medicaid contract who do not wish to make supplemental payments to Riverview will be required to move into a Medicaid Apartment. Resident agrees to transition to a Medicaid Apartment if they do not wish to make supplemental payments.

3.3.3 Availability of Medicaid Apartment. If, at the time of Resident's conversion to Medicaid, there is not a Medicaid Apartment available or a supplemental payment is not available, Riverview will issue a 30-day written notice of discharge and follow the policy designed to ensure a smooth and efficient transfer of Resident to another location.

3.4 Asset Transfers

Resident acknowledges that Riverview is relying on accurate and complete financial information provided by Resident in accepting or allowing the continuance of Resident as an occupant of Riverview and that a transfer of Resident's property or assets will have a direct and adverse effect on Riverview's rights under this Agreement. In consideration of Riverview's promises under this Agreement, Resident agrees that he/she will not make any gift of real or personal property (including money) or willfully or knowingly divest or dispose or cause to be disposed of any of the Resident's assets in contemplation of or subsequent to the execution of this Agreement which would result in the Resident being unable to pay the fees owed to Riverview now or reasonably contemplated in the future. Willful divestment or disposal of Resident's assets that render Resident unable to pay fees owed to Riverview will result in termination of this Agreement and Resident's transfer or discharge.

In the event two spouses are both Residents under this Agreement, and one spouse transfers his or her separate property or community property assets to the other spouse or a family member or other person, then each spouse hereby agrees that the combined assets of both spouses will be used to meet the financial obligations under this Agreement of both spouses. If Resident's spouse does not reside in Riverview, Resident agrees that the combined assets of both spouses will be used to meet the financial obligations of the Resident spouse under this Agreement. As used in this Agreement, "spouse" shall apply to a registered domestic partner under Washington State law (or similar law in other jurisdictions) as well as a married person.

4. RIGHTS AND OBLIGATIONS OF RESIDENT

4.1 Rights and Privileges; Assignment

Your rights and privileges under this Agreement to residential occupancy, living accommodations, facilities and services are only those rights and privileges expressly granted by this Agreement. This Agreement shall not be construed as a lease, a purchase agreement, grant, conveyance, or transfer to you of any right, title, interest in real property, proprietary interest in membership in Riverview or the assets of Riverview. Your rights and privileges under this Agreement are personal to you and are not transferable or assignable by you. No person other than you may occupy the Apartment under this Agreement, except with the written approval of Riverview.

4.2 Acceptance of Apartment

You acknowledge that you are accepting occupancy of the Apartment on an "as is", "where is" basis with all faults and that Riverview makes no representations or warranties regarding the occupancy of the Apartment by you other than as expressly set forth herein. Riverview shall not be liable or responsible for any loss, damage, or expense that you may sustain or incur by reason of any change, failure, interference, disruption, or defect in the supply or character of any furnishings, fixtures, and utilities furnished to the Apartment, or if any such furnishing, fixture, or utility service is not suitable for your requirements, and no such change, failure, defect, unavailability, or unsuitability shall entitle Resident to any abatement or diminution of the Accommodation Fee or Monthly Apartment Fee, or relieve you from any of your obligations under this Agreement.

4.3 Maintenance of Apartment

You shall have the responsibility to keep all drains in the Apartment free from clogging. You shall pay for any services necessary to repair the plumbing or to repair any damage caused by drain failure due to the acts of you or your guests, agents or employees. You shall keep the furnishings and fixtures provided by Riverview in good condition and repair. In the event any repair or maintenance is necessary for the fixtures or furnishings provided by Riverview or the Apartment itself, you shall notify Riverview of needed repair or maintenance. You shall be responsible for the cost of any repair or maintenance (except ordinary wear and tear) caused by the negligence of you or your guests, agents or employees.

4.4 Alterations

You shall have no authority to make any modifications or alterations to the Apartment without the express written consent of Riverview. Riverview may condition its approval for modifications and alterations in its sole discretion. You have no authority to have any other person come into your Apartment to modify the Apartment without the prior written permission of Riverview. Modifications or alterations to the Apartment made by you in a permanent or semi-permanent manner so as to become fixtures shall become the property of Riverview and shall remain on the premises when vacated by you. In no event shall you pursue any improvement or alteration in a manner that may result in a mechanics lien or other lien against the properties and premises constituting the subject of this Agreement.

4.5 Absence from Apartment; Right to Entry

In the event you shall be absent from the Apartment for a period of one (1) week or more, you shall notify Riverview and make the appropriate arrangements to care for the Apartment during your absence. In addition, you grant Riverview the right of entry to the Apartment in the case of an emergency. You also grant Riverview the right of entry to inspect the premises upon reasonable notice given to you by Riverview. Notwithstanding the foregoing, Riverview shall have no responsibility or liability for any damage to your Apartment or property, for failure to inspect.

4.6 House Rules

You agree to abide by all published house rules as contained in the Terrace Resident Guide. A copy of the Terrace Resident Guide was provided to you upon your occupancy of the Apartment and additional copies are available in the Riverview Terrace Front Desk. Riverview reserves the right to revise the house rules contained in the Terrace Resident Guide from time to time and in its sole discretion in order to promote safety, care, cleanliness and preservation of good order of Riverview and the common areas. **A BREACH OF THE TERRACE RESIDENT GUIDE SHALL BE A BREACH OF THIS AGREEMENT.**

4.7 Guests

Short-term guests are permitted in your Residence, but each guest's stay is limited to fourteen (14) days per calendar year. In the event you desire to permit a guest to stay for more than fourteen (14) days in a calendar year, you shall first seek written consent from Riverview, which consent may be withheld in its sole discretion. You will be responsible for paying all costs associated with your guest at Riverview. Riverview shall bear no responsibility for the provision of care or services to any guest. Your guest(s) may use the Community's common areas subject to the general rules and policies set forth by Riverview. You are responsible for your guest's compliance with Riverview's rules and also agree to be responsible for the cost of any damage your guest(s) may cause. Riverview retains the right to ask any guest or visitor, who is disruptive, contagiously ill, and/or violating Riverview's policies, to leave at any time. Failure of your family and/or any guest to abide by the rules and policies of Riverview may result in the termination of this Agreement.

4.8 Hazardous/Off-Limits Areas

You and your guests shall observe any hazardous and/or off-limit areas to which access may be restricted by Riverview from time to time, in its sole discretion.

4.9 No Business Activity

You agree to use the Apartment as a private residence only. No business activity shall take place in the Apartment or common areas unless consented to in advance in writing by Riverview's President & CEO, which consent may be withheld in its sole discretion.

4.10 Insurance

You shall maintain personal liability insurance coverage covering property damage and/or bodily injury to others caused by you and your guest(s), personal property insurance coverage, and insurance to cover the costs associated with loss of use of the Apartment. Insurance coverage shall be maintained at the minimum levels identified in the Terrace Resident Guide, as updated from time to time.

4.11 Private Care Provider

A "Private Care Provider" is a representative, entity or individual, who is retained by Resident to provide health, social, legal, hospice or other, any other services for the benefit of Resident at the Apartment and/or the Community. Resident shall promptly provide Riverview with such information about the Private Care Provider that is reasonably required by Riverview, including but not limited to, the name and contact information of such Private Care Provider. For any services provided to Resident at Riverview, Resident must abide by Riverview policies for such outside providers and complete the Private Care Provider Policy. Failure to complete and abide by the Riverview policies for Private Care Providers and the Private Care Provider Policy will result in termination of this Agreement. The Private Care Provider may have access to Resident's Apartment, provided that: (a) Resident is solely responsible for the conduct of and any damages caused by such Private Care Provider; (b) Resident shall ensure that such Private Care Provider complies with the same rules, regulations, and obligations that pertain to Resident; (c) Resident shall ensure that all payroll taxes and worker's compensation insurance are paid for such Private Care Provider; and (d) Resident shall ensure that the Private Care Provider is covered by adequate liability insurance.

5. CHANGE IN CONDITION OF RESIDENT

5.1 Determination of Change in Condition

A change in your mental or physical condition will prompt a reassessment by Riverview to determine your requisite care level needs. At that time, Riverview will determine whether it can continue to meet your care level needs. If at any time Riverview is unable to meet your care level needs, as determined in the sole discretion of Riverview, Riverview will, after attempts at reasonable accommodation, assist you and your family with identifying alternate care settings that may be appropriate to meet your level of care needs.

5.2 Transfer to Higher Care Level

In the event Riverview determines that the Community is unable to meet your needs in a particular care setting, but that your needs can be met in an alternate setting, you will be given the option to relocate into the alternate setting, provided an apartment is available. If, after reassessment, you decline Riverview's offer to relocate, you agree to find an alternate residence outside of Riverview Terrace that can provide for your care needs within thirty (30) days. Less than thirty (30) days written notice may be provided when immediate transfer or discharge is required to meet the care needs of the Resident, the health and safety of the Resident, or other residents of Riverview may be endangered. If you do not move out under these circumstances and Riverview determines that it is necessary to provide you with additional care or one-on-one care in order to protect your health or safety or the health or safety of others, Riverview agrees to provide such care and you will be charged for it in accordance with the Riverview fee structure. The following shall lead to a reassessment, termination or transfer to a higher level of care:

5.2.1 Resident fails to meet obligations set forth in this Agreement;

5.2.2 If in the sole opinion of Riverview, Resident manifests such a degree of behavioral disorder that it is a danger to Resident and/or others, or Resident behaves in an unacceptable or disturbing manner so as to interfere with the adequate care or comfort of other residents at Riverview; or

5.2.3 If, in the sole opinion of Riverview, Resident's condition becomes inappropriate for the services provided for herein and/or Resident requires care which Riverview does not or may not by law or policy provide, then such care is expressly

excluded from the provisions of this Agreement and the costs thereof shall be the sole obligation of the Resident. After consultation with the Resident and/or the family of the Resident, Riverview shall have the sole discretion to determine whether Resident's condition is appropriate or has become inappropriate for the services provided for herein and whether the Resident's condition requiring alternative care is a temporary or permanent condition.

5.3 Temporary Condition

If it is determined by Riverview that the services provided for herein are inappropriate for Resident on account of Resident's physical or mental condition and that said condition is temporary in nature, Resident will be required to transfer to an appropriate facility or place to receive the care required for such condition. During this temporary period, the Agreement shall remain in effect, including the right of the Resident to re-occupy the Apartment upon termination of the temporary condition, provided the Resident's condition is appropriate based on a positive reassessment by Riverview staff, and Resident has continued to make payment of the Monthly Apartment Fee and Monthly Care Fee.

5.4 Permanent Condition

If it is determined by Riverview that the services provided for herein are inappropriate on account of Resident's physical or mental condition and that said condition is permanent in nature, Riverview shall notify Resident and/or Resident's family or agent, in writing, of such determination and its intention to terminate this Agreement. The Apartment shall be deemed released for other occupancy on the termination date stated in such notice. Resident will be required to transfer to an appropriate facility or place to receive the care required for such condition. Riverview reserves the right to remove Resident, if necessary. In the case of termination of residency due to a permanent change of physical or mental condition, Resident shall be obligated to pay a charge based upon the applicable monthly fee prorated on a daily basis from the date of notice to and including the date Resident actually vacates the Apartment. A Resident shall be deemed to have vacated the Apartment when they are no longer residing in the Apartment and have removed all personal belongings.

5.5 Termination Due to Welfare of Resident

Other than on account of Resident's default for non-payment under Section 2.6 herein, Riverview shall provide thirty (30) days written notice of termination to Resident when the transfer or discharge from Riverview is necessary for the Resident's welfare and the Resident's needs cannot be met at Riverview. However, the residency shall terminate immediately when any of the following occur:

5.5.1 The safety/health of individuals at Riverview would be endangered;

5.5.2 The Resident has not resided in Riverview for thirty (30) days and the Resident's care needs cannot be met at the Community; or

5.5.3 An immediate transfer or discharge is required by the Resident's urgent medical needs.

5.6 Death of Resident

This Agreement shall terminate automatically upon death of the Resident. All fees and charges owed under this Agreement shall cease when the Resident's Apartment is released for occupancy by another and the keys to the Apartment are returned to Riverview.

5.7 Storage of Resident's Personal Property

Riverview shall have the right to remove and store at Resident's cost and expense all personal property from the Apartment of a deceased Resident, or whose accommodations have been released for occupancy by another, or whose Agreement has been terminated. In the event of Resident's death, a Resident's immediate family or legal representative shall have a reasonable period of time, not to exceed three (3) calendar days, which shall be established by Riverview, to arrange for disposition of property in the Apartment. Resident or Resident's estate shall reimburse Riverview for disbursements made for storage and moving.

6. FINANCIAL DISCLOSURE

6.1 You (referred to individually and/or collectively if there are two of you) have completed a Confidential Financial Disclosure and hereby certify that such information is true and correct. You acknowledge that Riverview has relied on such information in

approving your application for residency and understand that such information is incorporated by reference into this Agreement. You understand that we are relying on you to manage your assets and financial resources for the duration of your residency in order to fulfill your financial obligations to us. You agree to provide to us upon our request an updated Confidential Financial Disclosure at any time prior to and/or subsequent to the Occupancy Date along with written documentation to verify assets and income.

6.2 You will be required to make all payments due to Riverview in a timely manner and otherwise satisfy your personal financial obligations. If you fail to pay your Monthly Apartment Fee or other charges in a timely fashion, Riverview may, in its discretion, terminate this Agreement under Section 8.3 upon thirty (30) days' written notice to you. In the event of such termination, all unpaid fees and charges will continue to accrue late payment charges and interest until paid in full and shall become a lien against your assets or estate.

6.3 You agree not to materially impair your ability to meet your financial obligations by transferring your assets (e.g., by making gifts, bargain sales, bequests, transferring assets to trusts or purchases of annuities or other similar transfers), or by investing in assets or entering into financial arrangements that permit you or your spouse to qualify prematurely for Medicaid benefits. If Riverview determines, in its sole discretion, that you are permanently unable to pay your Monthly Apartment Fee, Monthly Care Fee or other charges, Riverview may require that you move to a less expensive Apartment at the Community, and you agree to move if required to do so.

6.4 Any alternative financial arrangement that you may request Riverview to review for the purpose of assisting you financially may be considered by Riverview in its sole discretion, and if approved, will be subject to provisions acceptable to Riverview.

7. TRANSFER OF RESIDENCE

7.1 Voluntary Transfer

At your request and subject to availability as determined by Riverview, you may move to another residence at Riverview. You must give written notice to Riverview, which includes a description of the type of residence that you desire, and pay to Riverview a non-refundable transfer fee of Three Thousand Dollars (\$3,000). Your transfer request shall be given priority over the applications of non-residents and requests subsequently received from other residents. If you decline to move within a reasonable period after

you are offered a residence of the type specified in your notice, your request will be deemed withdrawn and shall have no further force or effect. Under no circumstances will Riverview refund the \$3,000 transfer fee.

In connection with your transfer, you shall be responsible for all moving and cleaning costs. You will continue to pay the Monthly Apartment Fee for your existing Apartment until it is vacated and the keys have been turned in to Riverview. In addition, you shall pay the then-current Monthly Apartment Fee for your new Apartment commencing with your agreed upon Occupancy Date.

7.2 Double Occupancy by Residents

If you and another resident, residing in two separate residences, decide to live together, you may release either Apartment and live in the other Apartment, or you may release both of your Apartments and move into a new Apartment, subject to availability and Riverview's approval. You shall follow the written request procedures described in Section 7.1. You and your co-occupant Resident, upon moving to either one of the existing Apartments or a new Apartment, shall both sign a new Residency Agreement that describes the changes to the residency and confirms the agreement by each of you to pay the then-current Monthly Apartment Fee for double occupancy of your new Residence.

You shall be responsible for all moving and cleaning costs. You and the other resident shall continue to pay the Monthly Apartment Fee for your original Apartments until they are vacated and restored to their original, clean conditions and the keys and mailbox keys are turned in to Riverview.

7.3 Double Occupancy by Resident and Non-Resident

If you wish to live with a non-resident in your Apartment, (s)he must follow the standard application procedures for admission to Riverview and comply with Riverview admission and other policies and procedures. The decision whether or not to admit the non-resident shall be made by Riverview in its sole discretion.

7.4 Dissolution, Divorce or Separation of Joint Residents

If two of you occupy your Apartment, and you divorce or separate for any reason while at Riverview, either of you may transfer from your Apartment to a different Apartment, subject to availability and Riverview approval. The transferring Resident will sign a new

Residency Agreement and will pay the then-current Accommodation Fee and Monthly Apartment Fee for single occupancy of his/her new Apartment. The Resident who remains in the original Apartment shall also pay the single occupancy Monthly Apartment Fee for that Apartment. This Section 7.4 shall survive termination of the Agreement.

7.5 Removal of Apartment from Inventory

You acknowledge that it may be in the best interest of Riverview to remove the Apartment from its inventory of available residences for reasons that include, but are not limited to, converting the Apartment to a sales model, destruction of the Apartment to allow for expansion of Riverview, or transfer of property where the Apartment is located to a third-party in return for other property that is important to Riverview's overall development. In order to accommodate this possibility, you agree that in the event Riverview determines it is in its best interests to remove the Apartment from its inventory, you agree to vacate the Apartment and proceed under one of the options described in Sections 7.6 and 7.7 below. The determination of whether to remove the Apartment from its inventory shall be made by Riverview, in its sole discretion.

In the event Riverview decides to remove the Apartment from its inventory, Riverview shall provide you with not less than one hundred and sixty (160) days written notice of its intent to remove the Apartment. Upon receipt of said written notice, you shall have sixty (60) days thereafter to advise Riverview of the option you have selected under either Section 7.6 or 7.7 below, and you will be required to vacate the Unit by the deadline set forth in the written notice provided by Riverview.

7.6 Relocation to New Unit

In the event Riverview has provided you notice that it will remove your Apartment from its inventory under Section 7.5 above, you may elect to move to a different residence apartment (hereinafter "**new Apartment**") at Riverview which is available or will become available. In the event that Resident elects to move to a new Apartment, the following provisions shall apply.

7.6.1 Moving Expenses. Riverview shall pay all reasonable moving expenses related to the move of your property from the current Apartment to the new Apartment. You and Riverview shall work together to coordinate the move in the most efficient manner possible.

7.6.2 Accommodation Fee. There will be no Accommodate Fee charged for your move into the new Apartment.

7.6.3 Updated Residency Agreement. In the event that you choose to relocate to a new Apartment under this Section 7.6, you agree to execute a new Residency Agreement with Riverview with respect to the new Apartment.

7.7 Termination of Residency

In the event Riverview has provided you notice that it will remove your Apartment from its inventory under Section 7.5 above, you may elect to terminate this Agreement and vacate the Apartment prior to the expiration of the written notice under this Section 7.7. In the event that you elect to terminate this Agreement and vacate the Apartment under this Section 7.7, the following provisions shall apply.

7.7.1 Refund of Accommodation Fee. You shall be entitled to receive a refund of the entire amount of the Accommodation Fee.

7.7.2 Payment of Accommodation Fee Refund. You shall be paid the amount of the Accommodation Fee refund determined under Section 7.7.1 of this Agreement upon completion of your move out and return of your Apartment keys to Riverview.

8. TERMINATION

8.1 Term

As set forth in Section 1, this Agreement shall remain in full force and effect from and after the date on which this Agreement is signed by all parties so long as you are in full compliance with the terms and conditions of this Agreement and unless and until terminated pursuant to the provisions of this Agreement.

8.2 Termination by Resident

Resident may terminate this Agreement at any time upon fulfilling all of the following conditions:

- (i) You must give Riverview thirty (30) days' written notice of your intention to terminate, unless a shorter notice period is mutually agreed to in writing;

(ii) You must pay the Monthly Apartment Fee, Monthly Care Fee and any other unpaid charges in full until the effective termination date;

(iii) You must pay the cost of any repairs to or replacement of the Community's property for damage caused by you or your guests or invitees, excluding ordinary wear and tear; and

(iv) You must vacate your Apartment and make it available to Riverview within the thirty (30)-day notice period.

The Agreement shall terminate at the end of the thirty (30)-day notice period. If you have satisfied the above conditions and have released the Apartment, the Monthly Apartment Fee and Monthly Care Fee shall cease at the time of termination. If you have not satisfied the above conditions or have not released the Apartment by the end of the thirty (30)-day notice period, you will be charged, and be responsible for paying, the Monthly Apartment Fee for each full or partial month that elapses thereafter until the Apartment is released. For purposes of this Section 8.2, a Apartment shall be released when you or your representative (i) execute a release in the form required by Riverview, relinquishing any claim of right to occupy the Apartment; (ii) remove all furniture, furnishings and personal possessions from the Apartment; and (iii) pay the cost of any repairs to or replacement of Riverview's property for damage caused by you or your guests or invitees, excluding ordinary wear and tear.

8.3 Termination by Riverview

8.3.1 Right of Termination. Riverview may also terminate this Agreement at any time after your Occupancy Date as follows:

a. *Termination with thirty (30) days' written notice.* Without limiting its right to terminate for other reasons, Riverview may terminate this Agreement, in its discretion, upon thirty (30) days' or more written notice for your failure to pay your Monthly Apartment Fee, Monthly Care Fee and other charges.

b. *Termination with thirty (30) days' written notice.* Without limiting its right to terminate for other reasons, Riverview may terminate this Agreement, in its discretion, with thirty (30) days' or more written notice for any of the following reasons:

(i) Your failure to perform any of your obligations under this Agreement;

(ii) Your or your guest's failure to abide by the rules and regulations of the Community, as described in the Terrace Resident Guide as they now exist or as they may later be amended by Riverview in its sole discretion;

(iii) You engage in a pattern of conduct that is harmful or offensive to other residents or your physical or mental condition causes an unreasonable disturbance at the Community; and/or

(iv) Your material omission or misstatement, whether verbal or written, in your application materials or in any other documents filed with Riverview by you or on your behalf

8.3.2 Reasonable Alternatives. Riverview, at its sole discretion, will consider reasonable alternatives, including relocation prior to terminating this Agreement.

8.4 Double Occupancy by Residents

If two or more Resident parties execute this Agreement, you each agree that should one Resident terminate residency for any reason, all rights and obligations herein shall vest in the remaining Resident. However, as provided in Section 2.5, both Resident parties are jointly and severally liable for all fees due under this Agreement.

8.5 Deduction From Refund for Unpaid Charges

Riverview shall withhold from any refund due to you under this Agreement all unpaid Monthly Apartment Fees and any other amounts due under this Agreement, plus any applicable late charges and interest.

9. RESOLUTION OF DISPUTES

Except for those matters described in Section 9.2 below, which shall not be subject to arbitration, any dispute, claim, or controversy (individually and/or collectively, a "**Dispute**") of any kind between Resident and Riverview arising out of, in connection with, relating to, and/or arising out of this Agreement, its appendices, any amendment, and/or breach, which cannot be resolved by mutual agreement, will be submitted to and determined by binding arbitration in accordance with Section 9.1 below.

9.1 Arbitration

9.1.1 Mediation. If any Dispute arises, you and Riverview will first try to negotiate an amicable resolution through informal means, and if not settled, you agree to submit any Dispute to non-binding mediation. Either you or Riverview may initiate mediation by delivering a written request to mediate to the other party listing the Dispute(s) to be mediated. The parties shall mutually agree to a mediator who shall be a lawyer licensed to practice by the State of Washington, having practiced actively in the field related to the matter subject to mediation for at least fifteen (15) years. If the parties are unable to agree on a mediator, each party shall submit the name of a proposed mediator and the two proposed mediators shall select the mediator. The parties shall divide the cost of the mediator equally. If mediation does not result in a signed written settlement agreement within sixty (60) days after written notice that mediation negotiations have commenced or within five (5) business days following a mediation meeting during which the parties have not successfully negotiated a resolution, the mediation shall be settled by mandatory, binding arbitration as provided in this Section 9.

9.1.2 Binding Arbitration. Any Dispute between you (and/or your attorneys, successors, and assigns) and Riverview (and/or its affiliates, directors, officers, employees, agents, successors, attorneys, and assigns) shall be finally settled exclusively by mandatory, binding arbitration in Spokane County, Washington. The parties intend that this Arbitration Agreement be interpreted in the broadest form allowed by law. Riverview and you acknowledge and agree that Riverview and you waive any right(s) to have any Dispute decided in court by a judge or jury, including but not limited to the making, existence, validity or enforceability of this arbitration provision.

9.1.3 Procedure. You and Riverview expressly agree to binding arbitration and to abide by each provision of an award rendered pursuant to the arbitration.

a. Either you or Riverview may initiate arbitration by delivering a written notice to request arbitration to the other party listing the Dispute(s) to be arbitrated. Notice shall be delivered as provided in Section 10.9.

b. Either party may bring an action in the Superior Court of Spokane, Washington to compel mediation and/or arbitration under this Arbitration Agreement, to select an arbitrator pursuant to paragraph 9.1.3.c, and to enforce an arbitration award. Otherwise, neither party shall initiate or prosecute any lawsuit or administrative action in any way related to a Dispute, except that Riverview or you may seek injunctive relief pursuant to Washington law. The parties further agree that the Superior Court of Spokane County, Washington shall be authorized to render judgment on the award or finding of the arbitrator(s), and the parties submit to the venue and jurisdiction of that court for the purpose of enforcement of the arbitration award.

c. The case shall be submitted to a single arbitrator chosen by the parties. Any arbitrator selected shall have extensive knowledge of, and experience with, the continuing care retirement community industry, and shall be familiar with the operations of non-profit retirement communities. If the parties are unable to agree upon a single arbitrator within forty-five (45) days following notice of the demand for arbitration, each party may submit the names of three (3) arbitrators to the Superior Court of Spokane County, Washington, and the Superior Court shall select an arbitrator from among the submitted names within fifteen (15) days of being notified that that the parties are unable to agree to an arbitrator. If none of the parties submit any names of potential arbitrators, the Superior Court shall select an arbitrator.

d. The arbitration hearing shall take place in Spokane, Washington.

e. Any arbitration under this Section 9 shall be governed by rules agreed to by the parties, or, in the event of failure by the parties to agree, rules specified by Judicial Arbitration and Mediation Services. The arbitrator's decision shall be in writing, shall set forth a concise statement of the decision and the reasoning behind the decision, but shall not include findings of fact or conclusions of law.

f. You and Riverview shall equally share all costs of arbitration,

including the fees of the appointed arbitrator(s), unless you prove to the arbitrator that the costs of the arbitration would effectively prevent you from pursuing your Dispute. If you have satisfactory proof, in Riverview's determination, that the costs of arbitration would prevent you from pursuing your Dispute, Riverview will bear the costs of selecting the arbitrator and the arbitrator's fees and costs related to the arbitration proceeding (this does not include your attorney fees and any other costs), pending the arbitrator's determination.

g. The arbitrator's decision shall be rendered within ninety (90) days of the date the arbitrator is selected in accordance with Subsection c. above. The arbitrator's decision shall be in writing and shall set forth a concise statement of the decision and the reasoning behind the decision, but shall not include findings of fact or conclusions of law. The award rendered by the arbitrator shall be final and binding upon the parties, and judgment shall be entered in any court having jurisdiction. The arbitrator may not award punitive damages, but may decide payment of the arbitrator's expenses and fees in the award. The arbitrator may award costs and attorney fees to the prevailing party if the award would be authorized by law in a civil action involving the Dispute.

9.1.4 Death of a Party. The submission to arbitration shall not be withdrawn or affected by the death of either of the parties pending a final award, but the personal representative of the deceased party shall be deemed to be a party to the reference or submission made by this Section 9, in spite of any rule of law to the contrary.

9.2 Matters Not Subject to Arbitration

Disputes concerning the following matters shall not be subject to arbitration:

9.2.1 Matters involving the establishment or collection of Accommodation Fees, Monthly Apartment Fees, Monthly Care Fees, or any other fees, deposits or charges of any kind or type imposed and/or collected by Riverview;

9.2.2 Any claim for injunctive or other equitable relief;

9.2.3 Exercise by a Resident or Riverview of his/her/its right to cancel or terminate a Residency Agreement;

9.2.5 Actions for appointment of a guardian ad litem;

9.2.6 Any Dispute involving the claims of more than one Resident or where the claim is applicable to more than one Resident;

9.2.7 Any Dispute involving a claim for damages or other monetary relief in an amount exceeding One Hundred Thousand Dollars (\$100,000).

10. MISCELLANEOUS PROVISIONS

10.1 Terrace Resident Guide

You agree to be bound at all times by the rules and provisions contained within the Terrace Resident Guide, as they now exist or as they may later be amended from time to time by Riverview in its sole discretion. Compliance with the terms and conditions of the Terrace Resident Guide is considered a Condition of Residency. A current copy of the Terrace Resident Guide will be provided to you upon execution of this Agreement and additional copies are available from Riverview upon request. By executing this Agreement, you affirm that you have received a copy of the Terrace Resident Guide and have read and understood it.

10.2 Resident's Representations and Warranties

By executing this Agreement, you represent and warrant that: (i) you meet all the criteria for residency at Riverview and for performing all your obligations under this Agreement; (ii) you have assets and income sufficient under foreseeable circumstances to meet your ordinary and customary living expenses for at least three (3) years after you assume occupancy at Riverview; and (iii) all representations made by you or on your behalf, whether written or verbal, with respect to your admission to Riverview, were true and accurate when they were made. You understand and agree that any material misrepresentation or omission made by you or on your behalf in connection with your admission or in the future, shall make this Agreement voidable at Riverview's option.

10.3 No Assignment

You acknowledge that all rights created by this Agreement may not be assigned, conveyed or transferred, voluntarily or involuntarily, by you or your agent. Your rights and privileges to use and enjoy the living accommodations, facilities and services of Riverview are personal, and may not be transferred or assigned by you.

10.4 Changes in Financial Condition

You agree to immediately inform Riverview of any material adverse changes in your financial condition (20% or more) such as a decrease in value of your assets, investments or other sources of income.

10.5 Liability

Riverview shall not be responsible for the loss of any property belonging to you, including property placed in storage on Riverview's property, due to any cause. You shall also be responsible for any injury, loss and/or damage that you or any of your guests cause to the Riverview's property, excluding ordinary wear and tear, or to the person or property of any resident, staff member or other person. You agree to defend, indemnify, hold harmless, and reimburse Riverview for any such injury, loss and/or damage, including attorneys' fees and costs, resulting from negligence or otherwise caused by you and/or any of your guests.

10.6 Removal and Storage of Property

Riverview shall have the right to remove promptly and store all property from your Apartment, at your expense or at the expense of your estate, if you or your estate fails or neglects to vacate your Apartment within three (3) days following your permanent departure (for example, upon termination of this Agreement, permanent transfer, or death). Following termination of this Agreement and if the Apartment is not vacated within three (3) days, you or your estate shall remain liable for the Monthly Apartment Fee until your Apartment is vacated and all of your property is removed from it. This Section 10.6 shall survive the termination of this Agreement.

10.7 Right of Entry

You agree that Riverview and its employees and agents shall have the right to enter your Apartment from time to time, upon reasonable notice to you (except in case of emergency), for inspection, maintenance, housekeeping, enforcement of all applicable laws and regulations, emergency purposes and all other reasonable purposes.

10.8 Waiver of One Breach Not a Waiver of Any Other

The failure of Riverview in any one or more instances to insist upon strict performance, observance or compliance by you with any terms or provisions of this Agreement shall

not be construed to be a waiver of its right to insist upon strict compliance by you with all of the terms and provisions of this Agreement at all times.

10.9 Notices

All notices given from you under this Agreement shall be in writing and shall be addressed to: President and CEO, Riverview Retirement Community, 1801 East Upriver Drive, Spokane, Washington 99207. Notices from Riverview shall be addressed to you at _____, Spokane, WA _____.

Such notices shall be effective (i) when personally delivered; (ii) seventy-two (72) hours after deposit in the United States first class mail; (iii) upon acknowledgment of receipt of a facsimile or other electronic transmission or communication; or (iv) upon the sooner of first attempted delivery or receipt for Federal Express or other similar delivery service keeping records of deliveries and attempted deliveries.

10.10 Real Property Taxes

The Riverview Terrace Division building, which contains your Apartment, is exempt from paying Washington real property taxes. Should the Riverview Terrace Division building be required to pay real property taxes after the date of execution of this Agreement, Resident acknowledges that it shall be his or her responsibility to pay their pro-rata share of any assessed real property taxes related to the Apartment.

10.11 Application and Fee Schedule

This Agreement includes by reference the application and fee schedule for Resident at Riverview as the same exists on the date of this Agreement or as hereafter amended by Riverview.

10.12 Entire Agreement

The Recitals are incorporated into the terms and made a part of this Agreement. This Agreement and all appendices attached to this Agreement constitute the entire Agreement between you and Riverview and may be amended only by a written instrument signed by you or your legal representative and by an authorized representative of Riverview. The invalidity of any part of this Agreement shall not affect in any way the validity of the remainder of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Resident/Representative Signature

Facility's Authorized Agent

Resident/Representative Printed Name

Facility's Authorized Agent Printed Name

Riverview Lutheran Retirement Community of Spokane provides services to qualified individuals without regard to race, color, sex, age, national origin, religion, or disability.