

RIVERVIEW RETIREMENT COMMUNITY OF SPOKANE
VILLAGE DIVISION
RESIDENCY AGREEMENT
Refundable

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 55 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 Village Division at the Community. It does not apply to residency in the Terrace 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 Village 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

In consideration of payment of the Accommodation Fee, Monthly Service 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 Unit

You have chosen to live in the Unit (the "**Unit**" or "**Residence**") with the address of _____ . You will have a personal and non-assignable right to live in your Unit, subject to the terms of this Agreement and to the rules and regulations of the Community, described in the Village Resident Handbook, as it now exists or as it may later be amended. Your date of occupancy shall be _____, 20__ ("**Occupancy Date**"), which was the date that you received keys to the Unit.

1.2 Conveniences and Utilities

The following utilities and conveniences are currently provided and included in your Monthly Service Fee: water, sewer, and garbage collection to the Unit.

1.3 Furnishings and Appliances

Riverview shall provide accommodation furnishings and fixtures including floor coverings, refrigerator, range, dishwasher, microwave, and garbage disposal in the Unit. 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 the representative of your estate is responsible for removing all of your own furniture, your personal appliances, and special equipment when your Unit is vacated.

1.4 Maintenance and Repairs

Riverview will be responsible for maintaining and making all necessary repairs to your Unit 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 Unit or any of its systems or appliances.

2. FEES

2.1 Accommodation Fee

Your Accommodation Fee for your Residence at the Community is due in the following amount:

Accommodation Fee	\$ _____
Less: Amount of Deposit	\$ _____
Less: Earnest Money Fee	\$ _____
Balance Due (on _____)	\$ _____

2.2 Monthly Service Fee

2.2.1 Amount and Payment Procedure. The single-person (or two-person) Monthly Service Fee for residency in the Unit is currently \$ _____ (hereinafter referred to as the "**Monthly Service Fee**"). You agree to pay the Monthly Service Fee for your Unit, commencing no later than the Occupancy Date regardless of whether you occupy your Unit as of that time. The Monthly Service 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 Service Fee by the due date.

2.2.3 Adjustments. The Monthly Service 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 Service Fee. In addition, Riverview is subject to Washington property tax based on the value of certain real property owned by Riverview, which may include the Unit. You will be billed twice a year (on the first day of April and October) for the amount of your proportional share of property tax related to the Unit.

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

2.3 Joint and Several Liability for Fees

If you share your Unit 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.

3. SERVICES PROVIDED BY RIVERVIEW

The following services are currently available at Riverview. Unless otherwise indicated, these services are included in your Monthly Service Fee.

3.1 Emergency Call System

Riverview shall provide a twenty-four (24) hour emergency call system.

3.2 Skilled Nursing Care

Riverview shall provide ten (10) days of skilled nursing care, hereafter referred to as "Skilled Nursing Care," per year for you in Riverview Care Center when such care is prescribed by your physician and if the Care Center can meet your needs. If space is not immediately available at Riverview Care Center, you shall be admitted to Riverview Care Center as soon as possible in accordance with the admission policies of Riverview Care Center. If space at the Care Center is not available, Riverview will provide the benefits described in this Section 3.2 at a comparable facility in the Spokane area at a daily rate which is not more than the median care rate charged by Riverview Care Center. Riverview will assist you in locating an alternate health care facility. You shall be responsible for payment of all transportation costs to and from Riverview and the alternate health care facility.

Prior to utilizing the ten (10) days of Skilled Nursing Care offered by Riverview, you shall first use your U.S. Government or State medical benefits, if applicable. The Skilled Nursing Care in Riverview Care Center provided in this Agreement is secondary to such coverage. You are responsible for the payment of all doctor, special nursing care, dental, drugs, ancillary services, hospital care, and other care you may require during the term of this Agreement. The ten (10) days of Skilled Nursing Care are limited to each twelve (12) month period, commencing upon the Occupancy Date. The Skilled Nursing Care is not cumulative from one twelve (12) month period to the next. Any fraction of a day of such Skilled Nursing Care shall be considered one (1) day. The right to Skilled Nursing Care is not transferable or assignable by you. The Skilled Nursing Care has no cash value, and you are not entitled to any payment for Skilled Nursing Care not used during any twelve (12) month period.

3.3 Gardening and Maintenance

Riverview will perform gardening, maintenance and landscaping services for common areas at the Community.

3.4 Window Cleaning

Riverview shall provide cleaning of the exterior windows of your Unit on a periodic basis, in its sole discretion.

3.5 Limited Activity Program

Riverview shall provide a limited activity program intended to stimulate you and the other Riverview residents, mentally, physically and socially, as set forth in the Village Resident Guide.

3.6 Insurance

Riverview shall provide fire insurance and extended coverage on the building where your Unit is located. Riverview shall not insure any of the personal property owned by you and located in the Unit or on Riverview grounds. You shall maintain personal liability insurance coverage covering property damage and/or bodily injury to others caused by you, your guest(s), and your/their pets, personal property insurance coverage, and insurance to cover the costs associated with loss of use of the Unit.

3.7 Common Areas

Riverview shall make available for the enjoyment of you and the other residents all common areas of the Riverview campus as detailed in the Village Resident Guide.

4. OBLIGATIONS OF RESIDENT

4.1 Payment of Certain Utilities

You shall be responsible for payment of natural gas and electric utilities provided to the Unit. These utilities and services will be billed directly by the applicable utility company and are not included in your Monthly Service Fee. You shall be responsible for payment of telephone service, cable television service and/or Internet access, if you desire to have such services.

4.2 Acceptance of Unit

You acknowledge that you are accepting occupancy of the Unit on an "as is", "where is" basis with all faults and that Riverview makes no representations or warranties regarding the occupancy of the Unit 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 Unit, 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 Service Fee, or relieve you from any of your obligations under this Agreement.

4.3 Maintenance of Unit

You shall have the responsibility to keep all drains in the Unit 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, or agents. You shall also provide adequate heat and protection of the Unit to prevent all water pipes and fixtures from freezing. 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 Unit 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, or agents. You shall have no authority to make any modifications or alterations to the Unit without the express written consent of Riverview. Riverview may condition its approval for modifications and alterations in its sole discretion.

4.4 Absence from Unit; Right to Entry

In the event you shall be absent from the Unit for a period of one (1) week or more, you shall notify Riverview and make the appropriate arrangements to care for the Unit during your absence. In addition, you grant Riverview the right of entry to the Unit 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 Unit or property, for failure to inspect.

4.5 House Rules

You agree to abide by all published house rules as contained in the Village Resident Guide. A copy of the Village Resident Guide was provided to you upon your occupancy of the Unit and additional copies are available in the Riverview Business Office. Riverview reserves the right to revise the house rules contained in the Village 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 Village Resident Guide shall be a breach of this Agreement.

4.6 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's President & CEO, which consent may be withheld in its sole discretion. You will be responsible for paying all costs associated with the guest's stay 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.

4.7 Hazardous/Off-Limits Areas

You and any of 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.

4.8 No Business Activity

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

5. REMOVAL OF UNIT FROM INVENTORY

You acknowledge that it may be in the best interest of Riverview to remove the Unit from its inventory of available residences for reasons that include, but are not limited to, converting the Unit to a sales model, destruction of the Unit to allow for expansion of Riverview, or transfer of property where the Unit 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 Unit from its inventory, you agree to vacate the Unit and proceed under one of the options described in Sections 5.1 and 5.2 below. The determination of whether to remove the Unit from its inventory shall be made by Riverview, in its sole discretion.

In the event Riverview decides to remove the Unit 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 Unit. 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 5.1 or 5.2 below, and you will be required to vacate the Unit by the deadline set forth in the written notice provided by Riverview.

5.1 Relocation to New Unit

You may elect to move to a different residence unit (hereinafter "**new Unit**") at Riverview which is available or will become available. In the event that Resident elects to move to a new Unit, the following provisions shall apply.

5.1.1 Moving Expenses. Riverview shall pay all reasonable moving expenses

related to the move of your property from the current Unit to the new Unit. You and Riverview shall work together to coordinate the move in the most efficient manner possible.

5.1.2 Accommodation Fee Differential. If you move to a more expensive new Unit, you will be required to pay the difference between the then-current Accommodation Fee for your original Unit and the then-current Accommodation Fee for the new Unit when you transfer. If you move to a new Unit that has an Accommodation Fee equal to the then-current Accommodation Fee for your Unit, Riverview will not refund any portion of your original Accommodation Fee. If you move to a new Unit that has an Accommodation Fee less than the then-current Accommodation Fee for your Unit, Riverview will refund to you the difference in Accommodation Fees.

5.1.3 Updated Residency Agreement. In the event that you choose to relocate to a new Unit under this Section 5.1, you agree to execute a new Residency Agreement with Riverview with respect to the new Unit.

5.2 Termination of Residency

You may elect to terminate this Agreement and vacate the Unit prior to the expiration of the written notice under this Section 5. In the event that you elect to terminate this Agreement and vacate the Unit under this Section 5, the following provisions shall apply.

5.2.1 Refund of Accommodation Fee. You shall be entitled to receive a refund of a portion of, or the entire amount of, the Accommodation Fee, pursuant to the terms of this Section 5.2.1. If you elect to move out within twelve (12) months of your Occupancy Date, you shall receive a refund of one hundred percent (100%) of the Accommodation Fee. If you elect to move out within months 13 and 24 after your Occupancy Date, you shall receive a refund of ninety-percent (90%) of the Accommodation Fee. If you elect to move out between months 25 and 36 after your Occupancy Date, you shall receive a refund of eighty-five percent (85%) of the Accommodation Fee. If you elect to move out more than 36 months after your Occupancy Date, you shall receive a refund of eighty percent (80%) of your Accommodation Fee. The time periods in this Section 5.2.1 shall be determined on the date when Riverview gives written notice to you under this Section that it will be removing your Unit from its inventory.

5.2.2 Payment of Accommodation Fee Refund. You shall be paid the amount of the Accommodation Fee refund determined under Section 5.2.1 of this Agreement upon completion of your move out and return of your Unit keys to Riverview.

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 Service Fee or other charges in a timely fashion, Riverview may, in its discretion, terminate this Agreement under Section 8.3 upon sixty (60) 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 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 Double Occupancy by Residents

If you and another resident, residing in two separate residences, decide to live together, you may release either Unit and live in the other Unit, or you may release both of your Units and move into a new Unit, subject to availability and Riverview's approval. You and your co-occupant Resident, upon moving to either one of the existing Units or a new Unit, 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 Service Fee for double occupancy of your new Residence.

If you elect to live in a new Unit and if the sum of your then-current Accommodation Fees is less than the then-current Accommodation Fee for the new Unit, you will pay Riverview the difference as an additional Accommodation Fee.

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

7.2 Double Occupancy by Resident and Non-Resident

If you wish to live with a non-resident in your Unit, (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. If Riverview approves the application, the Monthly Service Fee will be increased to the appropriate level to reflect double occupancy of your Unit and an additional non-refundable fee equal to twenty-five percent (25%) of the Accommodation Fee applicable to the Unit at the time of acceptance of the new Resident will be charged. You will be responsible for the actions and obligations of the non-resident during the time period (s)he is residing at your Unit. If Riverview does not accept the non-resident for residency at the Village Division of Riverview, (s)he shall be considered a guest and shall be subject to the Riverview's rules regarding guests.

7.3 Dissolution, Divorce or Separation of Joint Residents

If two of you occupy your Unit, and you divorce or separate for any reason while at Riverview, either of you may transfer from your Unit to a different Unit, 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 Service Fee for single occupancy of his/her new Unit. The Resident who remains in the original Unit shall also pay the single occupancy Monthly Service Fee for that Unit. If either of you wishes to terminate your Agreement as a result of your dissolution, divorce or separation, the Resident leaving the Community shall not be entitled to any refund under Section 8 herein. Unless agreed otherwise in writing by Riverview, pursuant to Section 2.3, the transferring Resident or terminating Resident shall remain jointly and severally liable for the Monthly Service Fees and other financial obligations related to the original Unit. This Section 7.4 shall survive termination of the Agreement.

8. TERMINATION OF AGREEMENT

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 You or Riverview

8.2.1 Withholdings. Notwithstanding anything in the Agreement to the contrary, you will be required to pay the total cost associated with any special features, modifications, or conversions of your Unit that you requested, and you agree that Riverview will withhold such amounts from any refunds or amounts otherwise owing to you. You shall also be responsible for the costs to restore the Unit to the then applicable standard move-in condition that Riverview deems necessary with respect to any alternations you requested.

8.2.2 Preoccupancy Rescission Period/Refund. You or Riverview may terminate this Agreement prior to your Occupancy Date by written notice received by Riverview.

a. Should you or Riverview cancel this Agreement prior to your Occupancy Date for any reason, or if you die prior to the Occupancy Date, your Agreement shall be cancelled upon Riverview's receipt of written notice by you or your legal representative. If you filed a joint application with a second Applicant, your Agreement shall be canceled with respect to the deceased Applicant and the remaining Applicant may cancel the Agreement at his/her option. Upon cancellation by you, or by two of you if there are two Applicants, Riverview shall refund to you the Accommodation Fee less the withholdings identified in Section 8.2.1 above and less a charge of Ten Thousand Dollars (\$10,000), which Riverview shall retain as reasonable compensation for service charges and expenses incurred in the processing of the application and review of the suitability of application hereunder.

8.2.3 Post-occupancy Rescission Period/Refund. This Agreement is also subject to a post-occupancy rescission period for ninety (90) days following the Occupancy Date, during which you may cancel this Agreement, with or without cause, by giving the other

party thirty (30) days' written Notice of post-occupancy cancellation. In the event of such cancellation, you shall be entitled to a refund of the Accommodation Fee less the sum of the following:

- a. Any unpaid portion of the Monthly Service Fee through the end of the thirty (30)-day notice period; plus
- b. The withholdings identified in Section 8.2.1 above; plus
- c. Costs or removal and storage of your property from the Unit; plus
- d. Any unpaid property taxes pro-rated through the later of the time the Unit is vacated by you or your representative, or the time of removal of your property by Riverview if your representative fails to remove your property from the Unit; plus
- e. Any other unpaid expenses in connection with your residency at Riverview; plus
- f. A Ten Thousand Dollars (\$10,000) administration fee.

You must make your Unit available to Riverview within twenty-one (21) days after the date that the Notice of post-occupancy cancellation is received by Riverview. There will be no interest paid to you on the Accommodation Fee.

8.2.4 Death During Post-occupancy Rescission Period. This Agreement shall be canceled upon your death during the ninety (90)-day post-occupancy rescission period. (If there are two of you, this paragraph applies upon the death of both of you). Your estate shall receive the refund provided in Section 8.2.3 above. The Monthly Service Fee shall continue until your Unit is vacant and released to the Community.

8.2.5 Termination by Resident After Ninety (90)-Day Post-occupancy Rescission Period/Refund. You may terminate this Agreement at any time after the ninety (90)-day post-occupancy rescission period upon fulfilling all of the following conditions:

- (i) You must give Riverview sixty (60) days' written notice of your intention to terminate, unless a shorter notice period is mutually agreed to in writing by you and Riverview's President & CEO;

(ii) You must pay the Monthly Service 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, invitees, or licensees, excluding ordinary wear and tear; and

(iv) You must vacate your Unit and make it available to Riverview within the sixty (60)-day notice period.

The Agreement shall terminate at the end of the sixty (60)-day notice period. If you have satisfied the above conditions and have released the Unit, the Monthly Service Fee shall cease at the time of termination. If you have not satisfied the above conditions or have not released the Unit by the end of the sixty (60)-day notice period, you will be charged, and be responsible for paying, the Monthly Service Fee for each full or partial month that elapses thereafter until the Unit is released. For purposes of this Section 8.2.5, a Unit 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 Unit; (ii) remove all furniture, furnishings and personal possessions from the Unit; and (iii) pay the cost of any repairs to or replacement of Riverview's property for damage caused by you or your guests, invitees, or licensees, excluding ordinary wear and tear.

If you are the only Resident in your Unit and die following the ninety (90)-day post-occupancy rescission period, this Agreement shall terminate and Riverview will pay a refund to your estate in accordance with the provisions of this Section 8.2.6. If two of you occupy your Unit and if you die, this Agreement shall not terminate until the death or termination of the second Resident and no refund will be paid until that time. The Monthly Service Fee will continue to accrue until the Unit is vacant and released to Riverview.

8.2.6 Refund of Accommodation Fee. If you have satisfied the above conditions and have released the Unit, Riverview shall refund to you eighty percent (80%) of your Accommodation Fee, less the withholdings identified in Section 8.2.1 above, and less the amount of any unpaid Monthly Service Fees and other charges, costs and/or fees, including the cost, if any, of restoring your Residence to its original clean condition (excluding normal wear and tear). Within ten (10) days, Riverview will pay any refund that is due to you after you vacate your Unit and after a new resident is accepted for residency

and pays the total Accommodation Fee applicable to your Unit.

8.3 Termination by Riverview After Occupancy

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

a. *Termination with sixty (60) days' written notice*. Without limiting its right to terminate for other reasons, Riverview may terminate this Agreement, in its discretion, upon sixty (60) days' or more written notice for your failure to pay your Monthly Service Fee and other charges.

b. *Termination with ninety (90) days' written notice*. Without limiting its right to terminate for other reasons, Riverview may terminate this Agreement, in its discretion, with ninety (90) 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 Village Resident Handbook 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 will consider reasonable alternatives prior to terminating this Agreement.

8.3.3 Refund to Resident. If Riverview terminates this Agreement after your Occupancy Date, you will be entitled to a refund of your Accommodation Fee in accordance with the provisions of Section 8.2.6.

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 2.3, both Resident parties are jointly and severally liable for all fees due under this Agreement and no refund shall be paid until the second Resident's death or other termination of this Agreement by both Resident parties and all fees due to Riverview are paid. If both of you terminate this Agreement simultaneously, one-half shall be paid to each of you, unless a written agreement signed by both of you is presented to Riverview providing for an alternate arrangement.

8.5 Deduction From Refund for Unpaid Charges

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

8.6 Potential Tax Consequences of Refund

The Internal Revenue Service may treat the refundable portion of your Accommodation Fee as a below-market loan by you to Riverview and attribute to you receipt of interest income on the outstanding balance of your Accommodation Fee, even though you do not receive interest payments. Riverview strongly recommends that you consult with your accountant and/or an attorney to determine how the tax laws may apply to you.

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, Deposit Amount, Earnest Money Fee, Monthly Service 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 Village Resident Guide

You agree to be bound at all times by the rules and provisions contained within the Village 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 Village

Resident Guide is considered a Condition of Residency. A current copy of the Village 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 Village 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 the Village Division of 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 after you assume occupancy at the Village Division of 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 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 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, unless specifically waived in writing by Riverview in its discretion.

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 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 Unit, at your expense or at the expense of your estate, if you or your estate fails or neglects to vacate your Unit within sixty (60) days following your permanent departure (for example, upon termination of this Agreement, permanent transfer, or death). Following termination of this Agreement and if the Residence is not vacated within sixty (60) days, you or your estate shall remain liable for the Monthly Service Fee until your Unit 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 Unit 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 _____.

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 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.