

THE LATHROP COMMUNITY, INC.

RESIDENCY AGREEMENT

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**RESIDENCY AGREEMENT FOR
THE LATHROP COMMUNITY, INC.**

This Agreement is made between _____ hereinafter called the "Resident", and referred to by the words "you" or "your" (if two persons sign this Agreement, the words "Resident" and "you" shall apply jointly and severally, where the context permits) and The Lathrop Community, Inc. hereinafter called "Lathrop" or "the Community" and referred to by the words "we," "us", "our" which presently owns and operates The Lathrop Communities located in Northampton and Easthampton, Massachusetts. The word or phrase "us" in "one of us", "either of us", and similar phrases shall apply to you and to The Lathrop Community, Inc., jointly.

The Lathrop Community, Inc. is a Massachusetts not-for-profit corporation governed by a Board of Directors. Chartered in 1988, Lathrop now operates The Lathrop Community at Northampton, One Shallowbrook Drive, Northampton, MA 01060, and The Lathrop Community at Easthampton, 100 Bassett Brook Drive, Easthampton, MA 01027. The Lathrop Communities currently purchases support services from, and is affiliated with The Kendal Corporation, a Pennsylvania not-for-profit corporation. The Lathrop Communities and The Kendal Corporation reserve the right to modify their relationship at any time. No organization other than The Lathrop Community, Inc. has any responsibility for, or financial interest in, the operation of the Community.

It is understood and agreed that neither race nor color nor sex nor national origin nor religion nor sexual orientation shall have any bearing upon the acceptance or rejection of persons applying for admission to The Lathrop Communities.

You have applied and been accepted for entry to Lathrop. Subject to signing this Agreement, you and we agree as follows:

1. ACCOMMODATION

The residence to be occupied by you, subject to the provisions of this Agreement, is _____, which is a _____ type in _____.

2. OCCUPANCY DATE

The Occupancy Date for all purposes under this Agreement shall be on or before _____, or the date on which you first occupy your living accommodation, whichever occurs first.

3. ENTRANCE FEE

On or before the Occupancy Date, and before you occupy your unit or begin any customization (paragraph 7.2), your Entrance Fee in the amount of \$ _____ is payable in full less a credit for any applicable deposit you have made to us.

4. SERVICES PROVIDED

From and after the Occupancy Date, we will furnish you the unit identified in Section 1 and the facilities and services specified herein, and you will become liable for payment of the Monthly Fee. These services will be provided to you for as long as you are a resident of the Community. We will provide you at least thirty (30) days notice in advance of changes in the scope of services except for changes required by State or Federal agencies or other duly constituted authorities.

5. MONTHLY FEE

5.1. Amount

Effective on/or before _____ you will pay us a Monthly Fee. The Monthly Fee for your residence is _____. The first Monthly Fee payment will be prorated to reflect your Occupancy Date. *Note: A Second Person monthly fee is charged for a second individual who has signed the Residency Agreement or if the conditions set forth in Section 22 of this Agreement apply.*

5.2. Adjustments to Monthly Fee

We may adjust the Monthly Fee periodically to reflect changes in the cost of achieving our purposes. We will give you at least thirty (30) days advance written notice of such a change. We agree that, in the exercise of our responsibility, we will endeavor to maintain the Monthly Fee at the lowest feasible figure, which in the judgment of the Board of Directors of the Community, is consistent with sound financial operation and maintenance of the quality of service we have undertaken to provide.

5.3. Monthly Statement

We shall present to you a detailed monthly statement including: (a) the Monthly Fee for the following month, (b) any credits, (c) charges for additional services rendered during the preceding month and (d) any other amounts due to us.

5.4. Payment of Monthly Charges

The Monthly Fee is due in advance, and it and all other charges appearing on the monthly statement shall be paid to us on or before the first day of the calendar month following the date of the statement. Amounts unpaid after the tenth day of the calendar month are subject to a service charge equal to one per cent (1%) per month until the amount due is paid in full. If you fail to make the full payment within thirty (30) days after the due date, we may give you written notice that you must make such payment within fifteen (15) days after receiving such notice, and if you fail to comply with such notice, we may terminate this Agreement and require you to vacate your unit.

5.5. Temporary Internal Moves

If you reside in a townhome and move temporarily to an apartment in the Inn, you will continue to pay the monthly fee for the townhome as well as any fee(s) for the temporary apartment.

5.6. Responsibility Upon Transfer

If you transfer within the Community on a permanent basis, you or your estate will still be responsible for the monthly fee on your vacated unit as outlined in Paragraph 10.2.

5.7. Responsibility Upon Leaving Lathrop Voluntarily or Upon Death

If you leave Lathrop voluntarily or die, you or your estate will still be responsible for the monthly fee on your vacated unit as follows:

- a.) Townhome: you or your estate will be responsible for 100% of the monthly fee on your vacated unit until the next resident assumes your obligation.
- b.) Inn Apartment: you or your estate will be responsible for 80% of the monthly fee on your vacated unit until the next resident assumes your obligation.

5.8. Inability to Pay

Without in any way qualifying our right to terminate this Agreement, if the sole reason for non-payment of your financial obligation is insufficient funds not due to your willful design or financial mismanagement, it is our policy to review the matter with you. If you present us with facts, which in our opinion justify special financial consideration, we may partly or wholly subsidize your Monthly Fee provided that such subsidy can be granted or continued without impairing our ability to attain the Community's objectives of operating on a sound financial basis. All determinations made by us concerning the granting of, or continuing of, special financial consideration shall be final and binding on you. Any such determination shall be regarded as a confidential transaction between you and us, except for reports required by financial institutions lending monies to Lathrop and by regulatory or other governmental bodies.

5.9. Recovery of Community Subsidy

When you die or leave the Community, if your Monthly Fee has been subsidized partly or wholly by us, your Entrance Fee refund will be reduced by the total of any subsidy provided by us, and your estate, if any, shall be liable to us for any amount of subsidy remaining.

6. SERVICES PROVIDED BY THE COMMUNITY

6.1. Utilities

If you live in a townhome, we will furnish water and sewage disposal facilities, and garbage and trash removal. You are responsible for ordering and paying for telephone installation and service and for paying the charges for electricity and natural gas for heat and hot water and cable.

If you live in an apartment in the Inn, we will provide water and sewer use, electricity, heat, air conditioning, hot water and basic cable. You are responsible for telephone service.

6.2. Maintenance and Repair Services

Maintenance, repairs, and replacement of property and equipment owned by Lathrop will be provided and performed by us. Repairs, maintenance, and replacement of your personal property

will be your responsibility. Redecoration of your residence, in addition to or other than that scheduled by us, will require the approval of the Executive Director or his/her delegate and will be at your expense. Any change to or replacement by you of the equipment provided by us in your residence gives title thereto to us unless otherwise provided in writing, signed by us. Repairs and maintenance of non-standard fixtures and/or equipment added, changed or replaced in your residence prior to your occupancy, including but not limited to garbage disposals, water filtration systems, humidifiers/dehumidifiers, and additional HVAC equipment, shall become your responsibility upon occupancy.

We will deliver your unit in move-in condition, but subsequent re-painting of interiors and carpet replacement will be your responsibility.

6.3. Common Areas and Grounds

We will provide, furnish, and maintain all common areas for Lathrop residents.

We will also furnish basic grounds keeping care including lawn service and snow removal. With approval, you may elect to plant and maintain specific areas adjacent to your residence (see Landscaping Policy).

Future development may result in changes to common areas or grounds.

6.4. Additional Services

6.4.1. Services provided to all Lathrop residents:

- Twenty-four hour alarm system;
- Weekly removal of garbage and recyclables;
- Staff available to respond to your telephone calls 24 hours per day;
- On site manager;
- Exterminating, if necessary.

6.4.2. Services provided only to Residents of Apartments in the Inn:

- One meal per day served in the dining room (alternate arrangements may be made with Lathrop in the event a resident is unable on a temporary basis to eat in the dining room);
- Light housekeeping on a regular basis (e.g. vacuuming, dusting, cleaning of bathrooms and kitchens);
- Weekly bed linen change; resident to provide linen;
- Safety check at dinner hour;
- Periodic carpet cleaning;
- Surface parking for one car per apartment;
- Scheduled local transportation for medical appointments and shopping.

6.4.3. Optional services for Townhome Residents for an additional fee:

- Scheduled transportation for medical appointments and shopping;
- Linen and personal laundry service;
- Dinner at the Inn (with prior reservation);
- Housekeeping services

6.4.4. Optional services for Residents of Apartments in the Inn for an additional fee:

- Personal laundry service;
- Additional meal and/or housekeeping service beyond the basic services described above;
- Additional transportation;
- Covered parking, subject to availability.

6.5. Health and Wellness Center services Available and Included in the Monthly Fee for all Lathrop Community Residents:

Access to the Health and Wellness Center during scheduled hours, offering:

- Information and referral on health related topics;
- Periodic screenings for chronic health conditions such as high blood pressure;
- Consultation on diet, exercise and other wellness topics;
- Periodic newsletters and educational programs on health and wellness topics.

6.6. Additional Health and Wellness Center Services Available for Purchase by all Lathrop Community Residents:

The following services may be purchased from us to assist with personal care and other activities of daily living. If you purchase services from us, we will coordinate your care with a family member, your designated representative, the staff, and your physician/health care provider(s). Such services include:

- Assistance with bathing;
- Assistance with dressing;
- Assistance with toileting;
- Assistance with walking/transferring;
- Assistance with medications; and
- Assistance with household chores such as laundry, grocery shopping and meal preparation.

We will assess your needs for these services and offer the appropriate service package and will periodically re-assess the suitability of service arrangements and recommend changes as needed.

If your needs exceed the scope or availability of our services, we will refer you to other agencies or services. You are responsible for the payment and coordination of such services.

6.7. Coordination of Care when a Resident is Hospitalized or in a Skilled Nursing Facility

If you require treatment in a hospital or skilled nursing facility on a temporary basis, you, your designated representative, or a family member may request that we speak with the appropriate staff at the skilled nursing facility or hospital to facilitate continuity of care and appropriate discharge planning.

If you are unable to return home, we will assist you to relocate to a preferred skilled nursing provider(s) or other appropriate/available setting. You are responsible for all costs.

7. PROPERTY RIGHTS AND OBLIGATIONS

7.1. Accommodations

You have the right to occupy and use your chosen residence, subject to provisions for change in accommodations as provided hereinafter. We will provide the following furnishings:

Townhomes: Wall-to-wall carpeting and vinyl flooring, stove and dishwasher, refrigerator with freezer, garbage disposal, microwave, washer/dryer, ceiling fan, air conditioning, cable TV outlets, telephone outlets, alarm system, automatic garage door with opener, furnace and water heater.

Apartments in the Inn: Wall-to-wall carpeting and vinyl flooring, stove, refrigerator with freezer, microwave, garbage disposal, washer/dryer, cable TV and telephone outlets, alarm system (some units are also equipped with a dishwasher).

7.2. Customization

Any customization including changes to the floor plan or to any appliance or amenity and other alterations to the living unit's interior or exterior, other than those undertaken by us, will require the approval of the Executive Director or his/her delegate and, if so approved, will be at your expense and will thereafter become the property of the Community. No customization may occur prior to commencement of this Agreement and payment of the Entrance Fee and first Monthly Fee (or pro-rated portion thereof). Approval of such changes may be conditioned upon your depositing with us an amount sufficient to later restore your living accommodation to its original condition. The firm or individual retained to make such changes, and the plans for such changes, will be subject to the approval of the Executive Director or his/her delegate.

7.3. Rights to Property

The rights and privileges granted to you by this Agreement do not include any right, title, or ownership interest in any part of the personal property, land, buildings, and improvements owned, leased, or administered by us. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between the Community and you, and you agree not to record a notice of lease.

7.4. Subordination to Mortgages

Any rights, privileges or benefits under this Agreement shall be subordinate to any mortgage on any of the premises or interest in real property of the Community, and to such reasonable rules and regulations on the use of all Community property as shall from time to time be imposed by the Community. Upon request, you agree to execute and deliver any documents required by any financing entity.

7.5. Right of Entry

You recognize and accept our right and responsibility to enter your living accommodation in order to carry out the purpose and intent of this Agreement. The purposes for which such entry may be made include but are not limited to (a) performance of scheduled housekeeping duties, (b) if you are reported missing or as having not responded to a call, and (c) maintenance.

7.6. Responsibility for Damages

Any loss or damage to our property caused by your negligence, your guest or pet shall be charged to and paid for by you. If any negligence of another resident results in your injury, illness or damage to you or your property, we assume no responsibility therefore, and you hereby release and discharge us from all liability or responsibility for injury or damage to you or to your property caused by the fault or negligence of other residents.

7.7. Responsibility for Protection of Resident's Property

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

7.8. Responsibility for Removal of Personal Belongings

When you leave the townhome or apartment and this Agreement is terminated for whatever reason, you or your designated representative(s) are responsible for removing all your personal belongings, returning all keys, and leaving the unit broom clean, in the condition in which it was when you originally occupied it, except for reasonable wear and tear.

If neither you nor your designated representative(s) removes all of your belongings within thirty (30) days of any termination, we are entitled to remove your belongings, at your expense, after giving you or your designated representative(s) fourteen (14) days notice, and sell them at a public or private sale or dispose of them at our discretion. We will forward any proceeds to you or your designated representative after deducting all of our expenses associated with the removal and sale.

7.9. Real Estate Taxes

We will pay all applicable local real estate taxes or payments in lieu of taxes.

8. TERMINATION OF AGREEMENT AND MONTHLY FEE OBLIGATION

8.1. Termination Prior to Occupancy

8.1.1 By Resident

- (a) You may rescind this Agreement any time prior to occupying your residence by notifying us in writing. If you terminate during the Rescission Period, in accordance with the “Notice of Right to Rescind” you or your legal representative will receive, within ten days, a full refund of the Entry Fee Payments you have made.
- (b) If this Agreement is rescinded or cancelled after the Rescission Period but prior to occupancy, you or your legal representative will receive a refund of all of your Entrance Fee within a reasonable period, less (1) those costs specifically incurred by the Community at your request as described in any addendum to this Agreement and signed by you; and (2) a reasonable service fee of no more than one percent (1%) of your Entrance Fee. You will be deemed to have rescinded this Agreement if you fail to occupy your residence on the Occupancy Date, unless you and the Community agree in writing to extend the Occupancy Date.
- (c) This Agreement will be automatically cancelled if you die before occupying your residence and you or your legal representative will receive a refund of all of your Entrance Fee within a reasonable period, less (1) those costs specifically incurred by the Community at your request as described in any addendum to this Agreement and signed by you; and (2) a reasonable service fee of no more than one percent (1%) of your Entrance Fee.
- (d) If your residence is not available for occupancy on the Occupancy Date and you have not rescinded this Agreement, this Agreement shall be automatically cancelled, unless you and the Community extend the occupancy in writing. If this Agreement is automatically cancelled due to the unavailability of your residence, you will receive a full refund of your Entrance Fee, without deduction, immediately. You shall not be entitled to any damages or loss you otherwise incur.

8.1.2 By the Community

- (a) We reserve the right to terminate the Agreement prior to your occupying your residence in the event that:
 - (1) In our opinion your health status or financial condition changes so that you no longer meet the criteria established for residency in the Community; or
 - (2) You make a material misrepresentation in the medical, financial or other information you give us.
- (b) If we terminate this Agreement for the reasons stated in Paragraph (a) (1), above, you will receive a refund of all of your Entrance Fee within a reasonable period of time, less:
 - (1) Those costs specifically incurred by the Community at your request as described in any addendum to this Agreement and signed by you; and
 - (2) A reasonable service fee of no more than one percent (1%) of your Entrance Fee.
- (c) If we terminate this Agreement for the reasons stated in Paragraph (a) (2), above, you will receive a refund of all of your Entrance Fee once we have received an Entrance Fee from a new resident for your unit, less:
 - (1) Those costs specifically incurred by the Community at your request as

described in any addendum to this Agreement and signed by you; and

- (2) A reasonable service fee of no more than one percent (1%) of your Entrance Fee.

8.2. Termination After Occupancy

8.2.1 By Death

Unless sooner terminated by you or us, this Agreement shall terminate at your death or in the case of a couple upon the death of the second occupant. Your estate is responsible for the Monthly Fee until the next resident assumes the obligation as described in Paragraphs 5.6 and 10.2.

8.2.2 By the Resident

After you have taken occupancy of your residence, you may terminate this Agreement upon thirty (30) days written notice to us. Following termination of this Agreement by you, your obligation to pay your monthly fee shall continue until the next resident assumes the obligation (Paragraph 5.7).

If you are one of two residents who has permanently transferred to another facility for a period of 30 days or more, our obligations to you under this Agreement will end, as will your obligation to pay the second person fee.

8.2.3 By the Community

We reserve the right to terminate this Agreement for just cause including but not limited to any one or more of the following:

- Failure on your part to abide by the rules adopted by us;
- The making of any material misrepresentation or omission in connection with your application for admission;
- A breach by you of any other terms of the Agreement; or
- If we, and your physician determine that you are no longer able to live safely in your residence. We assume no responsibility to make any such determination.

In such case, we shall serve upon you written notice of termination specified to be effective on a date not less than thirty (30) days nor more than one hundred and twenty (120) days after the date of notice.

We reserve the right to terminate this Agreement if your continued presence has become seriously disruptive to or a threat to your life, health, safety or peace or that of other residents or other persons on the premises. In such a case, we may terminate the contract and require that you vacate the Community in twenty-four (24) hours.

In the event the Agreement is terminated by us, you shall move from and surrender your unit on or before the termination date in any such notice. You will receive a refund equal to the total Entrance Fee paid to us, less an administrative fee equal to 1% of the Entrance Fee, less any costs incurred by us at your request. On the effective date of such termination, your

obligation to continue to pay your monthly fee shall cease.

8.3. Release Upon Termination

Upon termination of this Agreement, we are released from any further obligations to you or to your estate except for the refund of the Entrance Fee (Paragraph 9).

8.4. Effect of Termination Upon Survivor

If this Agreement is made with two persons, a termination of this Agreement as to one of those persons shall not affect the continuation of this Agreement as to the other. The remaining Resident shall be entitled to retain the same unit.

9. REFUND OF ENTRANCE FEE

Upon termination of this Agreement by you, you will be entitled to a partial refund of your Entrance Fee as follows:

9.1. Amount to be Refunded

For both townhome and Inn residents, you will receive ninety (90%) percent of the lesser of the Entrance Fee you initially paid or the Entrance Fee paid by the new resident. However, if you leave the Community within the first ten (10) months of the Occupancy date, you will receive a refund equal to the Entrance Fee, less one (1) percent for each month of occupancy. In either case, we will deduct any outstanding fees or costs to which we are entitled (e.g. any unpaid monthly fees, any costs for removing personal property).

9.2. When Refund is Payable

Your refund is payable when a new Resident signs a Residency Agreement for your residence and pays the applicable Entrance Fee.

9.3. To Whom the Refund is Paid

We will pay the refund to you, your designated representative(s), or your estate. Alternately, you may designate in writing one or more individuals or a trust or other entity to receive your refund (refund recipients) and we will disburse the refund to your refund recipients according to written instructions from you or your designated representative.

9.4. Release of Liability

Prior to receiving any refund, you, your designated representative(s), your estate, or other refund recipients must release us from all liability, on a form provided by us.

10. TRANSFERS TO OTHER UNITS WITHIN THE COMMUNITY

10.1. Effect of Transfer on This Agreement and Entrance Fee

If you move from one townhome to another or from one Inn apartment to another, this Agreement will remain in effect and your Entrance Fee will be adjusted. You will pay the difference between the Entrance Fee you paid for your current residence and the current Entrance Fee of your new residence.

If you move from a townhome to the Inn, this Agreement will terminate and you will sign a new Agreement for the Inn apartment. You will be responsible for payment of the new unit even if your former unit has not sold. When your former unit is sold, you will receive your refund as outlined in Section 9.

10.2. Priority

Townhome residents will have priority over non-residents to move to an available townhome in either Northampton or Easthampton or to an apartment in the Inn. Priority among residents is established based on the date their request for transfer was received by us.

10.3. Payment of Monthly Fee

If you transfer from one townhome to another townhome, you will be responsible for 100% of the monthly fee for your former unit as well as 100% of the new unit until the next resident assumes your obligation (see paragraph 5.6).

If you transfer from one apartment to another apartment in the Inn you will be responsible for 80% of the monthly fee for your former unit as well as 100% of the monthly fee for your new unit until the next resident assumes your obligation (see paragraph 5.6).

11. MODIFICATION OF THE AGREEMENT

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

12. COMMUNITY'S RIGHT TO ENFORCE AGREEMENT

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

13. NOTICES

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

14. PETS

Pets are allowed to live in townhome units with you if approved by us. Cats are allowed in the Inn apartments; however dogs may only visit.

All pets must be on a leash or under the control of the owner or the owner's designated representative(s) at all times while on Lathrop property. The owner or the owner's designated representative(s) shall also be responsible for cleaning up after the pet. We may require the removal of a pet if the pet destroys property, is disruptive, offensive or dangerous to other residents.

15. SMOKING POLICY

No smoking is permitted anywhere within the Inn.

16. PERSONAL BUSINESS OPERATIONS

You are not permitted to operate a business out of any unit without our prior written permission.

17. ARRANGEMENTS FOR INCAPACITY

We want to ensure that your financial matters are handled even if you become unable to handle these matters yourself. Therefore, you agree to sign a Durable Power of Attorney and to provide a copy of this document to us prior to your occupancy date. We also want to ensure that you have named someone to make medical decisions for you if you become unable to make them yourself. Therefore, you agree to sign a Massachusetts Health Care Proxy and provide a copy to us prior to your occupancy date. You agree to promptly provide us with copies of any changes to or revocation of such power or proxy.

18. RESIDENT'S OBLIGATION TO THE COMMUNITY FOR ARRANGEMENTS AT DEATH

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

19. DELEGATION BY EXECUTIVE DIRECTOR

It is understood that any authority or responsibility given by this Agreement to the Executive Director may be delegated to his or her representative.

20. RULES ADOPTED BY THE COMMUNITY

We reserve the right to adopt policies, procedures, and rules regarding residency not inconsistent with the provisions of this Agreement, and you agree to abide by such policies, procedures and rules.

21. GUEST POLICIES FOR STAYS OF UP TO 60 DAYS

No one other than you shall have a right of occupancy in your residence without the consent of the Executive Director. Guests are permitted to stay up to 60 consecutive days where such stays shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of fellow residents.

22. SECOND OCCUPANCY FOR STAYS BEYOND 60 DAYS

22.1. Second Occupant who will not be a Resident:

If you are a resident who has signed a Residency Agreement and you wish to have a person who is not already a resident live with you in your unit, but the person does not qualify to become a Lathrop resident or chooses not to apply, we will grant that person the right to occupy your unit as a Second Occupant only as long as you occupy your unit and so long as:

- the person is your spouse or domestic partner
- or is over the age of 55 and your close family member (brother, sister, parent or adult child) or friend
- and is in our opinion able to live safely in the Community
- and whose occupancy does not pose a serious disruption nor a threat to the person's life, health, safety or peace or that of other residents
- and pays the Second Person Monthly Fee.

You and the Second Occupant must provide financial information demonstrating that you are able to pay the Second Person monthly fee.

A Second Occupant is subject to all applicable rules and policies regarding conduct by Residents, but is not entitled to the rights and privileges of Residents.

If you die or leave the Community, your Residency Agreement will terminate in accordance with the terms of this Agreement. A Second Occupant who wishes to remain in your unit may do so only if he or she is eligible for that unit given his or her place on the waiting list for prospective residents, and otherwise meets the requirements for becoming a Resident, signs a Residency Agreement, and pays a new Entrance Fee.

22.2. Second Occupant who will be a Resident:

You may apply for a second person to live in your unit as a Resident so long as the person is over the age of 55 (or is your spouse or domestic partner) and meets all other requirements for becoming a resident. You and the Second Occupant will be required to pay a Second Person Monthly Fee.

The Second Occupant will be added to your Residency Agreement upon your submission to the Community of instructions regarding retention or the return of your Entrance Fee upon your departure from the Community. If your Entrance Fee will not be retained for the benefit of the Second Occupant, upon your departure from the Community, the Second Occupant must pay a new Entrance Fee when you leave the Community.

The maximum number of persons living in a unit is two (2) and no more than one (1) person may

live in a studio unit.

23. OBSERVANCE OF RESIDENT HANDBOOK

We establish policies, rules, and regulations to enhance the safety, comfort, and convenience of all residents and publish them in the Resident Handbook. All residents must agree to abide by them. You also recognize that we have the right to amend these policies, rules, and regulations as may be needed from time to time.

24. GRIEVANCES AND APPEALS

If you wish to present a grievance or to appeal a decision of the Community rendered according to this Agreement, you must first contact the Executive Director. If the matter is not resolved satisfactorily, a Committee designated by the Board of Directors will consider the issue. Both of us agree that the decision of this Committee will be final.

25. CHANGES BECAUSE OF REGULATORY AGENCIES

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

26. NON-TRANSFERABILITY

Your rights and privileges under this Agreement are personal to you and are not transferable.

27. RESIDENTS' ASSOCIATION

Residents shall have the right to be members of a Residents' Association and to elect a board of directors and officers.

28. RIGHT TO RECEIVE FINANCIAL INFORMATION

Annually, we will furnish you with a copy of the Community's financial Disclosure Statement.

29. MAINTENANCE OF RESERVE FUND

We maintain a reserve fund to enable us to fully perform our obligations under our Residency Agreements. These reserve funds are and will be invested in a prudent manner by the Investment Committee of the Board of Directors. The current members of the Investment Committee are listed in the Disclosure Statement.

30. ENTIRE CONTRACT

This Residency Agreement constitutes the entire contract between both of us and includes your Financial Statement and Medical Record. These documents are hereby incorporated by reference. Knowing that we have relied on your statements made in these documents, you represent that all

such statements are true and complete.

The following exhibits are attached and made part of this Agreement:

- The Disclosure Statement which includes the List of Board of Directors and Officers
- Frequency and average dollar amount of Increases in Monthly Fees over the Past Five Years.

By signing this Agreement, you agree that the information contained in your application and the documents supporting your application are true and correct and you understand that we have relied on that information in making a decision on your application.

Resident Name: _____ Date: _____

Signature: _____

Address: _____

The Lathrop Community, Inc.

By: _____ Date: _____

Thom Wright
Executive Director

The Lathrop Community, Inc. Amendment to Residency Agreement

All Lathrop Residency Agreements signed on or after February 15, 2013, shall be governed by the following provisions regarding the payment of Monthly Fees:

- A. The resident or estate's obligation for payment to Lathrop of the Monthly Fee ceases as of the date the living accommodation is vacated.
- B. An apartment in the Inn at Easthampton or a Townhome in either Easthampton or Northampton is considered to be vacated when the resident (or both residents, in the case of double occupancy) have removed personal belongings and returned keys to Lathrop. Although a Residency Agreement is considered to be terminated by a resident's death (Paragraph 8.2.1 of the Agreement), the living accommodation is not considered vacated until belongings are removed and keys are returned.
- C. Whether the living accommodation is vacated by death, move to the Inn at Easthampton or another Townhome within Lathrop, or move outside the Lathrop community, this provision will be applicable.

Resident Name: _____ Date: _____

Signature: _____

Address: _____

The Lathrop Community, Inc.

By: _____ Date: _____

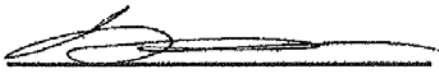
Thom Wright
Executive Director

The Lathrop Community, Inc.
Corporate Policies and Procedures

Policy: Residency Agreement – Waiver of Monthly Fee Obligation and Timing of Entrance Fee Refunds

Purpose: To set forth the practices by which Lathrop will implement its Residency Agreement Clauses -- in this case (1) the waiver of the post-vacancy monthly fee and (2) an acceleration of entrance fee refunds due to the lingering effects of the Recession on the residential real estate market.

1. Effective June 1, 2013, upon the occurrence of a vacancy of a home, Lathrop will waive the contractual obligation to continue to pay the monthly fee until reoccupancy.
 - a. The occurrence and timing of a vacancy is determined by Lathrop, and when all of the following have occurred: all possessions are removed; the residence is broom clean and in the same condition as when originally occupied (reasonable wear and tear excepted); and the keys are returned to Lathrop.
 - b. The fee will stop on the first day of the month after the month that the vacancy occurs as determined by Lathrop. For example, if vacancy is determined to have occurred on May 20, the monthly fee stops as of June 1st.
2. If there is no new contract by the 12th month following such vacancy, then the entrance fee refund due under the Residency Agreement will be paid out upon the first to occur of ten (10) days following the closing of the new contract, or the dates specified in a payment plan/agreement. The payment plan/agreement will be subject to the following procedures:
 - a. The Executive Director and CFO will determine a reasonable payment plan agreement based upon current and/or projected financial conditions of the community.
 - b. The Executive Director will propose the payment plan agreements to the resident or legal responsible party.
 - c. The CFO will prepare and send an official payment plan/agreement outlining the specific repayment dates to the resident or legal responsible party.
 - d. The Executive Director will routinely report all payment plans/agreements to Lathrop's Finance Committee and Executive Committee.


Approved by the Executive Committee

10/7/2013

LATHROP COMMUNITY, INC. RESIDENCY AGREEMENT

Notice of Right to Rescind

You may rescind and terminate this Residency Agreement with Lathrop Community, Inc. without penalty or forfeiture within three (3) business days of the execution of the Residency Agreement.

To rescind your Residency Agreement with Lathrop Communities , mail or deliver a signed and dated copy of this notice, or any other dated written notice or letter or , stating your desire to rescind, to The Lathrop Community, Inc. at 100 Bassett Brook Drive, Easthampton, MA 01027.

Pursuant to this notice, I hereby cancel my Residency Agreement with Lathrop Community.

Dated _____

Signature

Name

**DISCLOSURE STATEMENT
FOR
LATHROP COMMUNITY, INC.**

LATHROP COMMUNITY, INC.**DISCLOSURE STATEMENT****NAME AND BUSINESS ADDRESS OF THE PROVIDER**

The “Provider” is Lathrop Community, Inc. (“Lathrop”). Lathrop’s business address business offices located at 100 Bassett Brook Drive, Easthampton, Massachusetts 01027. Lathrop operates a continuing care retirement community on two (2) campuses. The Northampton campus is located at 1 Shallowbrook Drive, Northampton, Massachusetts and The Easthampton campus is located at 100 Bassett Brook Drive, Easthampton, Massachusetts

TYPE OF LEGAL ENTITY

Lathrop is a Massachusetts not-for-profit Corporation incorporated pursuant to General Laws, Chapter 180, and is a charitable organization exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code.

AFFILIATION WITH RELIGIOUS, CHARITABLE OR OTHER NOT-FOR-PROFIT ORGANIZATIONS

Lathrop is affiliated with The Kendal Corporation (“Kendal”), a 501 (c)(3) not-for-profit supporting organization located in Kennett Square, Pennsylvania. Kendal is a leading not-for-profit provider of communities, programs and services that enrich the lives of older adults in the Quaker tradition.

According to the terms of an affiliation agreement, Kendal must approve the election of Lathrop board members, amendments to the articles of incorporation and specific sections of Lathrop’s bylaws. Kendal must also approve Lathrop’s incurrence of debt of specified value; changes in corporate purpose; use of the name “Kendal”; the substance of resident contracts; and the purchase, sale, lease, or other disposition of any real estate or improvements thereon of a specific value; and dissolution, merger with another entity, division, or acquiring control of another entity. Lathrop’s bylaws also specify that Lathrop and Kendal shall have certain board members in common, and that the President of the Kendal Corporation, or his/her designee, shall be invited to attend meetings of Lathrop’s Board of Directors ex officio.

Kendal is not responsible for the financial and contractual obligations of the Provider.

DIRECTORS AND OFFICERS

A current roster of Lathrop's Board of Directors and Board Officers is attached as Exhibit A.

BUSINESS EXPERIENCE

Lathrop Community, Inc. was organized on February 2, 1988 and has been in continuous operation since opening the Northampton campus in 1989.

To meet the growing demand for senior housing and related services, Lathrop subsequently developed the Easthampton campus which opened in 1996.

NAME OF MANAGING ORGANIZATION

Lathrop is self-managed. The management team is comprised of individuals with experience in the operation of retirement communities and other services for older adults.

Thomas Wright serves as the Executive Director. Wright has more than 20 years' experience in senior living services. Recognized for his strong interpersonal and team leadership skills, Wright has extensive experience in hospitality, health and wellness and has opened several new retirement communities during his career. He also has consulted for, helped develop and operated freestanding and multi-site independent living, assisted living, memory care, skilled and sub-acute nursing accommodations, as well as home- and community-based services for older adults.

Wright has a master's degree in health care administration from Western New England University in Springfield, Mass., and a bachelor's degree in classics and Italian language from Boston University. He completed his doctorate in organizational management in 2013.

Through its affiliation with Kendal, Lathrop has access to a full range of consultant support services in all functional areas pertinent to operating senior housing and related services.

DESCRIPTION OF THE PHYSICAL PROPERTY

Lathrop operates two campuses, the Northampton campus the Easthampton campus.

The Northampton campus consists of 35 acres and includes 79 two bedroom, two bath townhomes. A community center located on the Northampton campus offers a fitness/exercise area, administrative offices, meeting rooms and community gathering space. The campus was completed in 1989.

The Easthampton campus consists of 176 acres and includes 60 two bedroom, two bath townhomes , one (1) three bedroom ranch home and 57 apartments in a centrally located three-story building. The apartments include studio, one bedroom and two bedroom style units. A restaurant style dining room, café, library, fitness center, wellness area, game room and hair salon are offered on the Easthampton campus.

**Lathrop Community, Inc.
Directors and Officers, 2015**

BRENNAN, Tim
CLARK, Karen
CLOPTON, Susan
DEVLIN, Jack
FOGEL, Bruce, Esq. ~ Treasurer
HAWKINS, Bruce
LAMSON, Irene ~ Chair
LANNING, Anne ~ Vice-Chair
PETERSON, Lorna
RICHARDS, Marilyn
ROWE, Peter
SESSIONS, Phebe
SHANAHAN, Ann
SNOEK, Diedrick
SZMYT, Anne-Marie
VAN PELT, Peter
VOLKMANN, Fran ~ Secretary
ZURN, Marianne