

ORCHARD COVE
RESIDENCE AND CARE AGREEMENT

ORCHARD COVE

RESIDENCE AND CARE AGREEMENT

Table of Contents

1.0	RESIDENCE.	
		1
1.1	Entrance Date.....	1
1.2	Use of Residence.....	1
1.3	Guests.....	1
1.4	Private Caregivers or Attendants.....	1
1.5	Pets.....	2
1.6	Housekeeping Services.....	2
1.7	Furnishings and Fixtures.....	2
1.8	Redecoration of Residence.....	2
1.9	Structural Changes.....	2
1.10	Appliances.....	2
1.11	Emergency Call System.....	2
1.12	Utilities.....	3
1.13	Taxes.....	3
1.14	Long Term Transfer.....	3
2.0	COMMUNITY SERVICES AND AMENITIES.....	3
2.1	Food and Meals.....	3
2.2	Common Areas.....	4
2.3	Storage.....	4
2.4	Parking Facilities.....	4
2.5	Local Transportation.....	4
2.6	Grounds.....	4
2.7	Security.....	4
2.8	Additional Services.....	5
3.0	HEALTH CARE AND RELATED SERVICES.....	5
3.1	Skilled Nursing Facility.....	5
3.2	Assistance in Living Unit.....	5
3.3	Transfer to the Skilled Nursing or Assistance in Living Facility.....	6
3.4	On-Call Nurse and Special Needs.....	6
3.5	Wellness Center.....	6
3.6	Primary Care Medical Office.....	6
3.7	Medical Director and Community Physicians.....	6
3.8	Exclusions and Limitations.....	7
3.9	Private Physicians.....	8
4.0	RESIDENT RIGHTS AND GENERAL OBLIGATIONS.....	8
4.1	Right of Privacy.....	8
4.2	No Rights to Property.....	9
4.3	Responsibility for Damages.....	9
4.4	Obligation to Provide Information Regarding Financial or Health Condition.....	9
4.5	Obligation to Provide Contact Information.....	9
4.6	Rules Adopted by the Community.....	10

4.7	Health Insurance.....	10
4.8	Automobile Insurance.....	10
4.9	Authorization for Health Benefit Claims.....	10
4.10	Recovery for Cost of Covered Services.....	11
4.11	Removal of the Resident’s Property.....	11
4.12	Responsibility for Pets.....	12
4.13	Responsibility for Ambulatory Aids.....	12
4.14	Decision Making Delegation.....	12
5.0	FINANCIAL AND PAYMENT TERMS.....	12
5.1	Entrance Fee.....	12
5.2	Monthly Service Fee.....	13
5.3	Additional Fee.....	13
5.4	Fee Increases.....	13
5.5	Billing.....	13
5.6	Payments Due After Termination.....	14
5.7	Grants for Residents with Financial Needs.....	14
5.8	Changes in Marital Status - Increase in Residence Occupancy.....	14
6.0	TERMINATION AND REFUNDS.....	14
6.1	Termination Due to Death or Change in Medical or Financial Condition Prior to Entrance Date.....	14
6.2	Termination by the Resident Prior to Entrance Date.....	15
6.3	Termination by Community After Entrance Date.....	16
6.4	Termination by the Resident After Entrance Date.....	16
6.5	Termination by Death After Entrance Date.....	16
6.6	Refund.....	17
6.7	Release of the Community.....	17
7.0	MISCELLANEOUS.....	17
7.1	Delegation by Executive Director or Medical Director.....	17
7.2	Limitation of Liability Relative to Placement.....	17
7.3	Entire Agreement.....	17
7.4	Notices.....	18
7.5	Non-Transferability.....	18
7.6	Oral Modification.....	18
7.7	Binding Effect.....	19
7.8	Joint and Several Liability.....	19
7.9	Severability.....	19
7.10	No Waiver.....	19
7.11	Captions.....	19
7.12	Counterparts.....	19
7.13	Applicable Law.....	19
	SCHEDULE 1.....	
	Excluded Pre-Existing Condition Form.....	22

EXHIBIT A.....	Resident Guide Book
-----------------------	----------------------------

EXHIBIT B.....
..... Disclosure Statement

EXHIBIT C.....
..... Listing of Fees & Charges

Attachments

Attachment 1.....Frequency & Percentage Table of
Increases

Attachment 2.....Additional Fee Sheet
2015

Attachment 3.....Misc. Fees October
2015

Attachment 4.....Fee Schedule October
2015

Attachment 5.....Supplemental Prescription Medication Coverage Criteria

This is a legal document creating rights and obligations for each person or party signing the Agreement. Please read the Agreement carefully before you sign it.

RESIDENCE AND CARE AGREEMENT

This Agreement (“Agreement”), dated as of «Date_of_Contract», is made by and between «First_Name» «And» «First_Name_2» «Last_Name» (individually and/or collectively, “Resident”) and Orchard Cove, Inc., a non-profit Massachusetts corporation with a business address of 1 Del Pond Drive Canton, MA 02021 (“Community”) (Resident and Community collectively, the “Parties”).

The Community owns and operates a continuing care retirement community facility known as Orchard Cove in Canton, Massachusetts (“Orchard Cove”). The Resident has applied for admission to Community for a living accommodation at Orchard Cove. The Community has determined that the Resident meets the requirements for admission. The Resident has paid a deposit and executed a Receipt and Deposit Agreement with the Community. Since executing the Receipt and Deposit Agreement, the Resident represents that neither the Resident’s health or financial qualifications for admission have changed. Accordingly, the Resident and Community agree as follows:

1.0 RESIDENCE. The Resident has selected and Community agrees to provide to the Resident the living accommodation at Orchard Cove described as unit # «Unit_» (the “Residence”) and various related services, subject to certain conditions as further described in this Agreement.

1.1 Entrance Date. The Entrance Date will be the date on which the Community indicates that the Residence will be ready for the Resident’s use. The Community will provide the Resident with at least two weeks prior written notice of this date. In no event will the Entrance Date be more than sixty (60) days from the execution of this Agreement, unless such other date is mutually accepted by both parties.

1.2 Use of Residence. From and after the Entrance Date, the Resident will have the sole and exclusive right to personally use the Residence, subject to the terms and conditions of this Agreement. Such right of use shall be subject to the Community’s determination that such independent living arrangements are suitable for the Resident given the Resident’s then current physical and mental health and its impact on the Resident’s ability to live independently. The Resident acknowledges that Orchard Cove is a congregate setting and that the Resident is responsible for using the Residence in a manner that is not disruptive to others living in the Community, including but not limited to minimizing noise.

1.3 Guests. Except for short-term guests whose visits are in full compliance with any guest policies established by the Community from time to time, no person other than the Resident may use the Residence without the express written consent of the Executive Director.

1.4 Private Caregivers or Attendants. A Resident may have private, intermittent caregivers or assistants provide personal care or health-related services in the Residence; however, such services shall not be full-time with the exception of limited circumstances

approved in advance by the Executive Director.

1.5 Pets. The Resident may be granted permission to have house-broken pets in the Residence, subject to compliance with the reasonable Rules (hereinafter defined) of the Community as may be established from time to time and the requirements of Section 4.12 of this Agreement.

1.6 Housekeeping Services. Once a week, the Community will furnish housekeeping services to the Residence at no additional charge to Resident. The Resident is responsible for otherwise maintaining the Residences in a clean, sanitary, and orderly condition and providing for all usual light housekeeping tasks that may be required to keep the Residence clean. If the Resident does not maintain the Residence in a clean, sanitary and safe manner, after written notice to Resident, the Community will have the right to provide any and all necessary additional housekeeping services and the Resident agrees to pay all reasonable charges for such services.

1.7 Furnishings and Fixtures. The Community agrees to furnish the Residence with carpeting (except that tile shall be furnished in the kitchen and bath(s)), room darkening shade in the master bedroom, and standard fixtures. Requests to substitute other floor coverings, window coverings or fixtures must be submitted in writing to the Executive Director for approval. All costs related to approved substitutions will be at the expense of the Resident. If the Resident makes any changes to or replaces any of the furnishings or fixtures provided by the Community, all altered or replaced furnishings or fixtures shall be considered to be property of the Community unless otherwise agreed in writing by the Community. All other furnishings for the Residence must be provided by the Resident, subject to the review and approval of the Executive Director.

1.8 Redecoration of Residence. Requests for redecoration of the Residence, in addition to or other than that scheduled by Community, must be made in writing and require the prior written approval of the Executive Director. Redecoration shall be at Resident's expense.

1.9 Structural Changes. The Resident agrees not to make any structural changes to the Residence without the prior written approval of the Executive Director. If approved, such changes will be made at Resident's expense, unless otherwise agreed in writing by Community, and may only be implemented with the approval of Community and subject to its supervision. Approval of such changes is conditioned upon Resident's agreement to restore the Residence to its original condition at a subsequent date. The Community also may require the Resident to provide a reasonable reserve for such restoration. The Resident hereby authorizes the Community to deduct any costs associated with restoring the Residence to its original condition from any refund that may be due to the Resident under this Agreement.

1.10 Appliances. The Community will provide a dishwasher, disposal, oven range/stove, clothes washing machine and dryer, refrigerator and microwave oven in the Residence. All other appliances shall be provided by the Resident. All maintenance or repair of Community owned appliances will be provided by Community; however, the Resident will be responsible for any repairs due to damage caused by the Resident's negligent or careless acts. Repairs, maintenance and replacement of personal property of Resident shall be the responsibility of Resident.

1.11 Emergency Call System. The Community agrees to provide the Residence with an emergency call system that provides access to a personal response twenty-four hours per day as may be required in emergent circumstances. Such response will include calling municipal, emergency response personnel as may be required.

1.12 Utilities. Community will furnish water, sewage, trash collection, electricity, heat, air conditioning and wiring for telephone service to the Residence at no additional charge to Resident. Installation of telephones and costs of telephone service will be the Resident's responsibility. Community will pre-wire the Residence for cable television service and provide access to basic cable television service. The Resident may arrange for additional cable television and other related services at Resident's expense as may be available at Orchard Cove.

1.13 Taxes. The Community is responsible for making any payments to the Town of Canton related to the Residence. The Resident is responsible for paying any other taxes assessed by any other governmental agency on property owned by Resident or services received by Resident, including, without limitation, vehicle excise and personal property taxes.

1.14 Long Term Transfer. In accordance with Section 3.3, if it is determined that the Resident requires on a permanent or long-term basis the services and facilities provided by the Nursing Facility, as defined in Section 3.1, or the Assistance in Living Unit, as defined in Section 3.2 (collectively, the "Facilities"), the Executive Director may require Resident's Residence to be vacated. The Resident agrees to make arrangements to remove Resident's personal belongings from the Residence within thirty (30) days (or, from a room at the Facilities, within twenty-four (24) hours) after notification of such determination. If the Residence or room are not vacated, the Community will continue to bill Resident for the applicable fees and charges associated therewith, in addition to the fees for the "facility", or may move and store the Resident's belongings, at Resident's expense.

2.0 COMMUNITY SERVICES AND AMENITIES. The Community agrees to make available to the residents of the Community certain services, subject to the Resident's compliance with the specific requirements for such services as further described below.

2.1 Food and Meals. The Community currently provides a variety of meal services subject to compliance with certain requirements.

(A) Dining Room Services. The Community will operate a dining room providing three (3) meals each day for access by the Resident and the Resident's guests. The Resident may receive one (1) meal a day, which can be breakfast, lunch or dinner, as part of the Resident's Monthly Service Fee. The Resident may receive additional meals or have guests for an additional charge based on the meal rate schedule.

(B) Meal Charges. All additional meals will be billed monthly to the Resident at the then current meal rate schedule. The meal rate schedule will list the cost of meals that are not covered by the Monthly Service Fee, including guest meals. The Community reserves the right to change these rates from time to time and will notify the Resident in writing of any change in meal rates at least thirty (30) days in advance of the effective

date.

(C) Tray Service. If determined to be necessary by a Community Physician or Home Health Services, as defined later in this Agreement, one (1) tray service meal per day will be provided to the Resident in the Residence during minor short-term illnesses at no additional charge. Additional tray service meals will be available and charged to the Resident based on the meal rate schedule.

(D) Special Food Requirements. Meals containing substitute or alternative foods will be provided without additional charge to the Resident if ordered by a Community Physician and if such accommodation can be reasonably provided.

(E) Meal Credit During Resident's Absence. If the Resident is away from Orchard Cove for period of more than two (2) consecutive weeks and the Resident has notified the Community at least fourteen (14) days in advance of the absence, the Resident will receive a meal credit for daily meals missed during this period. The meal credit is not available when Resident is receiving inpatient care in a hospital, another nursing care facility, the Community's Nursing Facility or the Assistance in Living Unit.

2.2 Common Areas. The Resident may use, in common with others, the dining rooms, lobbies, auditorium, library, social and recreational facilities (indoor and outdoor), pool, fitness/wellness center, craft facilities, and other public rooms at Orchard Cove, subject to compliance with the Rules regarding such use.

2.3 Storage. Locked storage facilities will be made reasonably available to residents of the Community. While the Community will take reasonable efforts to protect property stored in such facilities, storage is at the Resident's risk and any loss or damage to stored property shall be borne by Resident.

2.4 Parking Facilities. The Community provides surface parking to be used by the Resident and visitors in common with other residents at Orchard Cove. If Resident owns a car and desires a covered parking space, the Resident must supply the Community with copy of the current motor vehicle registration. The Community will designate the first available underground parking space for Resident's car at no additional charge. Cars are parked at the owner's risk and the Community is not responsible for any damage to cars parked on its property caused by others.

2.5 Local Transportation. The Community will make scheduled transportation services to local shopping centers and banks as may be reasonably determined to be needed by the Community from time to time. Based on availability and distance, the Community may provide other transportation services subject to an additional charge.

2.6 Grounds. The Community will furnish basic groundskeeping services and care, including lawn service.

2.7 Security. The Community will provide certain security systems and measures to monitor the Orchard Cove grounds and facilities as it determines may be reasonably necessary

from time to time; however, the Resident is responsible for keeping the Residence locked and secure at all times.

2.8 Additional Services. The Community will provide the Resident with access to the following additional services and programs as may be reasonably available and at an additional charge:

- (a) Gift Shop/Convenience Store;
- (b) Branch Bank;
- (c) Laundry and Dry Cleaning Service;
- (d) Barber and Beauty Shop;
- (e) Limousine Service and other additional transportation;
- (f) Delivery of Local and Out-of-Town Newspapers
- (g) Group Travel Trips;
- (h) Secretarial and Notary Services;
- (i) Classes, Art, Theater, Orchestra, and Lecture Series;
- (j) Guest Facilities; and
- (k) Catering Services

3.0 HEALTH CARE AND RELATED SERVICES. The Community agrees to make available to Residents of the Community certain health and related services, subject to the payment of certain fees as more fully described in Article 5, the Resident's compliance with the specific requirements for such services, and the Resident's continuing coverage consistent with the health insurance requirements provided in Section 4.7. Those services described in Sections 3.1 through 3.8 are hereafter collectively referred to as "Covered Services". The Community shall bear the costs of Covered Services except as otherwise provided in this agreement and only to the extent such costs are not covered or paid by the Resident's insurance or third parties, and the Community's obligation shall be secondary to the obligations of any insurer or responsible third party, as hereinafter provided.

3.1 Skilled Nursing Facility. The Community operates a skilled nursing facility (the "Nursing Facility") at Orchard Cove for primary use by the residents of the Community. The Nursing Facility maintains a license from the Commonwealth of Massachusetts pursuant to Massachusetts General Laws, Chapter 111, Section 71 to provide nursing services to persons who meet the admission requirements of the Nursing Facility. Admission to the Nursing Facility shall be subject to, among other requirements, bed availability, appropriate arrangements for payment for care, and qualifying medical condition. Although the Community expects that the Resident shall be able to receive medically necessary nursing care at the Nursing Facility, if there is no bed available at the Nursing Facility at the time the Resident requires nursing care services, the Community will take all reasonable steps to arrange for the Resident to be cared for temporarily at a substantially equivalent facility selected by the Community. The Community will be responsible for the cost of care at such facility to the extent that the Community would be responsible for the cost of those services and items if the Resident were cared for at the Nursing Facility. All other costs are the responsibility of the Resident. The Resident shall be transferred to the Nursing Facility as soon as appropriate space becomes available. For residents responsible

or who become responsible for securing their own arrangements for skilled nursing care and who are eligible for Medicaid, the Community, at such resident's request, will assist Resident in locating an available bed at its affiliate, Hebrew Rehabilitation Center.

3.2 Assistance in Living Unit. The Community operates an assistance in living unit ("Assistance in Living Unit") for primary use by the residents of the Community. The Assistance in Living Unit shall provide programs for assistance with daily living, including, nursing, home health aide and homemaker services as deemed medically necessary and appropriate by the Medical Director, and intermittent access to nursing and home health services provided through a visiting nurse arrangement. Admission to the Assistance in Living Unit shall be subject to, among other requirements, unit availability, appropriate arrangements for payment for care, and qualifying physical or related condition based on the sole determination of the Medical Director.

3.3 Transfer to the Skilled Nursing Facility or Assistance in Living Unit. Except in the case of an emergency, a decision to transfer Resident to the Assistance in Living Unit or the Skilled Nursing Facility ("Facilities") shall be made by a committee comprised of the Medical Director and other Community health care and management representatives, in consultation with Resident (or Resident's representative) and Resident's personal physician. Upon a determination by the committee that it is necessary or appropriate by reason of Resident's physical or mental health or condition for Resident to receive services in one of the Facilities (or, on a temporary basis, in an equivalent facility as otherwise described in this Agreement), the Resident agrees to be transferred to such facility for such care and to fully cooperate with the Community in implementing such a transfer. In the event that the Committee determines that long term or permanent placement in either of the Facilities is required and in the best interest of the Resident, the Resident agrees to such continued placement in accordance with the terms of Section 1.14. The decision of the Committee as to the necessity and appropriateness of such transfers and placements shall be final. During a temporary period of dual occupancy, the Resident shall be responsible for charges for both the Residence and the Facility per the rate schedule in effect at that time.

3.4 On-Call Nurse and Special Needs. On a 24-hour a day basis, the Community will have available an on-call nurse for urgent nursing needs, subject to any limitations imposed by the nurse's licensing requirements. The Community also will make special dietary consultations available for the Resident on a periodic basis.

3.5 Wellness Center. The Community operates a fitness/wellness center for use by the Resident. The Community also makes available to the Resident on-site, physical therapy services when approved by a Community Physician as medically necessary and appropriate, and likely to result in significant improvement in the Resident's condition in a reasonable period of time.

3.6 Primary Care Medical Office. The community shall provide a primary care medical office which shall be staffed by one or more Community Physicians or practice extenders who shall be available to Resident for primary care during normal business hours. Residents can choose to join the Primary Care Practice for ongoing Primary Care or may keep their current Primary Care Physician.

3.7 Medical Director and Community Physicians. The Community shall appoint a Medical Director who shall have administrative oversight of the medical care that the Community is obligated to provide under this Agreement (“Medical Director”). The Community will also appoint qualified physicians to provide services at Orchard Cove, including services to residents being cared for in the Facilities (“Community Physicians”).

3.8 Exclusions and Limitations. Covered Services provided by the Community shall be subject to the following exclusions and limitations:

(A) Provisions applicable to pre-existing conditions: Within six (6) months prior to the Entrance Date, the Resident shall provide evidence of an updated medical examination by a licensed physician. Based on the medical judgment of the Medical director, this updated examination will be used to determine if the Resident has any pre-existing condition that will result in any partial or total limitation on the Covered Services hereunder. For the purposes of this Agreement, a pre-existing condition is one or more of the following: a disease, illness, sickness or mental condition for which Resident received medical care, advice or treatment from a physician.

i. Fee-for Service or Modified Life Care Residency: If the Medical Director determines, in his sole discretion, that Resident has a pre-existing condition which renders Resident permanently ineligible to meet the health care qualifications for residency at Orchard Cove under this Agreement, the Community may, in its sole discretion, do one of the following instead of denying Resident’s application for residency: (1) offer to admit Resident on a fee-for-service basis rather than on the full life care plan contemplated by this Agreement; or (2) offer to admit Resident on a modified life care basis rather than on the full life care plan contemplated by this Agreement. In either of such cases, the parties shall enter into either the Fee for Service or Modified Life Care Addendum, as applicable, which Addendum is incorporated by reference into this Agreement.

ii. Schedule 1 Condition: If the Medical Director determines, in his sole discretion, that based on Resident’s pre-existing condition, it is more likely than not that Resident will require assisted living or skilled nursing care in the foreseeable future, but that such pre-existing condition does not render Resident permanently ineligible to meet the health care qualifications for residency at Orchard Cove under this Agreement, the Community may offer Resident the option to reside at Orchard Cove on a life care basis with specific exclusions, as follows: The pre-existing condition will be listed on an “Excluded Pre-Existing Conditions Form” which shall be delivered to the Resident as soon as reasonably possible after the Community’s receipt of all required information. Said form is incorporated by reference as **Schedule 1** to this Agreement. Should a pre-existing condition listed on Schedule 1 result, in the sole discretion of the Medical Director, in a permanent transfer of Resident to one of the Facilities or to a substantially equivalent facility, the cost of such care will not be covered for a period of twelve (12) months from the date of permanent transfer. In the case of a dispute as to the Medical Director’s determination as to the cause for such transfer, the decision shall be referred for final determination by the Chief Medical Officer of Hebrew SeniorLife.

(B) If Resident is involved in an accident or suffers an illness while away from Orchard Cove, the Community shall have no responsibility to pay for the Resident's medical care until the Resident returns to Orchard Cove. Upon return, the Community's responsibility for such care shall be governed by the terms of this Agreement.

(C) Orchard Cove, including the Facilities, is not staffed and its physical facilities or programs are not designed to care for persons who are afflicted with mental illness, contagious or dangerous diseases, or conditions related to drug or alcohol abuse. Should the Community determine that Resident's physical or mental illness or condition related to drug or alcohol abuse is such that (i) Resident requires nursing care services of the type that are Covered Services under this Agreement; and (ii) Resident's presence at Orchard Cove or in the Facilities is or would be dangerous or detrimental to the life, health, safety or well being of Resident or of other residents of Orchard Cove, the Community may transfer Resident to an appropriate facility selected by the Community. In the event of such a transfer, the Resident shall continue to pay the Monthly Service Fee applicable to the Residence used by Resident prior to the transfer, and Additional Fee, if applicable, and if all required insurance Coverage is in effect, the Community will pay the cost of the Resident's care in such facility in an amount not to exceed the actual per patient daily cost of operating the Facilities, subject to sections 3.0. The Resident shall be responsible for the costs of care in such facility in excess of the any amounts that are payable by the Community. Nothing contained in this provision shall be construed to expand the categories of services that are Covered Services under this Agreement.

(D) Except as otherwise expressly provided in this Agreement, the Resident shall be solely responsible for the cost of all services other than Covered Services or services that are reimbursed by Resident's insurance generally or during Resident's stay in the Facilities, including, without limitation, physician services other than the on-site physician services as described in Sections 3.7 and 3.8; inpatient and outpatient hospital services; laboratory and diagnostic services not rendered in connection with Covered Services; audiological tests and hearing aids; eye glasses and refractions; dentistry, dentures, dental inlays and oral surgery; orthopedic appliances and other durable medical equipment; physical therapy when not medically necessary and likely to result in significant improvement in Resident's condition within a reasonable period of time; prescription medications; podiatry; professional care for psychiatric disorders; treatment for alcohol or drug abuse; renal dialysis and organ transplants; and assistance in daily living services other than those services described in Section 3.2. The omission of a particular health care service from the foregoing list of specific exclusions does not indicate that the service is a Covered Service.

3.9 Private Physicians. Resident may, at Resident's expense, engage the services of any physician of Resident's choice. The Resident consents to the sharing by the physician engaged by Resident with a Community Physician any medical information that may be reasonably required by the Community from time to time to facilitate its provision of health care services by the Community or to evaluate the Resident's ability to continue to live independently in the Residence.

4.0 RESIDENT RIGHTS AND GENERAL OBLIGATIONS

4.1 Right of Privacy. Subject to the provisions of this Agreement and continued qualification for independent living, the Resident shall have the exclusive right to use the Residence. The Community recognizes Resident's right to privacy and its responsibility to limit entrance to the Residence. Notwithstanding the foregoing, the Resident agrees that Community shall have the right to enter the Residence in order to carry out the purposes of this Agreement and the effective administration of the Community including, without limitation, the following:

- (a) Performing scheduled housekeeping duties;
- (b) Responding to the medical alert system;
- (c) Responding to the fire alert system;
- (d) Responding to reports that Resident is missing or has not responded to calls;
- (e) Performing scheduled or emergency maintenance;
- (f) Showing the Residence to a prospective resident, but only during normal daytime hours and after notice of termination of this Agreement has been given or Resident has been required to vacate the Residence in accordance with the provisions of this Agreement;
- (g) Protecting the health and safety of Resident or other residents in an emergency; and
- (h) Inspecting the Residence upon reasonable belief that there is a violation of this Agreement.

4.2 No Rights to Property. The rights and privileges granted to the Resident by this Agreement do not include any right, title or interest in any part of the personal property, land, buildings, and improvements owned, leased, or administered by the Community. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between Resident and the Community. The Resident's rights are primarily for services, with a personal right to use the Residence subject to all the terms and conditions of this Agreement. Any rights, privileges, or benefits under this Agreement as to property, land, buildings and improvements shall be subordinate to any mortgage or encumbrance on any of the premises or interest in the Community's real property and to all amendments, modifications, replacements or refunding of any such mortgage or encumbrance and to such reasonable Rules on the use of all Community property as shall from time to time be adopted by the Community. The Resident agrees that, upon request, the Resident will execute and deliver any document that is required by the Community or the holder of any such mortgage or encumbrance to effect such subordination or to evidence the same.

4.3 Responsibility for Damages. The Resident shall be solely responsible for any loss or damage to the real or personal property of the Community caused by the negligent or intentional act or omission of Resident, which shall be charged to and paid for by the Resident. If any negligent or intentional act or omission of anyone other than the Community or its personnel results in injury, illness, or damage to Resident, or to Resident's personal property, Resident hereby releases and discharges Community from all liability or responsibility for such injury or damage to Resident or to Resident's personal property. Resident shall have the responsibility of providing any insurance desired to protect against such loss.

4.4 Obligation to Provide Information Regarding Financial or Health Condition. The Resident agrees to provide the Community with notice of any material changes in health and/or

financial status during the term of the Resident's stay at Orchard Cove. Such changes will be reviewed by Community to determine if the Resident continues to meet the qualifications for continued use of the Residence.

4.5 Obligation to Provide Contact Information. The Resident agrees to provide the Community with a list of names and addresses of family members and other persons the Resident wishes notified in the event of a serious health problem or the need for assistance in making a health care decision. The Resident agrees to provide the Community such other information as the Community may reasonably request.

4.6 Rules Adopted by the Community; Other Information. The Resident agrees to observe policies, procedures, rules and regulations (collectively, "Rules") adopted by the Community. The Community reserves the right to adopt from time to time Rules regarding residency at Orchard Cove not inconsistent with the provisions of this Agreement. Attached as **Exhibit B** hereto is a disclosure statement regarding the Community as of the date of this Agreement. Attached as **Exhibit C** hereto and incorporated by reference herein is a current listing of all Community fees and charges, and relevant historical information.

4.7 Health Insurance. At the Resident's expense, the Resident agrees to obtain and maintain throughout the term of this Agreement the following policies: (i) the maximum coverage available to the Resident under the federal Social Security programs commonly known as Medicare Part A and Medicare Part B (and under any successor programs hereafter adopted) ("Medicare"), and (ii) additional coverage under a supplemental product or products that include prescription drug coverage ("Supplemental Coverage", collectively with Medicare referred to hereinafter as "Coverage"). The Supplemental Pharmacy Coverage shall satisfy the Community's minimum supplemental coverage criteria (attachment 5 hereto and incorporated by reference herein, provided to Resident prior to the Entrance Date, "Supplemental Coverage Criteria"). The Resident shall provide evidence of Coverage to the Community by the Entrance Date and thereafter promptly upon a change in Coverage. The Community reserves the right to modify from time to time the Supplemental Coverage Criteria that is required based on changes in law and changes in such coverage or products by the insurance companies or plans. Should the Resident fail or neglect to arrange for such Coverage (including arranging for alternative Coverage as a result of changes in the Supplemental Coverage Criteria), the Resident hereby authorizes the Community, at its sole discretion and option, to make application for such insurance on the Resident's behalf, to pay any premiums required to obtain such insurance, and to include the cost of such insurance on the Resident's monthly statement. In any event, if for any reason the Resident does not have such Coverage or if the coverage is not as full as the Community's required Supplemental coverage ("Noncovered Resident"), the Noncovered Resident will be responsible for paying the full amount of all fees related to his or her residency at Orchard Cove and fees for Covered Services or any other service provided by the Community that would have been included in the Coverage.

4.8 Automobile Insurance. If the Resident owns or is licensed to drive a motor vehicle, the Resident will obtain and maintain at the Resident's expense, insurance to cover medical and other costs resulting from automobile accidents causing injury to the Resident or to others and/or property damage in accordance with uniform coverage limits that may be established by Community from time to time.

4.9 Authorization for Health Benefit Claims. The Resident hereby authorizes the Community, the Community Physicians and other Community health care providers to make on Resident's behalf any and all claims for insurance benefits for Covered Services, as defined later in this Agreement, and agrees to execute any and all documents necessary to enable the Community to prepare, submit, collect, and enforce such claims. Any insurance benefits received by the Resident from any source with respect to Covered Services shall be promptly paid by the Resident to the Community as reimbursement for the costs incurred by the Community in providing Covered Services to the Resident.

4.10 Recovery for Cost of Covered Services. In case of any injury to the Resident caused by any act or omission of another person, which results in the Resident's need for any Covered Service, the Resident agrees to reasonably cooperate with the Community to obtain reimbursement for the cost of the Covered Services.

- (A) Power of Attorney. The Resident hereby grants a revocable power of attorney to the Community, which power shall not be affected by the subsequent disability or incapacity of Resident, at Community's option, to assert any claims and to initiate legal action, if necessary, against the person who has caused injury to Resident to recover compensation for all expenses related to any Covered Services provided by the Community as a result of such injury. The Resident agrees to execute such further authorization as shall be necessary to prosecute such claims or causes of action.
- (B) Subrogation. In case of injury to Resident caused by any act or omission of another person, the Community shall be subrogated and succeed to the right of recovery of Resident against such person or his insurer, for the value of any and all Covered Services provided by the Community with respect to any condition arising from such injury. Resident shall pay to the Community any sums recovered by Resident by suit, settlement or otherwise from such person or his insurer up to the value of the Covered Services provided by the Community under this Agreement. The Resident shall furnish such information and assistance and execute such instruments as the Community may require to facilitate the exercise of its rights of subrogation hereunder.

4.11 Removal of the Resident's Property. The Community is not responsible for the protection, storage or safekeeping of the Resident's property. The Resident is responsible for its prompt removal consistent with the following requirements.

- (A) If the Resident is required to vacate the Residence (and/or a room in either of the Facilities) in accordance with this Agreement and fails to remove the Resident's personal property from the Residence within thirty (30) days, or within twenty-four (24) hours if the resident was using a room at either of the Facilities, of the date of the notice to vacate, Community shall have the right to remove the Resident's property and to store it at Orchard Cove or in a commercial warehouse at the Resident's expense.

- (B) In the case of the Resident's death, the Community shall release all property of Resident to the person(s) designated by the Resident in writing to receive it, or if no such person(s) is designated, then to the Resident's executor or administrator, or if no executor or administrator qualifies within thirty (30) days of the Resident's death, then to Resident's next of kin most readily available. The Community shall hold such property for not more than thirty (30) days following the Resident's death at the risk of the Resident's estate or of the persons entitled to receive the property.
- (C) The Resident hereby grants to the Community a limited power of attorney to hold and deliver the Resident's property as provided herein, including the authority to store it away from the Community in a commercial warehouse and the Resident agrees to hold the Residence harmless in return for performing such services.

4.12 Responsibility for Pets. The Resident is responsible for any damage or injury caused by any pets kept by the Resident, and the Resident shall hold Community harmless from all loss or liability arising from Resident's pet(s). All pets kept by the Resident in the Residence must be house-broken and are subject to the continuing approval of the Executive Director.

4.13 Responsibility for Ambulatory Aids. The Resident is responsible for maintaining any ambulatory aid equipment required, including any wheelchairs, walkers or scooters, and agrees to use such aids in a safe and responsible manner through the Common Areas of the Community. The Resident agrees to abide by any reasonable Rules established by the Community relative to the safe use of such equipment. The Resident accepts full responsibility for any damage or injury caused by such equipment.

4.14 Decision Making Delegation. The Resident agrees to make all reasonable provisions for decision making in the event of his or her future inability to conduct personal affairs and make financial and health care decisions. Such actions shall include the execution of a Health Care Proxy and a Durable Power of Attorney appointing someone to manage all the Resident's financial matters in the event the Resident is unable to do so. A copy of each document will be provided to the Community for its records within ninety (90) days of the execution of this Agreement. In the event the Resident does not comply with this obligation, the Resident grants authority to the Community to institute guardianship or conservatorship proceedings if Resident becomes unable to care for his/her person or property or make necessary health care decisions. The Resident agrees to be fully responsible for all costs associated with these proceedings.

5.0 FINANCIAL AND PAYMENT TERMS. The accommodations and services described in this Agreement are provided in consideration for and subject to certain payments made by the Resident as more fully described below and in Exhibit C hereto.

5.1 Entrance Fee. As a precondition to the binding effect of this Agreement, the Resident shall pay Community an Entrance Fee in the amount of «Entrance_Fee» in accordance with the following terms:

- (A) Advance Payment. Ten percent (10%) of the Entrance Fee shall be paid by

Resident to Community upon execution of this Agreement (the “Advance Payment”). The receipt of the Advance Payment is hereby acknowledged by Community. The Advance Payment shall be deposited by Community in an interest bearing escrow account. The manner in which such funds will be invested and the names and experience of persons who will make the investment decisions will be provided to the Resident upon request. Interest earned on the Advance Payment from the date of deposit in the escrow account through the date of payment set forth in paragraph (B) below, less any administrative fees shall be paid to Resident by separate check. The interest paid to the Resident will be reported to the Internal Revenue Service as taxable interest income.

(B) Remaining Balance of Entrance Fee. Ninety percent (90%) of the Entrance Fee, less any interest credited, shall be paid by Resident to Community no later than the Resident’s Entrance Date.

5.2 Monthly Service Fee. For the right to use the Residence and to receive certain of the services described in this Agreement without additional charge, the Resident shall pay to Community a Monthly Service Fee. The amount of the Monthly Service Fee shall be determined by the Community based upon the size of the Residence and the number of persons who reside in the Residence (herein called the “Monthly Service Fee”). Resident’s initial Monthly Service Fee for the Residence shall be «Monthly_Service_Fee». If the Entrance Date is a date other than the first day of the month, or if the date this Agreement terminates is a date other than the last day of the month, the Monthly Service Fee due for the first or last month under this Agreement shall be reduced pro rata.

5.3 Additional Fee. In the event the Resident is a resident in either of the Facilities, the Resident agrees to pay an amount in addition to the Monthly Service Fee to reflect the higher level of services provided in the Facilities (the “Additional Fee”). Such Additional Fee may be adjusted from time to time as dictated by the Facilities’ costs. If the date this Agreement terminates is a date other than the last day of the month, the Additional Fee due for the last month under this Agreement shall be reduced pro rata.

5.4 Fee Increases. While the Community endeavors to set the Monthly Service Fee and the Additional Fee (“Fees”) at the lowest possible amount consistent with operating on a sound financial basis, these Fees may be adjusted by the Community from time to time to permit it to maintain its high quality of service to the Resident. The Community shall provide no less than sixty (60) days advance written notice to the Resident of such changes in these Fees.

5.5 Billing. On or about the first day of each calendar month, the Community will present to the Resident a detailed monthly billing statement which will include:

- (i) The Monthly Service Fee for the current month and, if applicable, the Additional Fee for the current month;
- (ii) Any meal credits to the Resident for the preceding month;
- (iii) Additional charges to the Resident for services provided during the preceding month; and
- (iv) Any other amounts then due the Community under this Agreement.

The amount due from the Resident to the Community as reflected in the monthly statement shall be due and payable by Resident upon receipt of the monthly statement. If Resident fails to pay the amount due within ten (10) days of receipt of the monthly statement, Community shall have the right to terminate this Agreement in accordance with Section 6.3, and/or assess delinquency charges in the amount of 1.5% per month. The Community also shall have the right to deduct any amounts due from Resident under this Agreement as well as for balances due for Medical and other services from any refund that may be due to the Resident under this Agreement.

5.6 Payments Due After Termination. The Resident shall be obligated to pay the Monthly Service Fee (and the Additional Fee, if applicable) each month during the term of this Agreement (and thereafter if the Resident fails to vacate the Residence or the Facilities on or before the date this Agreement terminates, as hereinafter provided), notwithstanding the transfer of Resident, on a temporary, long-term or permanent basis to a hospital or nursing care facility, including the Facilities.

5.7 Grants for Residents with Financial Needs. Without in any way limiting the Community's right to terminate this Agreement in accordance with Section 6.3, if the sole reason for the Resident's failure to pay the Monthly Service Fee or other amounts due to the Community is insufficient funds due to circumstances beyond the control of the Resident, the matter will be reviewed by the Executive Director with the Resident. If the Resident presents to the Community facts which, in the Executive Director's opinion, justify special financial consideration, the Community will partly or wholly subsidize Resident's Monthly Service Fee, provided, however, that (i) such subsidy will be in such amount as the Executive Director in his/her sole discretion determines and (ii) such subsidy will be granted and continued only on the condition that, in the Executive Director's opinion, such subsidy will not impair the ability of Community to attain its objectives while operating on a sound financial basis. All determinations made by the Executive Director to grant, continue or deny special financial consideration shall be final and binding upon Resident. Any such determination shall be treated as a confidential matter by the Community and the Resident and shall not be disclosed except as required by financial institutions lending monies to the Community, by regulatory or other governmental bodies or otherwise by law. The grant of such a subsidy shall be subject to the Resident's execution of certain agreements and related disclosures as may be reasonably required by the Community at the time of the grant.

5.8 Changes in Marital Status - Increase in Residence Occupancy. If an individual resident marries (or wishes to add another occupant to the Residence), the incoming resident will be subject to the same health qualifications as set forth in this Agreement. The financial qualifications will be re-evaluated by the Community to reflect the addition of another person to the Residence. The Monthly Service Fee will be re-determined to address the increase in Residence occupancy, as well as an assessment of the second person entrance fee. Upon admission to the Community, the new occupant will be subject to the terms and conditions of this Agreement and any addenda thereto.

6.0 TERMINATION AND REFUNDS. The following terms shall govern the termination of this Agreement and any refunds provided hereunder.

6.1 Termination Due to Death or Change in Medical or Financial Condition Prior to Entrance Date.

(A) If Resident dies (or if the Resident is two persons, both die) prior to the Entrance Date, then this Agreement shall automatically terminate. If the Resident is two persons and one dies, this Agreement shall automatically terminate as to the deceased person.

(B) If the financial condition of Resident changes prior to the Entrance Date to the extent that, in the opinion of the Executive Director, the Resident shall be unable to meet Resident's financial obligations under this Agreement, then this Agreement may be terminated by the Community upon notice to the Resident.

(C) If the medical condition of the Resident changes prior to the Entrance Date to the extent that in the opinion of the Medical Director, the Resident shall be unable to live independently in the Residence, then this Agreement may be terminated by the Community upon notice to the Resident.

(D) Within sixty (60) days after termination of this Agreement under this Section 6.1, the Community shall refund to the Resident, or to the Resident's legal representative, all amounts paid to Community by the Resident less any costs specifically incurred by the Community at the request of the Resident, and less a service charge equal to one percent (1%) of the Entrance Fee. If the Resident is two persons and one dies, only the double use increment of the Entrance Fee, less any applicable deductions pursuant to this Section, shall be refunded. The surviving Resident shall pay an adjusted Monthly Service Fee based upon single use of the Residence.

6.2 Termination by the Resident Prior to Entrance Date.

(A) At any time prior to the Entrance Date and the Resident's move into the Residence, this Agreement may be terminated by Resident without cause upon notice to the Community.

(B) If the Residence is available for use on the Entrance Date, the Resident's failure to move into the Residence on the Entrance Date shall, at the option of the Community, be deemed a termination of this Agreement by the Resident under Section 6.2(A), unless Resident and Community mutually agree to an extension of the Entrance Date.

(C) Within a reasonable period after the termination of this Agreement pursuant to Section 6.2(A) or 6.2(B), the Community shall refund to the Resident or to the Resident's legal representative, all amounts paid to the Community by Resident, less any costs specified in the amenities package addendum (if any) to this Agreement signed by the Resident and any other costs specifically incurred by the Community at the request of the Resident and set forth in an addendum to this Agreement signed by the Resident, and less a service charge equal to one percent (1%) of the Entrance Fee. If the Resident is two persons and one terminates, only the double use increment of the Entrance Fee,

less any applicable deductions pursuant to this Section, shall be refunded. The remaining Resident shall pay an adjusted Monthly Service Fee based upon single use of the Residence.

(D) If the Residence is not available for use on the Entrance Date, and the Resident has not terminated this Agreement, this Agreement shall be terminated automatically unless the Resident and Community mutually agree to an extension of the Entrance Date. If there is an extension, Resident shall be offered occupancy of a guest suite at the Community at no cost. If there is no extension, within a reasonable period after the termination of this Agreement pursuant to this Section 6.2(D), the Community shall refund to the Resident or to the Resident's legal representative, all amounts paid to the Community by Resident.

6.3 Termination by Community After Entrance Date. Community reserves the right to terminate this Agreement for good cause at any time after the Resident moves into the Residence, including, but not limited to, a breach by the Resident of the Resident's obligations under this Agreement, failure by Resident to abide by the Rules adopted by Community, any material misrepresentation or omission by the Resident in connection with the Resident's application for residency at Orchard Cove, or the Resident's continued residence at Orchard Cove becoming seriously disruptive or threatening to the safety of other residents or to the safety of the Resident. Community shall terminate this Agreement by notice of termination to Resident specifying an effective date of termination not less than thirty (30) days nor more than one hundred twenty (120) days after the date notice is given. On or before the effective date of termination, Resident shall move from Orchard Cove and vacate the Residence. If the Resident fails to vacate the Residence by the effective date of termination Resident shall remain obligated to pay the Monthly Service Fee to the Community after the effective date and until the Resident has vacated the Residence. If this Agreement is terminated by the Community under this Section 6.3, Resident shall be entitled to receive a refund of a portion of the Entrance Fee in accordance with Section 6.6, except that if the Resident is two persons and the Community terminates this Agreement as to one, only the double use increment of the Entrance Fee shall be refunded in accordance with Section 6.6. The remaining Resident shall thereafter pay an adjusted Monthly Service Fee based upon single person use of the Residence.

6.4 Termination by the Resident After Entrance Date. The Resident has the right at any time after moving into the Residence to terminate this Agreement by delivering to the Community a notice of termination. The notice need not cite any reason for the termination, but shall specify an effective date of termination which shall be not less than thirty (30) days nor more than one hundred twenty (120) days after the date notice is given. On or before the effective date of termination, the Resident shall move from Orchard Cove and vacate Resident's Residence. If the Resident fails to vacate the Residence by the effective date of termination, the Resident shall remain obligated to pay the Monthly Service Fee to Community after the effective date and until Resident has vacated the Residence. If this Agreement is terminated by the Resident under this Section 6.4, the Resident shall be entitled to receive a refund of a portion of the Entrance Fee in accordance with this Section 6.6, except that if the Resident is two persons and the Resident terminates this Agreement as to one, only the double use increment of the Entrance Fee shall be refunded in accordance with Section 6.6. The remaining Resident shall thereafter pay an adjusted Monthly Service Fee based upon single use of the Residence.

6.5 Termination by Death After Entrance Date. If the Resident is one individual, this Agreement shall terminate automatically upon the death of the Resident. The Resident's obligation to pay the Monthly Service Fee shall continue after the date of death and until Resident's personal property has been removed from the Residence by the family, by the estate of the deceased Resident or by Community. If this Agreement is terminated by the death of the Resident under this Section 6.5, Resident's estate shall be entitled to a refund of a portion of the Entrance Fee in accordance with this Section 6.6. If two persons have entered into this Agreement as joint the Residents, upon the death of one the Resident, this Agreement shall terminate as to the Resident who has died and remain in effect as to the survivor and there shall be no refund of any portion of the Entrance Fee, except the double use increment to the Entrance Fee in accordance with Section 6.6. The surviving Resident shall thereafter pay an adjusted Monthly Service Fee based upon single use of the Residence.

6.6 Refund. Upon termination of this Agreement under any of the provisions of Sections 6.3, 6.4 and 6.5, Resident (or Resident's estate) shall be entitled to a refund of a portion of the Entrance Fee as follows:

- (a) If termination occurs during the first nine (9) months after the Entrance Date, the Resident shall be entitled to receive a refund of the Entrance Fee paid to the Community by the Resident less one percent (1%) of the amount of the Entrance Fee per month since that date. The refund shall be paid by the Community within sixty (60) days after the effective date of termination.
- (b) If termination occurs nine months after the Entrance Date, Resident shall be entitled to receive a refund of ninety percent (90%) of the amount of the Entrance Fee ("Entrance Fee Refund"). The Entrance Fee Refund shall be paid in two installments: (1) an amount equal to the Entrance Fee less one percent (1%) of the Entrance Fee per month since the Entrance Date shall be paid within sixty (60) days after the effective date of termination; and (2) the balance of the Entrance Fee Refund amount shall be paid within thirty (30) days after (i) the Community has executed a Residence and Care Agreement with a new resident(s); (ii) such resident(s) has paid the then current Entrance Fee for the Residence; and (iii) such resident(s) has paid the Monthly Service Fee and Additional Fee, if applicable, for the first month of use.

6.7 Release of the Community. Upon termination of this Agreement, the Community shall be fully released from any and all obligations to the Resident except for the obligation to pay any refund due hereunder.

7.0 MISCELLANEOUS

7.1 Delegation by Executive Director or Medical Director. Any authority or responsibility given by this Agreement to the Executive Director or Medical Director may be delegated by him or her to any one or more other members of Community's staff.

7.2 Limitation of Liability Relative to Placement. The Resident acknowledges that by

entering into this Agreement, the Resident is granting to the Community the right to make certain decisions as they relate to changes in the Resident's living accommodations. In particular, the Resident grants to the Community the right to determine in its reasonable discretion and after medical review whether it is in the Resident's best interest to be accommodated in the Residence or in one of the Facilities. The Resident acknowledges that the Community will maintain reasonable review procedures for the purpose of this determination and will use its best efforts in making such decisions; however, the Community must rely on both the Resident's cooperation and prompt sharing of pertinent medical and related information. The Resident agrees to hold the Community harmless and free from all liability as it relates to all such decisions.

7.3 Entire Agreement. This Agreement has been executed on behalf of Community by its duly authorized agent, and no officer, director, agent or employee will have any personal liability to Resident here under any circumstances. Resident warrants that all facts set forth in the Resident's application, including financial statement and personal history, are true and correct. Community is not liable for nor bound in any manner by, any statement, representation or promise made by any person representing or purporting to represent Community unless set forth in writing in this Agreement. This Agreement, including any addenda thereto, and the Rules constitute the entire Agreement between the parties hereto with respect to the subject matter hereof and shall supersede and take the place of any other instruments purporting to be an agreement of the parties hereto relating to the subject matter hereof.

7.4 Notices. Any and all notices, consents, approvals and other communications required or permitted under this Agreement shall be deemed adequately given if in writing and delivered either in hand, or by mail or Federal Express or similar expedited commercial carrier, addressed to the recipient of the notice, postpaid (if by mail), or with all freight charges prepaid (if by Federal Express or similar carrier). All notices required or permitted to be sent hereunder shall be deemed to have been given for all purposes of this Agreement upon the date of delivery or date of mailing. Notices to the Resident shall be addressed to the most recent address on the records of the Community. Notices to the Community shall be addressed to the Executive Director, Orchard Cove, Inc. at 1 Del Pond Drive in Canton, MA 02021.

7.5 Non-Transferability. The rights and privileges of Resident under this Agreement are personal to Resident and cannot be transferred or assigned by act of Resident, by any proceeding at law, or otherwise. If any person, other than the person who has signed this Agreement commences to live in Resident's Residence without following the procedures established by Community, Community shall have the right to terminate this Agreement.

7.6 Oral Modification. No oral modification hereof shall be binding upon the parties and any modification shall be in writing executed by Community and Resident.

7.7 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective agents, guardians, heirs, successors, and assigns.

7.8 Joint and Several Liability. When Resident consists of more than one person, the rights and obligations of each are joint and several except as the context otherwise requires.

7.9 Severability. In case any one or more of the provisions contained in this

Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, but this Agreement shall be reformed and construed and enforced to the maximum extent permitted by applicable law. If any time periods set forth in this Agreement are inconsistent with time periods set forth in Massachusetts General Laws, Chapter 93, Section 76 or any successor law thereto or any interpretation thereof by a court or an agency of competent jurisdiction, such time period shall be modified and construed so as to be consistent with said law or interpretation thereof.

7.10 No Waiver. A waiver by Community of a breach by Resident, of this Agreement shall not constitute a waiver of any subsequent breach by such Resident.

7.11 Captions. The section headings are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

7.12 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

7.13 Applicable Law. This Agreement shall be interpreted, construed, applied and enforced in accordance with the laws of the Commonwealth of Massachusetts.

Signature Page to Follow

Executed under seal as of the day and year above first written.

Witness

Resident

Date

Current Address

Witness

Resident

Date

Current Address

Orchard Cove representative _____

Received Contract on this date _____

SCHEDULE 1

Excluded Pre-Existing Conditions Form

Completed form is attached hereto.

EXHIBIT A

RESIDENT GUIDE BOOK

Provided upon move-in to community.

The signature(s) below act(s) as acknowledgment that the Resident(s) has (have) received a copy of the current Resident Guide Book upon moving to Orchard Cove. This detailed Guide Book is part of the Orientation Program for new residents and provides detailed information to help the Resident(s) enjoy all that Orchard Cove has to offer.

RESIDENT(S) _____

Guide Book is given and signed for upon entrance to the community.

EXHIBIT B

DISCLOSURE STATEMENT

1. The names of the officers and directors of Community, and description of their duties with respect to the Community is attached hereto.
2. A description of the Community's business experience is attached hereto.
3. A description of the Community's affiliations with religious, charitable and nonprofit organizations (including specification as to their particular exempt status from the federal Internal Revenue Code, including the extent of the affiliation, the extent to which the affiliate will be responsible for financial and contract obligations of the Community is attached hereto.
4. Certified financial statements including (a) a balance sheet as of the end of the most recent fiscal year, and (b) income statements for the three most recent fiscal years (note: interim financial statements as of a date not more than 90 days prior to date hereof if fiscal year ended more than 90 days ago) are attached hereto.
5. The Community has in place reserve funds to enable it to meet the future obligations of the Community under this Agreement. The adequacy of such reserves has been calculated and is periodically reviewed by the Community's actuarial firm. The Community's actuarial report is reviewed by a public accounting firm for compliance with standard accounting practices. A designated Board Committee manages funds held in reserve with the professional advice of New England Pension Consultants. The fund managers are subject to change by the Community's Board of Trustees.

EXHIBIT C

LISTING OF FEES & CHARGES

In addition to the fees and charges described in the body of the Agreement, attached is a listing of each of the Community's fees and charges.

Also attached is a table showing the frequency and percentage of each increase in the Community's periodic rates for the past five years.

Attachment 1

Frequency & Percentage of Increases

YEAR	PERCENTAGE
May 2002	7.5%
May 2003	5%
January 2004	6.4%
January 2005	6%
October 2005	6.75%
October 2006	7.0%
October 2007	5.9%
October 2008	5.9%
October 2009	3.9%
October 2010	3.9%
October 2011	3.9%
October 2012	3.9%
October 2013	3.9%
October 2014	3.9%
October 2015	3.5%

Attachment 2

Additional Fees Applicable to Residents at Orchard Cove for Skilled Nursing Community & Assistance in Living Community

LifeCare members permanently on SNF & ALU:

Monthly Fee Effective October 1, 2015

Additional fee in SNF	\$1,310.00
Additional fee in ALU	\$1,045.00

Fee for Service members permanently on SNF & ALU:

Fees Effective October 1, 2015

Fee in SNF	\$475.00 - \$660.00 per day
Fee in ALU	\$6,595.00, \$7,370.00 or \$8,995.00 per month (depending on room size)
Second Person Fee in ALU	\$2,775.00 per month

Other fees in ALU:

Medication management	\$220.00 per month
Incontinence service	\$160.00 per month
Additional supplies billed separately	

Temporary Placement on our Skilled Nursing Unit (when Medicare A benefits terminate or stay is not eligible for Medicare A):

Day 1 through 10	50% of private pay daily rate
Day 11 forward	100% of private pay daily rate

These fees are in addition to the Independent Living monthly service fee.

The full private pay rate will apply for the entire stay for Respite Care.

In the event that a member refuses a hospital stay resulting in the loss of Medicare A coverage for a SNF Medicare A stay, the member will be responsible for full private pay charges in addition to their Independent Living monthly service fee.

Attachment 3

Orchard Cove Miscellaneous Fee Schedule

Fee Effective October 1, 2015

Culinary:

Guest Meal	\$23.50
Child Guest (10 or under)	\$10.50
Resident Extra Meal	\$19.25
Meal Credit	\$6.50

Additional Services:

Additional Housekeeping (personal laundry, ironing, closets, polish silver or other odd jobs)	\$24.00/hour or \$13/half hour
Maintenance (personal projects)	\$38.00/hour
Lifeline	\$20.00 (plus installation fee of \$50)
Transportation Fee (per mile)	\$1.90
There is no charge for the first 5 miles of a one-way trip during the week, in accordance with our Transportation procedures.	

Guest Accommodations (per night):

Orchard North, Orchard South & Cove	\$135.00
Rollaway Bed	\$10.00

Fee for Service Plan Credits (for those residents who are under a Fee For Service/Type C contract, not under a LifeCare/Type A contract)

Type C 1 st person credit	\$680.00
Type C 2 nd person credit	\$140.00

- 1) Miscellaneous Fees are subject to change *without* notice. All other fees currently in effect and not listed above may also change on October 1, 2015.
- 2) Healthcare exclusion credits only apply to members who do not have LifeCare benefits, and whose contract calls for a credit.

Attachment 4

Orchard Cove Fee Schedule for LifeCare Members

October 1, 2015

RESIDENCE TYPE	*ENTRANCE FEES	MONTHLY SERVICE FEE		
		<i>1st Person</i>	<i>2nd Person</i>	<i>Couple Total</i>
One Bedroom	\$320,000 - \$379,000	\$3,425.00	\$1,585.00	\$5,010.00
One Bedroom – Larger	\$428,000 - \$540,000	\$3,650.00	\$1,585.00	\$5,235.00
Two Bedroom	\$465,000 - \$520,000	\$4,125.00	\$1,585.00	\$5,710.00
Two Bedroom – Larger	\$490,000 - \$615,000	\$4,260.00	\$1,585.00	\$5,845.00
Two Bedroom Deluxe	\$575,000 - \$765,000	\$4,620.00	\$1,585.00	\$6,205.00

Additional Healthcare Fees:

Assistance in Living Unit	\$1,045.00
Skilled Nursing Unit	\$1,310.00

The above is based on a 90% refundable entrance fee.

You should anticipate an annual increase in fees based on Orchard Cove's inflation experience.

The premium, added to the monthly fee listed above, is \$680/month. If a couple moves in with the LifeCare option, the premium for the 2nd person is \$140/month.

*There is an additional, one time, 90% Refundable LifeCare Entrance Fee of \$18,000 per person.

Attachment 5

Orchard Cove Supplemental Insurance Coverage Criteria

This document is included in the Member's Guide Book. It may vary periodically based on changes in plans as well as in our assessments of such plans. This document also serves as a separate policy given to members prior to entrance and/or in an exhibit to the Residence & Care Agreement. It is then distributed to residents on an ongoing basis as the policy is modified.

I. Contents:

- A. All members are required to have a comprehensive Medicare A & B supplemental coverage insurance policy (including coverage for co-insurance in our skilled nursing facility). The preferred carrier is Massachusetts Blue Cross Medex Plan. Other plans will be reviewed by the Community for acceptability.
- B. It is in the best interest of all parties to obtain the most comprehensive prescription coverage available. At a minimum, members must select a Medicare Part D plan (or an alternative plan approved by the Community) which best meets their needs at the time of signing the Residence and Care Agreement.
- C. For the pharmacy plan, additional criteria may need to be met including the following:
 - 1. The drug plan has a contract with the current pharmacy provider under contract with the Community. The drug plan has been determined by the Community to be administratively compatible with the Skilled and Assistance in Living Unit operations.
 - 2. The drug plan meets the minimum coverage criteria offered under Medicare D. As the member's pharmaceutical needs increase, the member must switch to a more comprehensive plan (as provided under the Medicare Part D plan rules).
 - 3. If a member is permanently transferred to the Skilled Nursing Unit, the Community, upon request, may assist a member in choosing the right coverage for his/her needs.

January 10, 2006