

**RESIDENCY AGREEMENT
THE VILLAS AT CANTERFIELD**

RESIDENT (S): _____

APARTMENT HOME NUMBER: _____

ENTRANCE FEE AMOUNT : _____

NEW RESIDENT RENTAL FEE: _____

THIS RESIDENCY AGREEMENT is entered into by the Resident(s) named above (individually and/or collectively "Resident") and **THE VILLAS AT CANTERFIELD, LLC**, a Georgia limited liability company ("Manager"), which operates The Villas at Canterfield ("VAC") in Cumming, Georgia as of the date set forth below on the signature page.

1. GENERAL SERVICES AND FACILITIES.

1.1 Basic Agreement. In exchange for the Entrance Fee and payment of monthly service fees and/or personal care service fees, Resident shall be entitled to occupy the Apartment Home indicated above and receive the services and use the facilities described in this Agreement according to the provisions of this Agreement and the Resident Handbook, a copy of which was furnished to Resident with this Agreement and is incorporated into this Agreement by this reference (the "Resident Handbook"). Occupancy of the Apartment Home will begin on the date (the "Occupancy Date") shown on the signature page of this Agreement. The Basic Apartment Fee is subject to change annually. An annual rate increase of 3%-6% will be determined by the Community. The annual increase is separate from other factors that may result in a rate change. These factors include but are not limited to a suite change.

1.2 Apartment Furnishings. Each Apartment Home is furnished with carpeting/hard woods, blinds, refrigerator and freezer, range, continuous cleaning oven, dishwasher, garbage disposal, microwave, clothes washer/dryer and emergency response systems. One surface parking space per Apartment Home is provided for Residents who drive. Storage areas for Resident's personal use are available for rent at a first come first serve basis.

1.3 Community Areas. Resident shall have the nonexclusive right to use the VAC community areas as such may be designated by Manager from time to time during the term of this Agreement. Manager reserves the right to exclude any Resident from any of the community areas for inappropriate or disruptive behavior. Times of availability and other situations that may affect Resident's right to access and use of the community area are set forth in the Resident Handbook.

1.4 Included General Services. During the term of this Agreement, Manager will provide Resident with the following services. A detailed description of all these services is provided in the Resident Handbook:

Food Service – Each Resident will be provided ~~62-31~~ meals/ month to use at the dining hall during open hours.

Housekeeping - Housekeeping will be provided as follows: Weekly vacuuming, sweeping, mopping, bathrooms, kitchens, and light dusting of the Apartment Home. Window cleaning is also provided pursuant to a schedule determined in the sole discretion of the Manager. Bed linens can be changed with the weekly housekeeping service providing the Resident supplies his or her own clean linens and has them available for the housekeeping staff. There is no towel service.

Utilities - Air conditioning, heating, electricity, water, sewer, gas, and trash removal is included. Telephone, Cable, and Internet service are not included. Wireless internet will be available at some common areas in the VAC pursuant to a schedule determined at the sole discretion of the Manager.

Emergency System – The Apartment Home is furnished with a response system monitored by the Manager’s staff or contractor 24 hours per day.

Security – Members of the staff and/or security personnel will be available onsite 24 hours a day 7 days a week.

Laundry – Each Independent Living Apartment Home in the VAC will come with a washer and dryer.

Maintenance - Maintenance, repairs, and refurbishments of the buildings and grounds throughout the VAC including the Apartment Homes, the appliances supplied with the Apartment Homes, and the common areas will be performed by the Manager on a commercially reasonable basis as determined by Manager.

Transportation - Local transportation is provided for scheduled events such as visits to grocery stores, movies, etc. Weekly events are also scheduled pursuant to a schedule determined at the sole discretion of the Manager.

Entertainment and Recreation Programs - A variety of entertainment, recreational, educational, spiritual, and cultural programs are coordinated by the staff. Entertainment and recreation programs are scheduled pursuant to a schedule determined at the sole discretion of the Manager.

Wellness Programs - A variety of educational and health screening programs are coordinated by a staff nurse. Wellness programs are scheduled pursuant to a schedule determined at the sole discretion of the Manager.

1.5 Additional Services. The following additional amenities and services are available at the VAC for an additional fee:

Catering for special occasions

Room service

Additional and guest meals

Personal care services

Medication services

Charges for additional services will be made in accordance with Manager's additional services fee schedule and will be billed to Resident monthly. Manager reserves the right to make changes to the additional services or to add or discontinue one or more of the additional services in its discretion from time to time during the term of this Agreement.

1.6 Alteration to Apartment Home. Resident may make nonstructural alterations to the Apartment Home (not including painting or wallpapering) with the prior written approval of Manager. Any approved alteration will be performed at Resident's expense by the VAC staff or contractors approved in writing by Manager. Contractors must be licensed, insured, and bonded. Resident shall not replace or add any locking devices to the Apartment Home. Upon termination of the Residency Agreement, Resident shall reimburse Manager all of its expenses to restore the Apartment Home to its original unaltered condition. Resident may not make alterations or additions to any area outside the Apartment Home, including corridors and apartment entrance alcoves.

1.7 Maintenance of Apartment Home. The Manager is responsible for reasonably necessary repairs, maintenance, and replacement of the Manager's property and equipment, including the Apartment Home, due to reasonable wear and tear. Maintenance, repair, or replacement of any damaged property caused by Resident or neglect of Resident will be the sole responsibility of the Resident. Any costs associated with the Resident's damage or neglect will be billed to the Resident.

1.8 Security. The Resident acknowledges and agrees that the Manager is not an insurer of the Resident's person or property, and is not liable for any personal injury or property damage. This includes, but is not limited to, damage to, loss or theft of vehicles or personal property of the Resident, or the Resident's agents, guests or invitees. It is recommended that a Resident, at his or her expense, obtain renter's insurance. The Manager shall provide commercially reasonable security services for the VAC on a twenty-four (24) hour, seven (7)

days a week basis. The Resident also agrees to abide by rules prohibiting unauthorized access through locked doors or other means. Emergency signaling devices are provided at marked locations throughout the VAC. Staff is available at all times to assist with a request for emergency medical and protective services, such as 911, police and ambulance service. The Manager does not provide protective and emergency medical services, and any costs related to these services are the sole responsibility of the Resident.

THE MANAGER MAY FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS THAT DIRECTLY OR INDIRECTLY IMPROVE THE SECURITY OF THE VAC; HOWEVER, EACH RESIDENT FOR HIMSELF OR HERSELF, AND HIS OR HER GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT MANAGER IS NOT A PROVIDER OF SECURITY AND DOES NOT HAVE A DUTY TO PROVIDE SECURITY AT VAC. FURTHERMORE, MANAGER DOES NOT GUARANTEE THAT NON-OWNERS AND NON-OCCUPANTS WILL NOT GAIN ACCESS TO THE VAC AND COMMIT CRIMINAL ACTS NOR DOES THE MANAGER GUARANTEE THAT CRIMINAL ACTS AT THE VAC WILL NOT BE COMMITTED BY OTHER RESIDENTS. IT SHALL BE THE RESPONSIBILITY OF EACH RESIDENT TO PROTECT HIS OR HER PERSON AND PROPERTY AND RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH RESIDENT. MANAGER SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF ITS FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF MEASURES UNDERTAKEN.

2. HEALTH CARE SERVICES AND FACILITIES.

2.1 Personal Care. The VAC will include a Personal Care area as part of the community for persons in need of sustained personal care services. A Resident desiring to transfer to a Personal Care Home ("PC Home") and meeting the residency standards then in effect for admission to the Personal Care will be given priority admission. Admission directly to Personal Care will be available to new applicants when a vacant PC Home is available. Upon transfer or direct move-in to a PC Home, Manager will provide the personal care services requested by the Resident and will bill monthly for such services at Manager's then current rates.

2.2 Temporary or Permanent Transfers. If the Manager determines that a Resident is unable to live independently in the Apartment Home, the Resident, if requested by Manager, shall transfer to a PC Home or, if Resident's condition is too acute for a PC Home, nursing care or home hospice, Resident shall transfer to an appropriate skilled nursing and rehabilitation health care facility, hospital or hospice. The decision as to whether any such transfer is permanent (hereinafter referred to as a "Permanent Transfer") or temporary (hereinafter referred

to as a "Temporary Transfer") shall involve the Manager and to the extent feasible, Resident, Resident's family members or representatives, and Resident's attending physician. Manager, however, has the right to deem a Temporary Transfer outside of the VAC to be a Permanent Transfer if the Resident is absent from his or her Apartment Home for more than 60 consecutive days.

2.3 Basis to Determine Whether Transfers are Temporary or Permanent

(a) Temporary Transfer - A Resident will be considered to have made a Temporary Transfer if, based on Resident's health status, Resident is likely to return to the Apartment Home within 60 days.

(b) Permanent Transfer - A Resident will be considered to have made a Permanent Transfer based on Resident's health status if that Resident is likely to be in need of skilled nursing and rehabilitation care or higher acuity hospital or hospice care for the foreseeable future, or Manager determines, after Resident has been absent for more than 60 consecutive days, that Resident's condition is not likely to improve within 30 days to the point where Resident will be physically and mentally able to move back into the Apartment Home.

(c) Notwithstanding anything to the contrary in this Agreement, if Manager disagrees with any determination made by or on behalf of Resident under this subsections (a) or (b) above, Manager reserves the right to terminate this Agreement pursuant to the criteria in Section 4.1(b).

2.4 Agreement to Transfer to Other Facilities If Required. If Manager determines that Resident has a mental, medical or physical condition that requires health care services beyond those for which Personal Care is staffed or equipped to provide or if Resident requires skilled nursing services which cannot be provided by home care nursing, Resident agrees to leave the VAC for such higher acuity health care services. If Resident's medical or physical condition requires extended health care services, this Agreement will be subject to termination in accordance with Section 4.1 (b).

2.5 Re-admission to the VAC. If after a transfer to Personal Care or a Permanent Transfer to an outside healthcare facility, Resident again meets the residency standards for admission to residency of the VAC as determined in the sole discretion of the Manager and as set forth in the Reservation Agreement ("Residency Standards") and wishes to return to the VAC, Resident will be given priority admission for an apartment home in the VAC when any such apartment home becomes vacant and available.

2.6 Medicare. During the term of this Agreement, each person who is a Resident will be required to enroll in the Medicare Parts A and B programs, in any future program that may be offered by Medicare or in a similar or successor governmental program. A Resident who is not qualified for Medicare coverage due to age will maintain comprehensive health insurance coverage satisfactory to Manager. Evidence of such insurance will be provided to Manager upon request. Resident, not Manager, will be responsible for the cost of services rendered in an acute care-hospital, a rehabilitation hospital, a skilled nursing facility, a substance abuse clinic, or a psychiatric facility.

2.7 Charges During Transfer. During a Temporary Transfer, Resident will continue to pay the monthly service fee for the Apartment Home. In a single occupancy, a Permanent Transfer will be effective on the termination date specified either in Section 4.1 (a) or (b), as may be applicable. Thereafter, Resident will no longer be required to pay the monthly service fee. In a double occupancy, a Permanent Transfer will be effective on the date the monthly service fee is reduced for the Resident remaining in the Apartment Home to the single occupancy monthly service fee and the departing Resident transfers to Personal Care or to a nursing home.

3. FEES

3.1 Entrance Fee. Resident shall pay the Entrance Fee as stated on the first page of this Agreement before occupying the Apartment Home. Two Residents occupying a single unit shall be required to pay only one Entrance Fee. The Entrance Fee is obtained as a move in fee and is not applied to the first month fees.

3.2 Monthly and Additional Service Fees. The VAC Residents will pay a monthly service fee for the services described in Section 1.4. Upon not fewer than 30 days' prior notice to Resident, Manager may change the base monthly services fee and the personal care services fee. The base monthly service fee will be prorated on a daily basis for the first month of occupancy. Fees for additional services will be charged in accordance with the additional services fee schedule established by Manager. The additional service fee schedule is subject to change at any time upon not fewer than 30 days' prior written notice to Resident.

3.3 Billing. Resident may charge items that will be posted to monthly statements, including guest meals, guest rooms, additional housekeeping services, etc. Statements will be placed in the Resident's mailbox. Additional service fees incurred the previous month and the monthly fee for the current month will be included. Payment is due within five days of the date set forth on the invoice.

3.4 Late Charge. All fees and charges are due and payable in full within five days of the date set forth on the invoice. If Resident fails to remit the fees when due, Manager may assess a late charge of one and one half percent (1.5%) of the outstanding balance that is late for each month or portion of the month that the fees remain outstanding. If Resident's check is not honored for payment, Manager will assess a bank service fee of \$50 in addition to any other fees that are assessed.

3.5 Change in Occupancy. If the Apartment Home is occupied by two persons and one permanently vacates the Apartment Home for any reason, the remaining Resident's obligations under this Agreement will continue in full legal force and effect as to the remaining Resident, and the monthly fee will be adjusted to reflect the single occupancy rate then in effect for the Apartment Home. If a Resident and a nonresident (including a new spouse) desire to share the Apartment Home, the nonresident may become a Resident and live in the apartment

only if the nonresident meets the Residency Standards and both persons execute a new Residency Agreement. In such event, the monthly fee will be adjusted to reflect the rate for double occupancy then in effect for the Apartment Home. If the nonresident does not meet the Residency Standards for admission, then the nonresident will not be permitted to live in the Apartment Home. In such circumstances, Manager may, in Manager's sole discretion, waive the Residency Standards for admission for such nonresident.

3.6 Liability for Charges. Each person who is designated as a Resident in this Agreement is jointly and severally liable for the payment of the monthly fees, additional service fees, and all other amounts required to be paid to Manager pursuant to the provisions of this Agreement. If Manager initiates legal action or other proceedings to recover amounts from Resident due Manager under this Agreement, Manager also will be entitled to recover legal fees and costs, including attorney's fees and expenses, incurred in connection with the Manager's enforcement of this Agreement.

3.7 New Resident Services Fee. Resident shall pay the New Resident Services Fee as stated on the first page of this Agreement before occupying the Apartment Home, which covers all the services listed below. This New Resident Services Fee ("New Resident Services Fee") is a one-time fee and is refundable on a prorated basis through the first 30 days, if Resident moves out for any reason. After the first 30 days, the New Resident Services Fee is not refundable. The New Resident Services Fee covers the following services and items:

Processing of all administrative documentation, pertinent personal information, and other processing necessary for billing procedures;

Cleaning/maintenance fee after resident moves out

Preparation of the Residency Agreement and other documentation;

Orientation and introductions by the staff, including a Resident Handbook;

Assistance with settling-in by Manager's maintenance staff.

4. TERM, TERMINATION AND DEFERRED FEE; CHANGES IN OCCUPANCY.

4.1 Termination of Residency. This Agreement shall be effective until terminated:

- (a) By Resident, on a date that is later of (1) 60 days following delivery of written notice of termination to Manager or (2) the date that Resident removes all of his or her personal property from the VAC, and surrenders keys to Manager;

- (b) By Manager, 60 days after Manager determines, in accordance with Section 2.4 or 2.5 of this Agreement, that (1) a Permanent Transfer of Resident is appropriate, or (2) Resident is in need of health care services for which Personal Care is not appropriate and Resident refuses to leave the VAC for treatment;
- (c) By Manager, upon immediate notice to Resident, if Manager determines that Resident's continued residence in the Apartment Home presents a danger to the safety and well-being of Resident or others;
- (d) By Manager, if Resident fails to pay the base monthly services fee, additional services fees or any other amounts payable under this Agreement when due (subject, however, to the provisions of Section 4.3 hereof) and does not cure such failure within thirty (30) days of receiving written notice thereof;
- (e) By Manager, if Resident violates any other provision of this Agreement or repeatedly violates the VAC rules and regulations and such violation is not cured within 30 days after Manager notifies Resident of the inappropriate behavior or violation;
- (f) By Manager, if it discovers a material misstatement or omission in the Confidential Data Application or other information submitted by or on behalf of Resident;
- (g) By Manager, in its sole discretion, if all or a portion of the Apartment Home, the building in which it is situated, or the VAC is destroyed or made uninhabitable by fire, flood, storm or other casualty or cause;
- (h) By Manager, if all or any portion of the Apartment Home, the building in which it is situated, or the VAC is taken by the exercise of eminent domain; or
- (i) In the event of a medical emergency such that Resident no longer meets the Residency Standards or in the event of the death of the Resident, this Agreement shall terminate at the end of the month that the medical emergency or death occurred. In the case that a resident's personal property cannot be removed prior to the end of the month that the medical emergency or death occurred, the Agreement will continue until the day that all of the Resident's personal property is removed from the living space and property of the Manager is returned.

4.2 Agreement to Remain in Effect Upon Transfer to Personal Care. If all Residents in an Apartment Home make a Permanent Transfer to Personal Care, this Agreement shall terminate and be replaced by a subsequent agreement with the VAC Personal Care provided all Resident's property is removed from the Apartment Home and possession of the Apartment Home is returned to the Manager. At such point, fees will be repaid pursuant to section 4.3. If one of two Residents enters into Assisted Living and the other Resident remains in the Apartment Home, this Agreement will NOT terminate, but rent will be adjusted to that of a

one tenant Apartment Home. The Resident moving into Personal Care will enter into a separate agreement with the Manager.

4.3 Resident's Responsibility. Resident agrees that the Resident shall make no gift of real or personal property that could impair Resident's ability to satisfy the financial obligations under this Agreement. If Resident's income is insufficient to meet his or her financial responsibilities to Manager, Resident shall make all reasonable efforts to obtain assistance elsewhere, including taking necessary steps to obtain applicable local, county, state or federal aid or assistance. As a condition to having the Entrance Fee credited against fees due Manager by Resident under this Agreement, which is in the sole discretion of Manager, Resident must represent that he or she has not made any gift of real or personal property in contemplation of the execution of this Agreement.

5. MISCELLANEOUS.

5.1 Resident Handbook. Resident will observe and abide by the rules and policies set forth in the Resident Handbook, a copy of which Manager included with Resident's admission package. Manager reserves the right to change or otherwise modify rules and policies or the Resident Handbook from time to time. If Manager does so, it will provide Resident with a copy of the revised Resident Handbook or the specific revised rule or policy. If Manager determines that Resident is not complying with the Resident Handbook, Manager will ask Resident to discontinue the behavior that Manager believes to be in violation of the Resident Handbook. By signing this Residency Agreement, Resident acknowledges that he or she has received a copy of the Resident Handbook and agrees to abide by its terms as it may change from time to time during the term of this Agreement.

5.2 Resident's Interest. Resident does not have any proprietary or real property interest in Manager or the assets and properties of Manager by virtue of this Agreement.

5.3 Responsibility for Resident's Property. Manager will not be responsible for damage or loss to any personal property belonging to Resident caused by fire, flooding, or other casualty, or by leaking of water, bursting of pipes, theft or any other cause. Resident will be solely responsible for insuring against property damage or loss and personal liability. In the event of Resident's death or transfer from the VAC, Manager will exercise ordinary care in temporarily safekeeping Resident's personal property at the VAC. If such property is not removed from the VAC premises within 30 days after the last surviving Resident's death, or 60 days following Manager's receipt of notice to terminate the Agreement, Manager reserves the right to have such property placed in a commercial bonded warehouse at the expense and risk of Resident or Resident's estate. If Resident fails to claim any personal property from the Apartment Home or warehouse within 180 days after termination of this Agreement, Manager retains the right to sell such personal property and to retain from the proceeds thereof an amount equal to its expenses in moving and storing such personal property and any other fees, charges, or costs owed to Manager hereunder or relating to such moving and storage.

5.4 Right of Entry. The Manager reserves the right to enter the Apartment Home at any time with reasonable notification to Resident for inspection or servicing, in order to maintain the Apartment Home in a safe and healthy condition, or, without notification, to

respond to an emergency. Resident is not permitted to change the entry locks, and Resident is required to cooperate with the Manager to permit entry as necessary. The Manager or staff will knock, announce himself or herself, and receive permission to enter before entering the living space, and will schedule entry in advance if possible.

5.5 Indemnification for Negligence. Resident will indemnify, protect and hold harmless Manager for any loss, damage, injury or expense incurred by it as a result of the careless, negligent or willful acts of Resident or Resident's invitees or guests.

5.6 Guests. Occupancy of the Apartment Home and use of the Villa's facilities is limited to Resident and Resident's guests. Resident must notify Manager 7 days before any arrival of overnight guest. Guests may occupy the Apartment Home for no more than 14 days during any calendar quarter unless prior written approval of Manager is granted. Resident will be responsible for the conduct of Resident's guests and for payment of any charges incurred by Resident's guests.

5.7 Absence from Community. Resident agrees to notify the VAC management in advance of any overnight or longer absence from the VAC.

5.8 Damage to Apartment If fire, flood, storm or other casualty or cause damages the Apartment Home and Manager elects not to terminate this Agreement in accordance with Section 4.1 (g), Manager will, at its expense, proceed diligently to repair and restore the Apartment Home. If the Apartment Home is uninhabitable during the repair, Manager will relocate Resident to a comparable type Apartment Home at the VAC, if available, or, if not, Manager will endeavor to relocate Resident temporarily to any other available apartment home and the monthly fee will be adjusted for the type of apartment home temporarily occupied by Resident.

5.9 Pets. Well-trained, well-behaved pets (as determined by Manager) less than 30 pounds may be kept in the Apartment Home. Resident is allowed a maximum of two cats and/or dogs per Apartment Home. Resident will be responsible for the pet's litter and for any damage caused by the pet. Pet litter shall not be flushed down the toilet. Resident will comply with the VAC pet policies, including limitations on the type or size of pet that may be maintained. Resident agrees to remove the pet from the VAC within 15 days of receiving written notice from the Manager in the event of repeated violations of the pet policies or complaints from neighbors. Residents are required to have dogs under the control of a leash whenever they are outside of the Apartment Home.

5.10 Entire Agreement This Agreement and Exhibit A, Resident's Confidential Data Application, constitute the entire agreement between Manager and Resident. Manager will not be liable for, or bound by, any statements, representations or promises made to Resident by any person representing or purporting to represent Manager or the VAC unless such statements, representations or promises are expressly set forth in these documents.

5.11 Binding Effect. This Agreement is binding upon the heirs and legal representative of Resident. The provisions of this Agreement are not assignable or transferable in whole or in part by Resident, and Resident has no right to sublet or assign the Apartment Home. In connection with the transfer of Manager's interests in the VAC, Manager may assign all of its rights and obligations under this Agreement to an assignee who agrees to assume the obligations arising under this Agreement. Upon such an assignment, Manager shall be released from all further obligations arising under this Agreement and Resident shall look solely to the

assignee for enforcement of any of Resident's rights under this Agreement on and after the effective date of such assignment.

5.12 Right to Cure Defaults. Manager, upon notice to Resident as is reasonable under the circumstances, may, but shall not be under any obligation to, cure any failure by Resident to perform any of Resident's covenants, agreements or obligations under this Agreement. If Manager chooses to do so, all costs and expenses, including reasonable attorney's fees, actually incurred and interest on the amount of any advances at the prime rate as published in the "Money Rates" section of the *Wall Street Journal* plus 2%, will be deemed a charge against Resident. Resident also will pay Manager all expenses and costs as set forth above incurred by Manager in enforcing Resident's obligations under this Agreement.

5.13 Survival Any termination of this Agreement should not affect or otherwise modify any obligation of the parties existing prior to the termination of this Agreement.

5.14 Guardianship and Powers of Attorney. Resident agrees that the Manager's owners, directors or employees will not seek and may not be assigned as the power of attorney or guardian for a Resident.

5.15 Severability. If a court holds any provision of this Agreement or the application to any circumstance or person to be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable will not be affected. Each provision of this Agreement will be deemed separate from each other provision and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the balance of this Agreement.

5.16 Medical Information. The Resident, by executing this Agreement, authorizes any and all of Resident's doctors, hospitals, health care providers and health care insurers to release any and all medical information, reports, x-rays, diagnosis, prognosis, prescriptions, history and insurance coverage information to the Manager for the purpose of providing services to the Resident or making determinations required by this Agreement. Resident will, on Manager's request, sign and deliver to Manager authorization forms requested by health care providers and health care insurers as needed for the disclosure of such information from time to time.

5.17 Consent for Use of Audio Recordings & Photographs. Resident hereby consents to (i) use of their photograph by the Manager for promotional purposes, and (ii) to participate in a quality review of the Manager that may involve taping of voice and image.

5.18 Non-Discrimination. The VAC will be operated on a nondiscriminatory basis, and will provide the facilities and services described in this Agreement to individuals regardless of race, color, sex, religion, creed or national origin, and any other group protected under local, state, or federal law.

5.20 Notices. Any notice to Manager by Resident shall be given in writing and mailed or delivered to Manager at the administrative office of the VAC or at such other addresses as Manager may designate by notice to Resident. Any notice to Resident by Manager shall be

given in writing and mailed or delivered to Resident's Apartment Home or at such other address as Resident may designate by notice to Manager.

5.21 No Waiver. No waiver of any of the Manager's rights or remedies hereunder shall be effective unless such waiver is in writing and signed by an authorized representative of Manager, and then only to the extent specifically set forth therein. No assent or waiver by Manager to or of any breach of any term or provision of this Agreement shall be deemed to be an assent or waiver to or of such or any succeeding breach of the same or any other such term or provision.

5.22 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Georgia. Time is of the essence as to this Agreement.

5.23 Disputes and Arbitration. All disputes and arbitration should be initiated by Manager and Resident as required by Georgia law. Except for the Manager's effort to collect monies due from Resident and the Manager's option to discharge a Resident for such failure, which the parties agree may be heard by a Court of competent jurisdiction in the town, city or county where the Manager is located, all disputes and disagreements and claims between the Manager and Resident (or their respective successors, assigns or representatives) arising out of or in connection with the enforcement or interpretation of this Agreement or related hereto or any and all rights and duties arising thereof or the services provided by the Manager hereunder including, without limitation, allegations by the Resident of neglect, abuse, negligence, or any other violation of resident's rights which the Resident and the Manager are unable to resolve between themselves shall be submitted to and settled exclusively by binding arbitration by a single arbitrator in accordance with the *Commercial Arbitration Rules* of the American Arbitration Association then in effect. Such arbitration shall be conducted in Atlanta, Georgia. The party filing the arbitration (making the claim) shall be solely responsible for payment of the initial arbitration-filing fee in accordance with the Rules of the American Arbitration Association fee schedule. The arbitrator shall be entitled to award recovery of the arbitration fees, attorney's fees and out-of-pocket expenses, incurred by the prevailing party up to a maximum award of \$10,000. The arbitrator shall have the authority to issue interlocutory and final injunctive relief. The arbitrator's decision shall be binding on the parties and conclusive as to the issue addressed, and may be entered as a judgment in a court of competent jurisdiction and not subject to further attack or appeal except in instances of fraud, coercion or manifest error. During the pendency of any arbitration proceeding, the Manager and Resident shall continue to perform their respective obligations under this Agreement as established herein. The obligation of the Manager and the Resident to arbitrate their disputes or disagreements shall survive termination of this Agreement.

Manager's Initials

Resident's Initials

Resident's Initials

5.24 Amendments. This Agreement may not be amended except by a written instrument executed by an authorized officer of Manager and by Resident or Resident's legal representative.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Manager and Resident have signed this Agreement on this day of _____, 2____.

THE VILLAS AT CANTERFIELD, LLC,
a Georgia limited liability company

WITNESS: _____ By: _____

Name: _____

Title: _____

OCCUPANCY DATE: _____

ENTRANCE FEE PAYMENT DATE: _____

Resident's Signature: _____

Resident's Printed Name: _____

Additional Resident's Signature: _____

Additional Resident's Printed Name: _____