

QUESTIONS & ANSWERS ABOUT CONTRACT OPTIONS



THE VILLAGE
APARTMENT LIVING

• At Clark-Lindsey •

Q. What does the Entrance Fee provide for?

A. The Entrance Fee entitles you to residency at The Village at Clark-Lindsey, together with the use and enjoyment of the common areas, and the availability of the amenities, services and programs of the community. It also assures the resident priority access to the on-campus health center, Meadowbrook, either on a temporary or long-term basis, should care be needed. We offer three Entrance Fee plans. Entrance Fees vary according to type of residence. In the case of the refundable plans, your age is also a variable in the fee structure.

Q. Why do you offer three different types of contract plans?

A. At The Village, you can select the financial option that's best for you based on your personal situation. Our **Traditional Contract Plan** allow for a lower Entrance Fee with a declining refund. Our **Refundable Contract Plans** allows for financial protection for you and your family. A percentage of the Entrance Fee is refundable depending on the contract option you select. Yet both plans offer you the full benefits of the Clark-Lindsey lifestyle.

Q. How do the contracts vary from each other?

A. The Entrance Fee of the **Traditional Contract Plan** amortizes at the rate of 1.67% per month and is thus fully amortized at the end of 60 months (five years) of residency. Should a resident leave Clark-Lindsey for any reason during this 60-month period, a refund of the Entrance Fee less 1.67% for each month of residency will be made. After 60 months, there is no refund under this plan. Should the resident move permanently to Meadowbrook Health Center, on the Clark-Lindsey campus, within the first 60 months, the remaining portion of the amortized entrance fee will be applied to their monthly housing costs in Meadowbrook at the amortized rate. After the Entrance Fee is fully amortized, the resident is eligible for the prevailing discount (currently \$15 per day) on the daily Meadowbrook rate. The Entrance Fee rate schedule for the Traditional Contract Plan does not vary according to age.

The **90% Refundable** and **50% Refundable Contract Plans** require a higher Entrance Fee amount compared to the Traditional Contract Plan. The Entrance Fee refund is reduced each month of occupancy by 1.67% until the refund balance reaches either 90% or 50%, depending on the contract type. Like the Traditional Contract Plan, residents who choose the **90% Refundable** or **50% Refundable Contract Plan** would be eligible for the prevailing discount in Meadowbrook Health Center after 60 months of residency. The Entrance Fee of the refundable contract plans varies by age of the new resident. In the case of a dual occupancy, the Entrance Fee is determined based on the younger resident's age. Ask your marketing representative for an amortization schedule.

Q. When is the refunded portion returned?

A. With the **Traditional Contract Plan**, any applicable refund is calculated from the time of the last remaining occupant's death or withdrawal from Clark-Lindsey Village and release of the apartment. In the case of a permanent transfer to Meadowbrook Health Center, the refund is calculated as of the date of the permanent transfer. The refund continues to be held by Clark-Lindsey, however, and is credited to each monthly Meadowbrook invoice, pro rata, until the refund balance is zero.

With the **Refundable Contract Plans**, any applicable refund is payable the latter of either (a) the date that the apartment is resold/reoccupied, or (b) the death/withdrawal date of the last remaining occupant. No refund is payable at the time of permanent transfer to the health center.

Q. Do you have a refund schedule that would illustrate my refund at various periods within the contract?

A. Yes. Ask your marketing representative for a copy.

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Q. How are rates determined for the various Contract Plan options?

A. Entrance Fees for the **Traditional Contract Plan** are based on apartment type selected and number of occupants. The Entrance Fees for the **Refundable Contract Plans** are based on age in addition to the apartment type and number of occupants. Monthly Service Fees do not vary between contract types. They are based on apartment type and number of occupants. Should dual apartment occupancy change to single occupancy, the remaining resident would then qualify for the monthly service fee based on single occupancy.

Q. Do the traditional and refundable contracts enjoy the benefits of the Continuing Care concept?

A. Yes. Continuing Care means that Clark-Lindsey will provide housing for its residents as long as they live, even as their financial and health needs change over time. This provision exists whether you select the traditional or the refundable contract.

Q. Is there a tax benefit of any of the contract options?

A. Yes. All three contract options allow for a portion of your Life Residency Fee to be deducted as a prepaid medical expense if you itemize your deductions and your medical expenses are greater than 7.5%. We suggest you consult your tax advisor and reference the IRS Publication 502 to see what advantage this may have for you specifically.

Q. If I exhaust my financial resources, can I use the refundable portion of my contract to continue living at Clark-Lindsey?

A. Yes. If your financial resources are depleted through no fault of your own, all three contract types require you to use any available refund prior to utilization of Friendship Fund support.

Q. Does the monthly service fee vary depending on contract type?

A. No. Regardless of the contract type you select, the monthly service fees are the same.

Q. Can I start with one contract plan and then change to another?

A. Yes, but generally speaking it would not make financial sense to change your contract. If you wish to change contract types, you would be required to cancel your existing contract, reapply for residency, and execute a new contract, paying the prevailing Entrance Fee.

Q. What if I decide to leave The Village?

A. Any applicable refund from the **Traditional Contract Plan** is payable upon the death of the last remaining occupant, or withdrawal from Clark-Lindsey Village. Any applicable refund payable from the **Refundable Contract Plans** is the latter of either (a) the date that the apartment is resold/reoccupied, or (b) the death/withdrawal date of the last remaining occupant.

Q. Do I have priority access to Meadowbrook Health Center with each contract type?

A. Yes. Regardless of the contract type you select, Village residents have priority access to available care in Meadowbrook Health Center. Assisted living and skilled nursing care are provided on campus by licensed, professional nursing and therapeutic staff. A variety of therapy services are available at Renewal Therapy Center at Clark-Lindsey.