

KENDAL AT VENTURA, A KENDAL AFFILIATE

DEPOSIT AGREEMENT

This Deposit Agreement is made as of _____, 20__ between Kendal at Ventura (“KAV” or the “Applicant”), a California nonprofit public benefit corporation and _____ (“you”). (If more than one prospective resident enters into this Agreement, the term “you” shall refer to each person singly and to both persons together.)

RECITALS

A. Applicant plans to build a continuing care retirement community located at _____, Simi Valley, California (“Kendal at Ventura”), consisting of 240 independent living residences, 24 assisted living residences, and 16 memory support suites.

B. Applicant plans to provide residence, care and services to qualified persons aged sixty (60) years and older in accordance with California’s continuing care laws at Kendal at Ventura.

C. Applicant has applied to the California Department of Social Services (“DSS”) for a Permit to Accept Deposits and a Certificate of Authority to enter into continuing care contracts with residents who are interested in occupying residences at Kendal at Ventura.

D. KAV will serve as owner and operator of Kendal at Ventura. It is affiliated with The Kendal Corporation and San Francisco Zen Center, which are not co-applicants with KAV for the Certificate of Authority to enter into continuing care contracts with residents who are interested in occupying residences at Kendal at Ventura. The Kendal Corporation and San Francisco Zen Center will have no responsibility for the operation of Kendal at Ventura and have no specific functions under this Agreement.

E. On February 26, 2024, Applicant received from DSS a Permit to Accept Deposits from prospective residents of Kendal at Ventura.

F. Construction of Kendal at Ventura shall begin no later than thirty-six (36) months from the date that DSS issued the Permit to Accept Deposits to Applicant. Applicant estimates that construction of Kendal at Ventura will begin on April 1, 2026 and be completed by September 30, 2028.

G. You are interested in becoming a resident at Kendal at Ventura and in reserving one of the available residences. You are prepared to pay a Deposit to reserve a residence and, if accepted for admission, to execute a Residence and Services Agreement with Applicant and pay the applicable Entrance Fee and first month’s Monthly Fee before taking occupancy.

H. Applicant will reserve one of the available residences at Kendal at Ventura for you in return for the payment by you of a Deposit according to the terms of this Agreement.

IT IS THEREFORE AGREED:

AGREEMENTS

1. **Reservation of Residence.** In return for your payment of a Deposit (see Section 2.c) in accordance with the terms of this Agreement, Applicant will reserve residence number ____ (your “Residence”) for you and will notify you when it is ready for occupancy in accordance with Section 8 below.

2. **Payment Amounts.** You shall pay the following amounts as follows:

a. **Entrance Fee.** The sum of _____ dollars (\$_____) as an Entrance Fee (your “Entrance Fee”) to gain admission to Kendal at Ventura as a continuing care resident and to your Residence. The Entrance Fee shall be paid as follows:

b. **Reservation Fee.** If you previously executed a Reservation Fee Agreement with KAV, you have already paid a one thousand dollar (\$1,000) Reservation Fee according to the terms of that Agreement.

c. **Deposit.** You agree to pay a _____ dollar (\$_____) deposit (your “Deposit”) at the time you sign this Agreement.

d. **Entrance Fee Balance.** You will pay the balance of your Entrance Fee (the “Balance”) after: (i) a Provisional Certificate of Authority (“PCOA”) has been obtained by Applicant to enter into Residence and Services Agreements with prospective residents of Kendal at Ventura; (ii) your Residence is ready for occupancy; and (iii) you have been accepted for admission to Kendal at Ventura. You shall pay the Entrance Fee amount, minus your Deposit and accrued interest, if any, on such sum. The Balance shall be paid by check, draft, money order or wire transfer within thirty (30) days after receiving notice from Applicant.

3. **Form of Payment.** Your Deposit shall be paid in the form of cash (this includes a check, draft, money order, or ACH Debit). If you pay your Deposit by check, draft or money order you shall make your payment jointly to KAV and Escrow Agent (see Section 6). You shall make all other payments described in Section 2 and Section 4 directly to KAV.

4. **Monthly Fee.** You shall pay your first Monthly Fee on the date your Residence is made available to you for occupancy, unless otherwise agreed to by Applicant. The initial Monthly Fee for your Residence is currently _____ dollars (\$_____). The Monthly Fee will be subject to adjustment as provided in the Residence and Services Agreement. A schedule of projected Monthly Fees for Kendal at Ventura is attached as **Appendix A**.

5. **Application Processing Fee.** There shall be a processing fee of Three Hundred dollars (\$300) to cover the administrative costs of processing your application for residence at Kendal at Ventura, which is non-refundable except as described in Section 7.c below. In the event of a refund, your processing fee shall not accrue interest.

6. Escrow of Deposit Payments. Applicant has entered into a Deposit Escrow Agreement with U.S. Bank National Association, which is located at 633 West 5th Street, LM-DA-T24T Los Angeles, CA 90071 (“Escrow Agent”). That agreement provides for the escrow of your Deposit. An unexecuted copy of the Deposit Escrow Agreement is available upon request. The Escrow Agent will invest your Deposit in instruments guaranteed by the federal government or an agency of the federal government, or in investment funds secured by federally guaranteed instruments.

7. Refunds. Any refund paid to you under this Agreement will be made under the following terms and conditions:

a. If: (i) before the start of construction of Kendal at Ventura, you terminate this Agreement by written notice as provided in Section 11 below; or (ii) you fail to pay the Balance, then you shall receive a refund of your Deposit, with any accrued interest paid by the Escrow Agent on the cash portion of the Deposit. The refund shall be made within ten (10) days after receipt by you or Applicant of notice of termination of this Agreement. You shall not receive a refund of your processing fee.

b. If you terminate this Agreement after the start of construction and (i) you have deposited more than one thousand dollars (\$1,000) or five percent (5%) of the Entrance Fee, whichever is greater; and (ii) you have been notified by Applicant that construction of Kendal at Ventura has commenced, you will not be entitled to a refund of your Deposit until ten (10) days after: (1) DSS issues the PCOA; (2) another depositor has reserved your Residence and paid the necessary deposit; (3) you no longer meet the financial or health requirements for admission; or (4) DSS determines that Applicant has failed to meet the requirements of California Health and Safety Code Sections 1786 and 1786.2, which pertain to the issuance of a Provisional or Final Certificate of Authority to operate Kendal at Ventura as a continuing care retirement community. You shall not receive a refund of your processing fee.

c. If: (i) Applicant does not accept you for residency at Kendal at Ventura; (ii) Applicant terminates this Agreement for good and sufficient cause; (iii) you and Applicant do not enter into a Residence and Services Agreement for any reason other than that set forth in Section 7.a. above; (iv) you die before signing the Residence and Services Agreement; (v) Kendal at Ventura is not constructed by the estimated date of completion, and DSS determines that there is no satisfactory cause for the delay; or (vi) Applicant’s application for a PCOA is denied by DSS, then you shall receive a refund of your Deposit, plus the processing fee. Such refund shall be made within thirty (30) calendar days after receipt of notice from Applicant, notice of death or non-acceptance for residency and shall include accrued interest on the cash portion of your Deposit.

d. Your Deposit shall remain in escrow until: (i) DSS approves the release of escrow deposits to Applicant in accordance with California Health and Safety Code Section 1783.3(b) because it has met various construction, presales, licensing and marketing requirements; or (ii) your Deposit is refunded to you pursuant to Section 7.a., 7.b., or 7.c. above. Once released from escrow, your Deposit will not be protected by escrow.

8. Execution of Residence and Services Agreement. Applicant may execute Residence and Services Agreements (in substantially the form attached as **Appendix B**) with prospective residents of Kendal at Ventura only after they have received a PCOA from DSS. You will receive a written notice from Applicant ninety (90) days prior to the date that Applicant

expect to receive the PCOA from DSS. You will be asked to meet with Applicant and to enter into a Residence and Services Agreement within fifteen (15) days after the date that the PCOA is issued by DSS. Before you are entitled to enter into the Residence and Services Agreement, Applicant must determine that you qualify for residency at Kendal at Ventura and accept you for admission to Kendal at Ventura. If you do not execute a Residence and Services Agreement within the applicable timeframe, this Agreement will automatically terminate, unless Applicant, in its sole discretion, agrees in writing to an extension.

9. No Ownership or Management Interest. Your rights under this Agreement are limited to the rights expressly granted in this Agreement. If you are accepted for residency and execute a Residence and Services Agreement with Applicant, your rights will not include any managerial or ownership interest in your Residence, Kendal at Ventura, or Applicant. When you execute a Residence and Services Agreement, you will be given continuing care status at Kendal at Ventura and the right to exclusive use of your Residence on the terms and conditions set forth in the Residence and Services Agreement.

10. Liens and Charges. Applicant shall not pledge any amount received under this Agreement as collateral for a loan. Deposits made to the deposit escrow account shall not be subject to any liens, judgments, garnishments, or creditor's claims against Applicant or Kendal at Ventura. The deposits may not be subject to any liens or charges by the Escrow Agent.

11. Termination of Agreement.

a. You may terminate this Agreement at any time by giving written notice to Applicant at:

Kendal at Ventura
2655 First Street, Suite 100
Simi Valley, CA 93065
Attn: Director of Marketing

b. Applicant may terminate this Agreement by giving you ten (10) days' written notice at the last address on file with Applicant upon the occurrence of any event entitling you to a refund under Section 7 above, or if you fail to execute the Residence and Services Agreement described in Section 8 within the timeframe set forth in that Section.

c. If this Agreement is terminated under Section 11.a or b, you will receive a refund in accordance with Section 7.a., 7.b. or 7.c., depending on the timing and circumstances of the termination.

d. This Agreement shall terminate on the date that you sign a Residence and Services Agreement. In that case, the refund provisions set forth in that agreement shall apply with respect to your Deposit and any other payments made by you in accordance with the terms of that agreement.

12. Notice of Changes. If Applicant makes any material change to the application on file with DSS or in the proposed accommodations or services at Kendal at Ventura, they will notify you in writing of such change.

13. Amendment to Comply with Requirements of DSS. This Agreement may be modified by Applicant to comply with the requirements of DSS without any further consent or action by you. However, such modifications shall not change the Residence to be occupied by you, increase the amount to be paid by you for your Residence, change the time at which such amounts are payable, or adversely affect your right to terminate this Agreement. Applicant will notify you of any modification to this Agreement required by DSS.

14. Certification. By signing below, you certify that you have read and that you understand this Agreement and the attached Appendices.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PROSPECTIVE RESIDENT:

Signature: _____

Printed Name: _____

Date: _____

PROSPECTIVE RESIDENT:

Signature: _____

Printed Name: _____

Date: _____

**KENDAL AT VENTURA,
a California nonprofit public benefit
corporation:**

By: _____

Title: _____

Date: _____

Check All Applicable Boxes:

☐ **CHECK** _____ (Check Number) ☐ **DRAFT** ☐ **MONEY ORDER**

Bank or Depository: _____

Payment received by: _____ on _____, 20__.

APPENDIX A

KENDAL AT VENTURA

ESTIMATED PROJECTED MONTHLY FEES FOR FIRST FIVE YEARS OF OPERATION

(Note: These projected fees are an estimate only and are subject to change without notice. Actual fees may vary due to unexpected increases in operating costs and expenses.)

RESIDENCE TYPE	2028	2029	2030	2031	2032
1 BDRM 1 BATH	4,995	5,245	5,400	5,565	5,730
1 BDRM 1.5 BATH	5,695	5,980	6,160	6,345	6,535
1 BDRM W/ DEN	5,995	6,295	6,485	6,675	6,875
2 BDRM 2 BATH	6,495	6,820	7,025	7,235	7,450
2 BDRM DELUXE	6,995	7,345	7,565	7,790	8,025
2 BDRM W/ DEN	7,495	7,870	8,100	8,350	8,600
LARGE 2 BDRM W/ DEN	7,995	8,395	8,650	8,900	9,175

APPENDIX B

KENDAL AT VENTURA

DRAFT RESIDENCE AND SERVICES AGREEMENT