TO: EMERITUS CORPORATION
   dba MONROE HOUSE ASSISTED LIVING FACILITY
   300 JOHN CARPENTER FREEWAY
   SUITE LL-112
   IRVING, TX 75062

DATE ISSUED: JULY 27, 2011
CURRENT REFERENCE NO: 275-11
CONTRACT TITLE: ASSISTED LIVING SERVICES (RAFT)
PRIOR REFERENCE NO: 231-10

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above referenced contract. The contract term covered by this Notice of Award is effective IMMEDIATELY and expires on JULY 31, 2012.

This is the SECOND year award notice of a possible THREE year contract.

The contract documents consist of the terms, conditions, and specifications of Agreement No. 231-10 and the bid of the Contractor, incorporated herein by reference.

CONTRACT PRICING:

REFER TO ATTACHED AGREEMENT NO. 231-10

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: Bonnie Peterson
VENDOR TEL. NO.: 214-701-7249
VENDOR PAYMENT TERMS: NET 30
EMAIL ADDRESS: bonniep@nathansongroup.com
TAX IDENTIFICATION NUMBER (EIN/SSN): 20-3646757
COUNTY CONTACT: THOMAS GLEESON
COUNTY TEL. NO.: 703-449-6306

CONTRACT AUTHORIZATION

IVETTE GONZALEZ
Procurement Officer

DATE 7/27/11

DISTRIBUTION

VENDOR: 1
BID FOLDER: 2

L: /NO11/275-11
This Amendment Number 1 ("Amendment") is made on the date of execution of the Agreement Number 231-10 ("Main Agreement") and made between Emeritus Corporation DBA Monroe House Assisted Living Facility (hereinafter "Contractor"), 300 John Carpenter Freeway, Suite LL-112, Irving TX 75062 a Virginia limited corporation, authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia (hereinafter "County")

Whereas the County and the Contractor desire to amend the Contract Term under the Main Agreement, the Contractor and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

CHANGE THE CONTRACT TERM PARAGRAPH TO READ AS follows:

CONTRACT TERM
Work under this Agreement shall continue from August 1, 2011 until July 31, 2012 ("Second Subsequent Contract Term"), subject to any modifications as provided for in the Contract Documents. Upon satisfactory performance of the Contractor and with the concurrence of the Contractor, the County may, through issuance of an amendment executed by the parties, authorize continued operations of the Contractor under the same contract unit prices for not more than two (2) additional twelve (12) month periods from July 1, 2012 to June 30, 2014 (each period referred to as "Subsequent Contract Term").

Notwithstanding anything herein to the contrary, the Contract Amount for each extension period shall be in an amount not to exceed the funds appropriated for the service by the County Board of Arlington County, Virginia for the affected extension period.

Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Main Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.
WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: 

NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 7/27/11

EMERITUS CORPORATION DBA MONROE HOUSE ASSISTED LIVING FACILITY

TAXPAYER ID NO.
SSN/EIN: 91-1405464

AUTHORIZED SIGNATURE:

NAME: Tracy Allen
TITLE: Director Medicaid Services
DATE: 7/21/2011
AGREEMENT NO. 231-10

THIS AGREEMENT (hereinafter "Agreement") is made, on the date of execution by the County, between Emeritus Corporation DBA Monroe House Assisted Living Community (hereinafter "Contractor"), 300 John Carpenter Freeway, Suite 112, Irving, TX 75062 a corporation authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia (hereinafter "County") (collectively, "the parties"). The County and the Contractor, for the consideration hereinafter specified, agree as follows:

CONTRACT DOCUMENTS
The "Contract Documents" consist of this Agreement and Exhibit A (Scope of Work) and Exhibit B (HIPAA Business Associate Agreement). If the provisions of this Agreement and the other Contract Documents conflict, the provisions of this Agreement prevail.

SCOPE OF WORK
The Contractor agrees to perform the services described in the Contract Documents, consisting of Assisted Living Facility services for clients of the Northern Virginia Regional Older Adult Facilities Mental Health Support Program (hereinafter "RAFT"). Exhibit A contains the Scope of Work.

The Contract Documents set forth the entire agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to the parties' agreement which is not contained in the Contract Documents. The Contract Documents shall constitute "the Contract".

PROJECT OFFICER
The performance of the Contractor required by the Contract Documents is subject to the review and approval of the County's Project Officer (hereinafter "Project Officer"), who shall be appointed by the Director of the Arlington County Department of Human Services or the Director's designee. However, it shall be the responsibility of the Contractor to manage the details of its execution and performance of its work under the Contract.

CONTRACT AMOUNT
The County will pay the Contractor for the Contractor's completion of the work described and required in the Contract Documents. The RAFT program will provide funding for wrap-around services needed to make the placement of RAFT clients successful, up to a maximum daily rate of $130/day or $4,030/month for each bed occupied by a RAFT client (the "Contract Amount"). However, if the County increases or decreases the Contract Amount at any time during the contract term, the Contract Amount may be increased or decreased through the issuance of an additional County Purchase of Service Order ("POS") or County Purchase Order ("PO") to the Contractor.
CONTRACT TERM
Work under this Agreement will commence upon complete execution of this Agreement and will be completed no later than July 31, 2011. The time period from the date of execution to completion or July 31, 2011, whichever is sooner, shall constitute the "Initial Contract Term", subject to any modifications agreed to by the parties as provided for in the Contract Documents. No work shall be deemed complete until it is accepted by the Project Officer. The Agreement may be extended for up to four (4) one-year periods under the same terms and conditions, so long as both parties agree to each one-year extension in writing. The contract amount for the extension years shall be in an amount not to exceed the funds appropriated for the service by the County. The County will continue to pay for services for the RAFT clients placed with the Contractor at the current rates until a new agreement is reached. No retroactive rates will be paid by the County.

The Contractor has the right to elect not to extend the Contract beyond the then-current term. However, in the event the Contractor elects not to extend the Contract, the Contractor shall provide the County a written notice of its intent not to extend at least ninety (90) days before the expiration of the then-current term. The Contractor shall work cooperatively with the successor service provider to ensure that clients are safely transitioned to the successor service provider.

In the event the Contractor ceases operations, the Contractor shall provide the County a written notice of its intent to cease operations at least ninety (90) days before the cessation of operations. The Contractor shall work cooperatively with the successor service provider to ensure clients are safely transitioned to the successor service provider.

PAYMENT
Payment will be made monthly by the County to the Contractor within thirty (30) days after receipt by the Project Officer of an invoice for work performed which is reasonable and allocable to the Contract and which has been performed to the satisfaction of the Project Officer.

ADDITIONAL SERVICES
The Contractor shall not be compensated for any goods or services provided except those described in Exhibit A and paid for by the Contract Amount unless those goods or services are covered by a written amendment to this Agreement signed by the County and the Contractor, and a County PO is issued covering the expected cost of such services.

REIMBURSABLE EXPENSES
No expenses except those identified in this Agreement as project-related expenses will be reimbursed if incurred without the prior written approval of the County and the issuance of a County PO detailing the specific expenses to be incurred by the Contractor and the expenses' estimated amount. Payment for approved reimbursable expenses will be made within thirty (30) days after receipt by the Project Officer of a correct invoice identifying the nature of the expenses. Approved reimbursable expenses shall be charged to the County on a unit price basis at the Contractor's cost. Any amounts to be paid for the Contractor's out-of-pocket expenses shall be covered by the Contract Amount.

ARLINGTON COUNTY BUSINESS LICENSES
The Contractor must comply with the provisions of Chapter 11 ("Licenses") of the Arlington County Code.

NON-DISCRIMINATION NOTICE
The County does not discriminate against faith-based organizations.
COUNTY EMPLOYEES

No employee of the County shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom which is not available to the general public.

EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED

During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by Virginia or federal law related to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that the Contractor is an Equal Opportunity Employer.

C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990, which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly- and privately-provided services and activities.

E. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of more than $10,000.00, so that the provisions will be binding upon each subcontractor or vendor.

DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor’s employees; (ii) post in conspicuous places, including at least once at each workplace of the Contractor, and available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance, including marijuana, is prohibited in the Contractor’s workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of more than $10,000.00, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, “workplace” means any work site owned, operated, controlled, or utilized by the Contractor or any of its employees for any purpose whatsoever relating to their fulfillment of this Contract.
INDEMNIFICATION
The Contractor covenants to save, defend, hold harmless, and indemnify the County, and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards, and commissions (collectively "the County" for purposes of this section) from and against any and all claims made by third parties or by the County for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, claims, demands or losses, however caused, resulting from, arising out of, or in any way connected with the Contractor's acts or omissions in performance or nonperformance of its work called for by the Contract Documents. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after notice by the County to the Contractor, the Contractor fails or refuses to save, defend, hold harmless and/or indemnify the County, then Contractor shall be liable for and reimburse the County for any and all expenses, including, but not limited to, reasonable attorney's fees incurred and settlements or payments made.

ADJUSTMENTS FOR CHANGE IN SCOPE
The County may order changes in the work within the general scope of the work consisting of additions, deletions or other revisions. No claim may be made by the Contractor that the scope of the project or of the Contractor's services has been changed requiring adjustments to the amount of compensation due the Contractor, unless such adjustments have been made by a written amendment to the Contract signed by the County and the Contractor. If the Contractor believes that any particular work is not within the scope of the project or is a material change or otherwise will call for more compensation to the Contractor, then the Contractor must immediately notify the Project Officer of this belief, in writing. Within ten (10) days after any change or event which the Contractor believes calls for more compensation, the Contractor shall provide to the Project Officer a proposal for additional compensation, forthwith the amount of additional compensation claimed, together with the basis therefor and supportive documentation for the amount. The Contractor will not be compensated for performing any work unless a proposal complying with this paragraph has been submitted in the time specified above and a written amendment has been signed by the County and the Contractor, and a County PO is issued covering the cost of the services to be provided pursuant to the amendment. If the Project Officer believes that the work is within the scope of the Contract as written, the Contractor will be ordered to continue work.

FAILURE TO DELIVER
In case of failure by the Contractor to deliver goods or services in accordance with the Contract Documents, the County, after oral or written notice, may procure the same or similar goods or services from other sources and the Contractor shall be liable for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the County may have pursuant to this Contract or pursuant to law. The County shall be entitled to offset such costs against any sums owed by the County to the Contractor.

ETHICS IN PUBLIC CONTRACTING
This Contract incorporates by reference Article 9 of the Arlington County Purchasing Resolution, as well as any Virginia or federal law related to ethics, conflicts of interest, or bribery, including, by way of illustration and not limitation, the State and Local Government Conflict of Interests Act (Code of Virginia § 2.2-3100 et seq.), the Virginia Governmental Frauds Act (Code of Virginia § 18.2-498.1 et seq.), and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia, as amended. The Contractor certifies that its offer is made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor, and that it has not conferred on any public employee having official responsibility for this purchase or Contract any payment, loan, subscription, advance, deposit of money, services, or anything
of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

LIABILITY
The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to any strike, fire, riot, rebellion, or force majeure beyond the control of the Contractor that makes the Contractor’s performance of this Contract impossible or illegal, unless otherwise specified in this Contract.

The County shall not be held responsible for failure to perform its duties and responsibilities imposed by this Contract if such failure is due to any strike, fire, riot, rebellion, or force majeure beyond the control of the County that makes the County’s performance of this Contract impossible or illegal, unless otherwise specified in this Contract.

ASSIGNMENT
The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this Contract, without the prior written consent of the County.

APPLICABLE LAW
This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia, and the venue for any litigation with respect thereto shall be in the Circuit Court of Arlington County, Virginia, and in no other court. In performing its work under this Contract, the Contractor shall comply with all applicable federal, state, and local laws, ordinances and regulations.

AUTHORITY TO TRANSACT BUSINESS
By executing this Contract, the Contractor affirms that it is authorized to transact business in the Commonwealth of Virginia. The Contractor further affirms that its proper legal name is stated on page 1, above. The Contractor acknowledges that the County may require the Contractor to provide documentation from the Virginia State Corporation Commission that 1) clearly identifies the complete name and legal form (i.e. corporation, LLC, partnership, etc.) of the Contractor, and 2) establishes that the Contractor is authorized to transact business in the Commonwealth of Virginia. Failure of the Contractor to provide such documentation shall be grounds for cancellation of the award and this Contract.

HIPAA COMPLIANCE
The Contractor agrees to comply with all applicable legislative and regulatory requirements of privacy, security and electronic transaction components of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), including the updated guidance effective in September 2009.

EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED
In accordance with § 2.2-4311.1 of the Code of Virginia, as amended, the Contractor acknowledges that it does not, and shall not during the performance of this Contract, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

ANTI-TRUST
By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the County all rights, title, and interest in and to all causes of action the Contractor may now have or hereafter acquire under the anti-trust laws of the United States or the Commonwealth of Virginia, relating to the goods or services purchased or acquired by the County pursuant to this Contract.

RELATION TO COUNTY
The Contractor will be legally considered as an independent contractor, and neither the Contractor nor its employees will, under any circumstances, be
considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor or its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Further, the County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation, normally provided by the County for its employees.

ARLINGTON COUNTY PURCHASING RESOLUTION
The Contract is governed by the applicable provisions of the Arlington County Purchasing Resolution. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Purchasing Resolution, is fifteen (15) days. Procedures for considering contractual claims, disputes, administrative appeals, and protests are contained in the Purchasing Resolution, incorporated herein by reference, and available upon request from the Office of the Purchasing Agent.

ARBITRATION
It is expressly agreed that nothing under the Contract shall be subject to arbitration. and any references to arbitration are expressly deleted from the Contract.

PATENTS AND ROYALTIES
The Contractor covenants to save, defend, hold harmless, and indemnify the County, and all of its officers, officials, departments, agencies, agents, and employees (collectively the "County" for the purposes of this section) from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of this Contract, including its use by the County. If the Contractor uses any design, device, or materials covered by letters patent or copyright, it is mutually agreed and understood, without exception, that the Contract price includes all royalties or costs arising from the use of such design, device, or materials in any way involved with the work.

CONFIDENTIALITY AND RETURN OF RECORDS
The Contractor agrees that all findings, memoranda, correspondence, documents or records of any type, whether written or oral, and all documents generated by the Contractor or its subcontractors as a result of the County's request for services under this Contract, are confidential records ("Records") and that neither the Records nor their contents shall be released by the Contractor, its subcontractors, or other third parties; nor shall their contents be disclosed to any person other than the Project Officer or his or her designee. The Contractor agrees that all oral or written inquiries from any person or entity regarding the status of any Record generated as a result of the existence of this Contract shall be referred to the Project Officer or designee for response. At the County's request, the Contractor shall deliver all Records to the Project Officer, including "hard copies" of computer records, and at the County's request, shall destroy all computer records created as a result of the County's request for services under this Contract.

The Contractor agrees to include the provisions of this section as part of any contract or agreement the Contractor enters into with subcontractors or other third parties for work related to work pursuant to the Contract.

No termination of this Agreement shall have the effect of rescinding, terminating or otherwise invalidating this section.
PAYMENT OF SUBCONTRACTORS
The Contractor is obligated to take one of the two (2) following actions within seven (7) days after receipt of amounts paid to the Contractor by the County for work performed by any subcontractor under this Contract:

A. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or

B. Notify the County and the subcontractor, in writing, of the Contractor’s intention to withhold all or a part of the subcontractor’s payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in B., above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor’s obligation to pay an interest charge to a subcontractor pursuant to the above provisions may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

AUDIT
The Contractor agrees to retain all books, records and other documents related to this procurement for at least five (5) years after final payment, or until audited by the County, whichever is sooner. The County or its authorized agents shall have full access to and the right to examine any of the above documents during this period. If the Contractor wishes to destroy or dispose of records (including confidential records to which the County does not have ready access) after the County’s audit but within five (5) years after final payment, the Contractor shall notify the County at least thirty (30) days prior to such disposal, and if the County objects, shall not dispose of the records.

PROJECT STAFF
The County will, throughout the Initial Contract Term and any renewal term, have the right of reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If the County reasonably rejects staff or subcontractors, the Contractor must provide replacement staff or subcontractors satisfactory to the County in a timely manner and at no additional cost to the County. The day-to-day supervision and control of the Contractor’s employees, and employees of any of its subcontractors, shall be solely the responsibility of the Contractor.

SUPERVISION BY CONTRACTOR
The Contractor shall at all times enforce strict discipline and good order among the workers performing under this Contract, and shall not employ on the work any person not reasonably proficient in the work assigned.

SAFETY
The Contractor shall comply with, and ensure that the Contractor’s personnel and subcontracted personnel comply with, all current applicable local, state and federal policies, regulations and standards relating to safety and health, including, by way of illustration and not limitation, the standards of the Virginia Occupational Safety and Health program of the Department of Labor and

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Emeritus Corp. DBA Monroe House Assisted Living Community
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Industry for General Industry and for the Construction Industry, the Federal Environmental Protection Agency Standards, and the applicable standards of the Virginia Department of Environmental Quality.

The Contractor shall provide, or cause to be provided, all technical expertise, qualified personnel, equipment, tools and material to safely accomplish the work specified to be performed by the Contractor and subcontractor(s).

The Contractor shall identify to the County Project Officer at least one on-site person who is the Contractor's competent, qualified, and authorized person on the worksite and who is, by training or experience, familiar with policies, regulations and standards applicable to the work being performed. The competent, qualified and authorized person must be capable of identifying existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous or dangerous to employees, shall be capable of ensuring that applicable safety regulations are complied with, and shall have the authority and responsibility to take prompt corrective measures, which may include removal of the Contractor's personnel from the worksite.

The Contractor shall provide to the County, at the County's request, a copy of the Contractor's written safety policies and safety procedures applicable to the scope of work. Failure to provide this information within seven (7) days of the County's request may result in termination of the Contract.

NON-APPROPRIATION
All funds for payments by the County under this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County. In the event of non-appropriation of funds by the County Board for the goods and/or services provided under this Contract or substitutes for such goods and/or services which are as advanced or more advanced in their technology, the County will terminate the Contract, without termination charge or other liability to the County, on the last day of the then-current fiscal year or when the appropriation made for the then-current year for the services covered by this Contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County Board shall not be obligated under this Contract beyond the date of termination.

TERMINATION FOR CAUSE, INCLUDING BREACH AND DEFAULT: CURE
The Contract shall remain in force for the Initial Contract Term and any renewal term and until (1) the County determines that all requirements and conditions have been satisfactorily met, (2) the County has accepted the Contractor's work, and (3) the Contractor has met all requirements and conditions relating to the work under the Contract, including warranty and guarantee periods. However, the County shall have the right to terminate the Contract sooner if the Contractor is in breach or default or has failed to perform satisfactorily the work required, as determined by the County in its sole discretion.

If the County determines that the Contractor has failed to perform satisfactorily, then the County will give the Contractor written notice of such failure(s) and the opportunity to cure such failure(s) at least fifteen (15) days before termination of the Contract takes effect ("Cure Period"). If the Contractor fails to cure within the Cure Period or as otherwise specified in the notice, the Contract shall be terminated due to the Contractor's failure to provide satisfactory Contract performance. Upon such termination, the Contractor may apply for compensation for Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the County prior to such termination unless otherwise barred by the Contract ("Termination Costs"). Such request for Termination Costs, with
all supporting documentation, must be submitted to the Project Officer within fifteen (15) days after the expiration of the Cure Period. The County may accept or reject, in whole or in part, the application for Termination Costs and notify the Contractor of same within a reasonable time thereafter.

If the County terminates the Contract for default or breach of any Contract provision or condition, then the termination shall be immediate after notice from the County to the Contractor (unless the County in its discretion provides for an opportunity to cure) and the Contractor shall not be permitted to seek Termination Costs.

Upon any termination pursuant to this section, the Contractor shall be liable to the County for all costs incurred by the County after the effective date of termination including costs required to be expended by the County to complete the work covered by the Contract, including costs of delay in completing the work or the cost of repairing or correcting any unsatisfactory or non-compliant work. Such costs shall be either subtracted from any amount due the Contractor or shall be promptly paid by the Contractor to the County upon demand by the County. Additionally, and notwithstanding any provision in this Contract to the contrary, the Contractor is liable to the County (and the County shall be entitled to recover) all damages to which the County is entitled by this Contract or by law, including and without limitation, direct damages, indirect damages, consequential damages, delay damages, replacement costs, refund of all sums paid by the County to the Contractor under the Contract and all attorney fees and costs incurred by the County to enforce any provision of this Contract.

Except as otherwise directed by the County, the Contractor shall stop work on the date of receipt of notice of the termination or other date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the work not terminated, and terminate all vendors and subcontracts and settle all outstanding liabilities and claims.

In the event any termination for cause, default, or breach shall be found to be improper or invalid by any court of competent jurisdiction then such termination shall be deemed to have been a termination for convenience.

**TERMINATION FOR THE CONVENIENCE OF THE COUNTY**

The performance of work under this Contract may be terminated by the Purchasing Agent in whole or in part whenever the Purchasing Agent shall determine that such termination is in the County's best interest. Any such termination shall be effected by the delivery to the Contractor of a written notice of termination at least fifteen (15) days before the date of termination, specifying the extent to which performance of the work under this Contract is terminated and the date upon which such termination becomes effective. The Contractor will be entitled to receive compensation for all Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the County prior to such termination and any other termination costs as negotiated by the parties, but no amount shall be allowed for anticipatory profits.

After receipt of a notice of termination and except as otherwise directed, the Contractor shall stop all work on the date of receipt of the notice of termination or other date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as are necessary for
the completion of such portion of the work not terminated, immediately
transfer all documentation and paperwork for terminated work to the County;
and terminate all vendors and subcontracts and settle all outstanding
liabilities and claims.

**INSURANCE REQUIREMENTS**

The Contractor shall provide to the County Purchasing Agent a Certificate of
Insurance indicating that the Contractor has in force the coverage below prior
to the start of any work under this Contract. The Contractor agrees to
maintain such insurance until the completion of the Contract. All required
insurance coverage must be acquired from insurers authorized to do business in
the Commonwealth of Virginia and acceptable to the County. The minimum
insurance coverage shall be:

- Workers’ Compensation - Virginia statutory Workers Compensation (“W/C”)
coverage, including Virginia benefits and employer’s liability, with
limits of $100,000/$100,000/$500,000. The County will not accept W/C
coverage issued by the Injured Worker’s Insurance Fund, Towson, MD.

- Commercial General Liability - $1,000,000 combined single limit coverage
with $1,000,000 general aggregate covering all premises and operations
and including Personal Injury, Completed Operations, Contractual
Liability, Independent Contractors, and Products Liability. The general
aggregate limit shall apply to this Contract. Evidence of Contractual
Liability coverage shall be typed on the certificate.

- Additional Insured - The County Board of Arlington County, its officers,
elected and appointed officials, and employees, shall be named as an
additional insured in the Contractor’s Commercial General Liability
policy; evidence of the Additional Insured endorsement shall be typed on
the certificate.

- Cancellation - All insurance policies required hereunder shall be
endorsed to include the following provision: “It is agreed that this
policy is not subject to cancellation, non-renewal, material change, or
reduction in coverage until thirty (30) days prior written notice has
been given to the Purchasing Agent, Arlington County, Virginia.”

- Contract Identification - The insurance certificate shall state the
Contract’s number and title.

- Business Automobile Liability - $500,000 Combined Single Limit (Owned,
non-owned and hired).

- The Contractor shall carry Professional Liability insurance which will
pay for injuries arising out of errors or omissions in the rendering, or
failure to render, professional services or perform work under the
Contract, in the amount of $1,000,000.

The Contractor assumes all risks for direct and indirect damage or injury to
the property or persons used or employed on or in connection with the work
contracted for, and of all damage or injury to any person or property wherever
located, resulting from any action, omission, commission or operation under
the Contract, or in connection in any way whatsoever with the contracted work.

No acceptance or approval of any insurance by the County shall be construed as
relieving or excusing the Contractor from any liability or obligation imposed
upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the work performed under the Contract
Documents and every part thereof, and for all materials, tools, equipment,
appliances, and property of any description used in connection with the work.
The Contractor shall be as fully responsible to the County for the acts and
omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self insurance for all or any part of the insurance required, provided that the alternative coverage is submitted to and acceptable to the County.

NONEXCLUSIVITY OF REMEDIES
All remedies available to the County under the Contract are cumulative, and no remedy shall be exclusive of any other remedy available to the County at law or in equity.

AMENDMENTS
This Contract shall not be amended except by written amendment executed by persons duly authorized to bind the Contractor and the County.

SEVERABILITY
The sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared invalid by the valid judgment or decree of a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.

HEADINGS
Headings used in this Agreement are intended only as a matter of convenience and for reference, and they in no way define, limit or describe the scope or intent of this Agreement.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

EMERITUS CORPORATION DBA MONROE HOUSE
ASSISTED LIVING COMMUNITY

AUTHORIZED SIGNATURE: [Signature]
NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 9/9/10

AUTHORIZED SIGNATURE: [Signature]
NAME: Melanie Werdel
TITLE: Executive VP of Administration
DATE: 8/30/2010

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Emeritus Corp. DBA Monroe House Assisted Living Community
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EXHIBIT A

SCOPE OF WORK

The purpose of the Regional Older Adult Facilities Mental Health Support Program ("RAFT") is to provide on-site, comprehensive geriatric mental health services to residents of Northern Virginia who are age 65 years or older and who have a history of severe mental illness or dementia with behavior problems. These residents are either (1) in Eastern State Hospital or Piedmont State Hospital, or (2) in the counties of Arlington, Fairfax-Falls Church, Loudoun, and Prince William, and the City of Alexandria, and need diversion from state hospitalization. They must meet the residential requirements of an Assisted Living Facility ("ALF").

THE CONTRACTOR SHALL ADHERE TO THESE STANDARDS WHEN PERFORMING THE CONTRACT:

1. Discuss each and every referral with the RAFT Program Director at the time of the referral to make a decision regarding admission.

2. Provide all services and amenities normally associated with an ALF, as mandated by state Department of Social Services licensing regulations for ALFs.

3. Complete charting/documentation in the facility charts for all RAFT residents similar to any resident of any ALF as mandated by the Virginia Department of Social Services licensing regulations for ALFs.

4. Institute, maintain, and conduct administrative procedures and resident care protocols that are consistent with the procedures and protocols of the Virginia Department of Social Services licensing regulations for ALFs.

5. Provide a staffing ratio consistent with the Virginia Department of Social Services licensing regulations for ALFs.

6. Inform the County through RAFT of other ALF services and uncovered items and services to be provided by the Contractor's ALF.

7. Discuss RAFT clients with RAFT staff, as needed, in order to provide coordinated treatment to RAFT clients. Meet quarterly at the Contractor's ALF with RAFT staff to discuss the required written review of each RAFT client. Provide a copy of the written review of each RAFT client to the County through RAFT.

8. Notify RAFT staff no later than twenty-four (24) hours after a medical, behavioral, or any other licensing incident, and chart each such incident as mandated by the Virginia Department of Social Services licensing regulations for ALFs.

9. Inform the County through RAFT as soon as possible of any medical or behavioral change in any RAFT client.

10. Discuss, with RAFT staff, transfers of any RAFT clients to other care
11. Permit RAFT staff free and complete access to the Contractor's ALF twenty-four (24) hours per day.

12. Encourage the Contractor's personnel who provide services to RAFT clients to attend training provided by RAFT professional staff.

13. Provide verbal feedback, on an annual basis, to the RAFT Program Director regarding RAFT personnel who provide services to RAFT clients at the Contractor's ALF.

14. Resolve RAFT client complaints in accordance with policy and procedures of both the Virginia Department of Social Services and RAFT.

15. If the Contractor decides a RAFT client will no longer be able to reside in the Contractor's ALF due to the client's inability to follow the rules and regulations of the Contractor's ALF, the Contractor shall provide the County a written notice of the Contractor's intent to end the client's residence. The Contractor's notice shall allow ninety (90) days for the client to transition to another residence. The Contractor shall work cooperatively with RAFT to ensure that any such client is safely transitioned to another residence.

THE COUNTY'S CONTRACT RESPONSIBILITIES CONSIST OF THE FOLLOWING:

1. Be the initial point of contact for all RAFT referrals.

2. Discuss each and every RAFT referral with the Contractor's ALF Director to make a decision regarding admission.

3. Provide geriatric mental health services for all clients new to RAFT, and provide program direction, coordination, and evaluation for those geriatric mental health services.

4. Provide ongoing assessment, case management, therapy, psychiatric evaluation, medication monitoring, psychiatric hospital linkage, on-call consultation and discharge planning for each RAFT client.

5. Provide psychotropic medication orders on admission and communicate all new psychotropic medication orders to the Contractor's ALF on behalf of each RAFT client.

6. Contact the Contractor's ALF staff when changes occur with scheduled appointments for RAFT clients.

7. Provide feedback to the Contractor's ALF Director regarding the Contractor's ALF personnel who provide services to RAFT clients.

8. Collaborate with the Contractor's staff to transfer a client to the most appropriate level of care when a client's medical condition and/or behavior no longer fit the criteria for ALF support.

9. RAFT staff will be available to be on-site at the Contractor's ALF during business day hours 9:00 - 4:00 Monday through Friday on an "as-needed" basis and provide after-hours consultation 24 hours a day, 7 days a week.
10. Provide on-going consultation and training to the Contractor’s ALF personnel as needed.