

470 Manor Operating, LLC
470 Manor Avenue
Downingtown, PA 19335

A Licensed Continuing Care Retirement Community Providing
Independent Living
Personal Care
Nursing Care

DISCLOSURE STATEMENT

St. Martha Villa for Independent & Retirement Living
470 Manor Avenue
Chester County
Downingtown PA, 19335

December 31, 2024



THE ISSUANCE OF CERTIFICATE OF AUTHORITY BY THE INSURANCE DEPARTMENT OF PENNSYLVANIA DOES NOT CONSTITUTE THAT DEPARTMENT'S APPROVAL, NOR IS IT EVIDENCE OF, NOR DOES IT ATTEST TO, THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT.

TABLE OF CONTENTS

	Item	Page
I.	Information Summary	3-4
II.	Description of Facility	4
III.	Officers and Owners	5
IV.	Administration	5
V.	Affiliations	6
VI.	Description of Provider	6
VII.	Services	6-7
VIII.	Fees and Charges	7-8
IX.	Reserve Funding	8
X.	Certified Financial Statement	8
XI.	Right to Rescind	8
XII.	Admissions Agreement	9
XIII.	Escalation of Rents	9

Tab B1 – A brief biographical description of the Administrator, Director of Nursing, and the Medical Director

Tab B2 – A Copy of St. Martha’s Independent Living Resident Agreement

Tab B3 – The audited financial statements of St. Martha for the two most recently completed fiscal years

Tab B4 – The pro forma comparison of St. Martha’s budget to actual results with a budget for the upcoming year

Tab B5 – Notice of Right to Rescind

I. INFORMATION SUMMARY

1. Facility	St. Martha Villa for Independent & Retirement Living	470 manor Avenue Downingtown, PA 1935
2. Provider	470 Manor Operating, LLC	470 Manor Avenue Downingtown, PA 19335

3. **Admissions Contact** – Please call (610) 873-5300 and ask to speak to the Admissions Director.

4. **Property** – St. Martha Villa for Independent & Retirement Living (“St. Martha Villa”) offers independent living with an option to age in place by also providing personal care in the same living unit should this level of care become necessary. The personal care facility is a 120-unit facility in a three-story apartment style building situated on 61 acres in Chester County. Independent Living is offered from within these 120 personal care units on a space available basis. In addition, St. Martha Villa offers priority admission to its licensed 120 bed Skilled Nursing Facility which is also known as the Health Center and is locate on the same campus as the combination independent living and personal care facility. The total campus is comprised of approximately 61 acres. St. Martha Villa provides high quality health care in an atmosphere that is warm, comfortable and reassuring. Our greatest asset is our staff, highly trained and eager to be of service., they are gentle and tactful in their approach. By balancing professionalism with warmth and caring, we encourage residents to reach their full potential. Resident accommodations are cheerful, colorful, and designed for privacy in a pleasant, home-like atmosphere.

5. **Admission Age** – The minimum age for admission to the independent living units at St. Martha Villa is sixty years of age. If a spouse is under the age of sixty, they may be admitted along with the primary resident.

6. **Affiliations** - St. Martha Villa is a for-profit Pennsylvania limited liability company and has no affiliations with any religious, charitable, or non- profit organizations. The property on which the facility is situated is leased from an entity known as 470 Manor Realty, LLC. 470 Manor Realty, LLC shares partially overlapping ownership with 470 Manor Operating LLC.

7. **Resident Population-** Residents by type of accommodation are listed below.

	Units/Beds	Residents
Personal care	120	56
Independent Living	2	41
Skilled Nursing Facility	120	111

8. **Sample of Fees:** The following sample is based on leasing a studio or efficiency apartment as a day one independent living unit. One bedroom and two-bedroom apartments are also available at a higher cost. A full list of rates can be found at Section VIII to this Disclosure Statement and at Supplement “A”.

Please note: no entrance fee or any portion of any entrance fee will be accepted prior to the date of occupancy by any resident.

A. Private One Bedroom Single Occupancy: \$37,000 \$2,318. per mo.

B. Private One Bedroom Dual Occupancy: \$37,000 \$2765 per mo.

Rates are subject to change with written notice provided 30 days in advance of the change. Once a rate change has been made, this Disclosure Statement will be supplemented.

II. DESCRIPTION OF FACILITY

The Facility is St. Martha Villa for Independent & Retirement Living. St. Martha Villa offers independent living with an option to age in place by also providing personal care in the same living unit should this level of care become necessary. Entrance fees are due in full on the day of admission and not before. The personal care facility is a 120-unit facility in a three-story apartment style building situated on 61 acres in Chester County. In addition, St. Martha Villa offers priority admission to its licensed 120 bed skilled nursing facility which is located on the same campus as the combination independent living and personal care facility. The total campus is comprised of approximately 61 acres.

St. Martha Villa, in Downingtown PA, sits in the heart of Chester County. The area boasts many attractions such as shopping malls, beautiful parks and trails, delicious restaurants, and various activities. St. Martha Villa is located directly off of a main highway near the center of town. Residents and families enjoy easy access to the PA turnpike and the facility is just minutes from the Downingtown train station.

St. Martha Villa provides the highest quality health care in an atmosphere that is warm, comfortable, and reassuring. Our greatest asset is our staff, highly trained and eager to be of service, they are gentle and tactful in their approach. By complementing professionalism with warmth and caring, we encourage residents to reach their full potential. Resident accommodations are cheerful, colorful, and designed for privacy in a pleasant, home like atmosphere.

III. OFFICERS AND OWNERS OF ST. MARTHA VILLA

470 Manor Operating LLC d/b/a St. Martha Villa is comprised of two Members: Charles Edouard Gros with 85.71% direct ownership of the Provider; and Caroline G. Boehm with 14.29% direct ownership of the Provider. The Managing Member of 470 Manor Operating LLC is Charles-Edouard Gros.

Mr. Gros holds a Bachelor of Science Degree in Management and Marketing from Yeshiva University of New York and a Master's Degree in Public Health from the New York Medical College in Valhalla, NY.

Ms. Boehm earned a Bachelor of Arts Degree from Queens College in Queens, New York. In 2004 she earned a law degree from Columbia Law School in New York, New York. Upon graduation, she worked as an associate attorney for several major law firms in New York City before joining her present law firm, where she currently practices law in the field of Patents and Trademarks.

The Nursing Home Administrator is Rohan Blackwood and the Director of Nursing is Brandie Marino. Together, the Nursing Home Administrator and the Director of Nursing are responsible for the operation and management of the Facility. The Facility Medical Director is Dr. Vinod Kataria.

Unless disclosed herein, no officer, director, manager, or other person having 10% or greater beneficial or equity interest in the Provider, has 10% or greater interest in a professional service, firm, association, trust, partnership, or corporation which has or presently intends to provide goods, leases, or services to the facility of a value of \$500 or more, within any year.

None of the individuals listed above, including those listed at **Tab B1**, have been convicted of a felony or pled *nolo contendere* to a felony charge or have been held liable or enjoined in a civil action by final judgement involving fraud, embezzlement, fraudulent conversion, or misappropriation of property.

IV. ADMINISTRATION

470 Manor Operating LLC d/b/a St. Martha Villa is comprised of two Members: Charles Edouard Gros with 85.71% direct ownership of the Provider; and Caroline G. Boehm with 14.29% direct ownership of the Provider. The Managing Member of 470 Manor Operating LLC is Charles-Edouard Gros, who is also the sole Member of the Board of Managers.

The Nursing Home Administrator is Rohan Blackwood, and the Director of Nursing is Brandie Marino. Together these individuals are responsible for the operation and management of the Facility.

V. AFFILIATIONS

St. Martha Villa is a for-profit Pennsylvania limited liability company and has no affiliations with any religious, charitable, or non-profit organizations. The property on which the facility is situated is leased from an entity known as 470 Manor Realty, LLC. 470 Manor Realty, LLC is wholly owned by 470 Manor Ventures LLC which is indirectly owned by Charles-Edouard Gros, Caroline Boehm and others, and in which Charles-Edouard Gros is a Managing Member. In addition, from time-to-time, St. Martha Villa may purchase insurance coverage through a captive insurance company in which one or more of the facility members has an ownership interest of 10% or greater.

VI. DESCRIPTION OF PROVIDER

The Provider is 470 Manor Operating, LLC. 470 Manor Operating LLC d/b/a St. Martha Villa is comprised of two Members: Charles Edouard Gros with 85.71% direct ownership of the Provider; and Caroline G. Boehm with 14.29% direct ownership of the Provider. The Managing Member of 470 Manor Operating LLC is Charles-Edouard Gros, who is also the sole Member of the Board of Managers.

The real estate and assets relating to 470 Manor Operating LLC have been acquired by 470 Manor Realty, LLC as of November 3, 2014. The premises are leased from 470 Manor Realty LLC to 470 Manor Operating LLC. 470 Manor Realty, LLC is wholly owned by 470 Manor Ventures LLC, which is indirectly owned by Charles-Edouard Gros, Caroline Boehm, and others. Charles-Edouard Gros is a Managing Member.

470 Manor Realty, LLC originally purchased St. Martha Villa as a package of 6 long term care facilities from the Philadelphia Catholic Arch Diocese. A single loan was taken out for all six of the purchased facilities and was in the total amount of \$120,000,000.00. The loan was a syndicated loan led by KeyBank National Association. Now, the original KeyBank mortgage for the purchase of the premises in 2014 was refinanced through KeyBank and the U.S. Dept of Housing & Urban Development in 2017.

With a strong team of facility leadership in place the current ownership is looking forward to a long-term successful management and ownership of St. Martha Villa. With plans to build on an already stellar clinical reputation, St. Martha Villa is looking to partner with local Hospitals to create custom clinical programs for the community.

VII. SERVICES

St. Martha Villa offers its independent living and personal care residents a home like environment. The friendly staff at St. Martha Villa will also take care of daily tasks like lawn care/snow removal, and preventive maintenance. All these services are included as part of the maintenance fees charged to independent residents. In addition,

St. Martha Villa residents are provided one delicious meal a day as part of their monthly fee. Additional meals are available at a nominal cost.

Each apartment provides St. Martha Villa residents with their own privacy. Residents are encouraged to bring their own furniture and arrange their apartments as they wish. St. Martha Villa is equipped with a 24-hour security system and on-site staff members. These safeguards are in place to assist residents with emergencies.

St. Martha Villa provides heat and electricity with hot and cold water as part of the monthly fee. Also included are basic cable television services, as well as basic phone service. Unlimited local calling and long distance are offered at an additional charge as detailed in Supplement "A". In addition, replacement of equipment, such as appliances, is included. St. Martha Villa also provides furnishings in each unit, and basic housekeeping services, including providing linens and towels and the weekly laundering of linens and towels as part of the monthly fee. The Facility provides insurance on the grounds and buildings but advises residents to acquire their own insurance for their personal property. Transportation to doctor's appointments only is provided at the hourly rates published in this Disclosure Statement, under Supplement "A," as an attachment below. Monthly group trips to local Malls or other attractions are scheduled monthly and are provided free of charge. No other transportation services are provided.

St. Martha Villa's independent living leases are not life-care contracts. Residents moving from independent living to personal care at the Personal Care Residence or to the skilled nursing care at the Health Center are responsible for paying the monthly rates at the Personal Care Residence or the per-diem rates for skilled nursing center at the Health Center as the case may be. While residents who move from independent living to the Personal Care Residence or who are receiving skilled nursing at the Health Center are responsible for the per diem charges at the Health Center they are provided priority admission to the Health Center as part of their independent living resident agreement. *See*, St. Martha Villa's Independent Living Resident Agreement attached hereto at **Tab B2**.

VIII. FEES AND CHARGES - as of December 31, 2024

30 days' notice will be provided for any increases in rates and will be distributed to all CCRC residents and will be attached to the back of this Disclosure Statement as Supplement "B".

For Current Skilled Nursing Daily Room and Board Rates at the Health Center, Personal Care Monthly Room and Board Rates at the Personal Care Residence and Independent Living Rates please see Supplement "A."

Emergency nursing services as described in Section 3.2 of the Independent Living Resident Agreement are provided free of charge.

Please note: no entrance fee or any portion of any entrance fee will be accepted prior to the date of occupancy by any resident.

Dollar Increases in Rates Over the Last 5 Years

	2020	2021	2022	2023	2024
Skilled Nursing Facility (daily rates)	10-12	0	0	0	0
Personal Care (monthly rates)	0	223-296	0	0	0
Independent Living (increase in monthly maintenance fees)	74	0	0	0	0

IX. RESERVE FUNDING

St. Martha Villa will maintain such liquid reserves as are required by the Continuing Care Provider Registration and Disclosure Act (hereinafter “Act”). These funds are invested in financial instruments that are easily converted to cash such as Certificates of Deposit insured by insurance financial institutions, money market funds issued by a regulated investment company, other acceptable securities, and commercial paper to assure liquidity. Charles Edouard Gros is the managing member of 470 Manor Operating LLC d/b/a St. Martha Villa and is responsible for investing these funds.

X. CERTIFIED FINANCIAL STATEMENT

St. Martha Villa’s audited financial statements from the last two years are attached hereto as **Tab B3**. In addition, a spreadsheet comparing St. Martha Villa’s budget to actual results for its last completed fiscal year is attached as **Tab B4**. The spreadsheet includes a narrative statement highlighting the material differences between St. Martha Villa’s budget to its actual results for the applicable fiscal year. Finally, a budget for the fiscal year ending 2025 is also attached as **Tab B4**.

XI. RIGHT TO RESCIND

Prospective residents have the right to cancel the occupancy agreement by following the terms outlined in the notice attached as **Tab B5**.

XII. ADMISSIONS AGREEMENT

A Copy of the independent living resident agreement is attached hereto as **Tab B2**.

XIII. ESCALATION OF RENTS

Charges that are paid in one lump sum shall not be increased or changed during the duration of the agreed upon care, except for changes by State or Federal assistance programs.

RECEIPT

The undersigned hereby acknowledges delivery and receipt of St. Martha Villa for Independent & Retirement Living Disclosure Statement dated _____ and all attachments including a copy of the Independent Living Resident Agreement and the Notice of Right to Rescind.

Signature of Resident

Signature of Co-Resident (if applicable)

Signature of Responsible Party / Family Member (if applicable)

Date

SUPPLEMENT “A”



ST. MARTHA VILLA

FOR INDEPENDENT & RETIREMENT LIVING
A CONTINUING CARE RETIREMENT COMMUNITY

INDEPENDENT LIVING SCHEDULE OF CHARGES: CCRC

Effective: January 1, 2020

ACCOMMODATIONS:	MONTHLY FEE:	ENTRANCE FEE:
Standard Studio	\$1,557.00	\$25,000.00
Deluxe Studio	\$1,882.00	\$30,000.00
One Bedroom	\$2,318.00	\$37,000.00
Two Bedroom	\$2,711.00	\$50,000.00

SECOND PERSON MONTHLY FEE:
\$447.00

DINING SERVICES:

	Guest Meals (<i>Receptionist takes reservations</i>)	Additional Resident Meals
<i>Breakfast</i>	\$5.00	<i>Breakfast</i> \$3.00
<i>Lunch</i>	\$6.00	<i>Lunch</i> \$4.00
<i>Dinner</i>	\$12.00	
Delivery Charge	\$5.00	
<i>(If sick, no charge for 5 consecutive days)</i>		

RESIDENTIAL SERVICES/HOME CARE:

Additional Apartment Key	\$15.00
Additional Mail Key	\$15.00
Mail Box Lock & Key	\$125.00
Maintenance Request	\$25.00 per ½ hour plus cost of materials
Spot Shampoo	\$20.00 per ½ hour
Carpet Shampoo	\$100.00 (9'x12' area)
Nursing	\$25.00 per 15 minute visit
Resident Aide	\$15.00 per 15 minute visit
Laundry	\$13/load
Housekeeping	\$31.00 per hour
Seasonal Cleaning	\$75.00 (max 3 hours)
Transportation	\$10.00 (Zone 1) \$20.00 (Zone 2)
Medication Administration	<i>Tier 1:</i> \$15.00/day <i>Tier 2:</i> \$25.00/day <i>Tier 3:</i> \$35.00/day
Installation of Walker Skis	\$15.00

FINANCE DEPARTMENT:

Returned Check Charge	\$40.00
Late Payment Penalty	\$250.00

Resident Signature/Responsible Party

Date

Saint Martha Villa Representative

Date



ST. MARTHA VILLA

FOR INDEPENDENT & RETIREMENT LIVING
A CONTINUING CARE RETIREMENT COMMUNITY

MEMORY SUPPORT SCHEDULE OF CHARGES

Effective: January 1, 2020

ONE TIME NON-REFUNDABLE COMMUNITY FEE: \$3,000.00

ACCOMMODATIONS:

Studio Room

MONTHLY FEE:

\$5,740.00

SECOND PERSON MONTHLY FEE:

Studio: \$1,313.00

+ Additional level of care charges as per above (if applicable)

DINING SERVICES:

Guest Meals (*Receptionist takes reservations*)

Breakfast \$5.00

Lunch \$6.00

Dinner \$12.00

RESIDENTIAL SERVICES:

Additional Apartment Key \$15.00

Pharmacy Medications Billed with your pharmacy

Maintenance Request \$25.00 per ½ hour plus cost of materials

Spot Shampoo \$20.00 per ½ hour

Carpet Shampoo \$100.00 (9'x12' area)

Installation of Walker Skis \$15.00

FINANCE DEPARTMENT:

Returned Check Charge \$40.00

Late Payment Penalty \$250.00

Resident Signature/Responsible Party

Date

Saint Martha Villa Representative

Date

November 22, 2019



ST. MARTHA VILLA

FOR INDEPENDENT & RETIREMENT LIVING
A CONTINUING CARE RETIREMENT COMMUNITY

PERSONAL CARE SCHEDULE OF CHARGES

Effective: January 1, 2020

ONE TIME NON-REFUNDABLE COMMUNITY FEE: \$3,000.00

ACCOMMODATIONS:

Basic Personal Care (<i>Suite & Studio</i>)	\$4,686.00
Basic Personal Care (<i>Deluxe Studio</i>)	\$4,928.00
Basic Personal Care (<i>1 Bedroom</i>)	\$5,373.00
Basic Personal Care (<i>2 Bedroom</i>)	\$6,232.00

MONTHLY FEE:

LEVEL OF CARE:

Level I (<i>Medication Administration</i>)	\$15.00
Level II (<i>Med. Admin. & ADL's</i>)	\$21.60
Level III (<i>Med. Admin. & ADL's</i>)	\$35.00
Level IV (<i>Med. Admin. & ADL's</i>)	\$37.35

DAILY FEE:

SECOND PERSON MONTHLY FEE:

\$1,313.00

+ *Additional level of care charges as per above (if applicable)*

DINING SERVICES:

Guest Meals (<i>Receptionist takes reservations</i>)	
<i>Breakfast</i>	\$5.00
<i>Lunch</i>	\$6.00
<i>Dinner</i>	\$12.00

RESIDENTIAL SERVICES:

Additional Apartment Key	\$15.00
Personal Laundry	\$13.00 per load
- <i>Linens, towels (if ours) and light housekeeping are done for Residents at no additional cost</i>	
Pharmacy Medications	Billed with your pharmacy
Maintenance Request	\$25.00 per ½ hour plus cost of materials
Spot Shampoo	\$20.00 per ½ hour
Carpet Shampoo	\$100.00 (9'x12' area)
Transportation	\$10.00 (<i>Zone 1</i>) \$20.00 (<i>Zone 2</i>)
Installation of Walker Skis	\$15.00

FINANCE DEPARTMENT:

Returned Check Charge	\$40.00
Late Payment Penalty	\$250.00

Resident Signature/Responsible Party

Date

Saint Martha Villa Representative

Date



ST. MARTHA CENTER

FOR REHABILITATION & HEALTHCARE
A CONTINUING CARE RETIREMENT COMMUNITY

Skilled Nursing Facility Private Pay Rates – Room & Board

Semi-Private: \$350-\$370

Private: \$455

TAB B1

BRIEF BIOGRAPHICAL DESCRIPTIONS

The Director of Nursing at St. Martha Villa for Independent & Retirement Living is Brandie Leigh Marino. Brandie graduated from Brandywine School of Nursing, located in Coatesville, PA, with a Registered Nurse Degree in 2001. Ms. Marino obtained her Registered Nurse License from the PA State Board of Nursing, located in Harrisburg, PA, in 2001. Her employment record includes Director of Nursing at Sterling Healthcare & Rehab, Director of Nursing at Ware Presbyterian Village, Director of Nursing at Accelerate Nursing & Rehab, and Consultant at Upper Perks Partners Consulting.

The Medical Director at St. Martha Villa for Independent & Retirement Living is Dr. Vinod Kataria. Vinod graduated from the Nalanda Medical College of Magadh University located in Patna, India with a Doctor of Medicine Degree in 1979. Dr. Kataria completed his Residency at the United Hospital Medical Center located in Newark, New Jersey in 1986. He obtained his Medical License from the Commonwealth of Pennsylvania Department of State in Harrisburg, PA in 1986. Dr. Kataria obtained his Internal Medicine Board Certification, Geriatric Medicine Board Certification, and is a Certified Medical Director for Skilled Nursing Facilities. Dr. Kataria has been a Physician and Sole Practitioner since 1988, when he opened his own medical practice in West Chester, Pennsylvania.

The Nursing Home Administrator at St. Martha Villa for Independent & Retirement Living is Rohan Blackwood. Mr. Blackwood graduated from the University of Connecticut with a bachelor's degree in 2004. Mr. Blackwood obtained his Nursing Home Administrator License from the Bureau of Professional Affairs in Harrisburg, PA. Mr. Blackwood's employment record includes Administrator at Reliant Senior Care, Administrator at the Department of Military and Veterans Affairs, Administrator at Continuum Healthcare, and Administrator at Catholic Health Group.

TAB B2

ST. MARTHA VILLA FOR INDEPENDENT & RETIREMENT LIVING

INDEPENDENT LIVING LEASE AGREEMENT

TABLE OF CONTENTS

DEFINITIONS OF WORDS AND PHRASES

SECTION 1: LIVING ACCOMMODATIONS AND FACILITIES

- 1.1 Living Accommodations and Term**
- 1.2 Common Facilities**
- 1.3 Personal Care Facility**
- 1.4 Health Care Center**
- 1.5 Designated Occupancy Date**

SECTION 2: SERVICES

- 2.1 Utilities**
- 2.2 Assessments**
- 2.3 Telephone**
- 2.4 Cable Television**
- 2.5 Maintenance and Repair of Equipment**
- 2.6 Maintenance of Grounds**
- 2.7 Insurance**
- 2.8 Administration**
- 2.9 Foods and Meals**
 - (a) Resident Meals**
 - (b) Guest Meals**
- 2.10 Housekeeping**
- 2.11 Transportation**
- 2.12 Parking**
- 2.13 Additional Miscellaneous Services**
- 2.14 Changes in Service**
- 2.15 Emergency Nursing Services**

SECTION 3: HEALTH AND PERSONAL CARE SERVICES

- 3.1a Personal Care Provided Within Living Unit and its Attendant Costs**
- 3.1 The Health Care Center**
- 3.2 Emergency Health Care Services**
- 3.3 Temporary Nursing or Companion Services in the Living Unit**
- 3.4 Hospitalization**
- 3.5 Accident or Illness Away from Community**
- 3.6 Mental Illness and Other Limitations on Care**
- 3.7 Costs in the Health Center or by provision of Personal Care within Living Unit**
 - (a) Exclusions (not covered by Monthly Fee)**
 - (b) Ancillary Services**
 - (c) Living Unit Reservation Costs**
 - (i) Temporary Transfer**
 - (A) Single Occupancy**

- (B) Double Occupancy
- (ii) Permanent Transfer
- (A) Single Occupancy
- (B) Double Occupancy

SECTION 4: FEES

- 4.1 Entrance Fees
- 4.2 Amortization of Entrance Fee
- 4.3 Use of Entrance Fee
- 4.4 Fee for Optional/Additional Furnishings or Appliances
- 4.5 Monthly Fee
 - (a) Amount
 - (b) Payment and Due Date
 - (c) No Adjustments in Monthly Fee
- 4.6 Other charges
- 4.7 Co-Resident's Fee Responsibility
- 4.8 Service Charge for Late Payment
- 4.9 Disclosure of Financial Information
- 4.10 Comment RE: 40 P.S. Section 3214(a)(11)

SECTION 5: CIRCUMSTANCES UNDER WHICH RESIDENT WILL BE PERMITTED TO REMAIN IN UNIT IN THE EVENT OF FINANCIAL DIFFICULTIES

- 5.1 Inability to Pay -- Deductions From Any Unamortized Portion of the Entrance Fee

SECTION 6: MARRIAGE AND/OR ADDITIONAL OCCUPANTS

- 6.1 Non-Resident
- 6.2 Other Living Unit Resident
- 6.3 In the Case of Personal Care Provided Within the Unit

SECTION 7: TERMINATION OF AGREEMENT

- 7.1 Termination by Resident
 - (a) Rescission Period
 - (b) Prior to Occupancy
 - (c) After Occupancy
 - (d) Inability to Occupy Due to Illness or Death
- 7.2 Termination by Community
 - (a) Prior to Occupancy
 - (b) After Occupancy
- 7.3 Termination by Death
- 7.4 Surrender

SECTION 8: LEVEL OF CARE TRANSFERS OR TRANSFERS TO AN OUTSIDE FACILITY

- 8.1 Conditions of Living Unit Occupancy
- 8.2 Decision to Transfer
 - (a) Authority to Transfer
 - (b) Role of Community's Medical Director
- 8.3 Transfer Within the Community's Facilities
 - (a) Personal Care Provided Within Living Unit
 - (b) Transfer to the Health Center
- 8.4 Transfer to Hospital or Other Outside Facility
- 8.5 Costs Related to Transfer to an Outside Facility

- (a) Single Occupancy
- (b) Double Occupancy
- 8.6 Release of or Return to Living Unit After Transfer
 - (a) Temporary Transfer
 - (b) Permanent Transfer

SECTION 9: LIMITED REFUND OF ENTRANCE FEE

- 9.1 Termination Before Occupancy
- 9.2 Termination for Any Reason Other Than Death
- 9.3 No Accrual of Interest
- 9.4 Conditions and Due Date for Refund Payments
- 9.5 Distribution of Refund Upon Death

SECTION 10: LIMITED OPTION TO MOVE TO ANOTHER LIVING UNIT

- 10.1 Option After Occupancy
- 10.2 Costs of Election to Move
- 10.3 Option to Move

SECTION 11: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE

- 11.1 Legal Guardian
- 11.2 Will and Funeral Arrangements
- 11.3 Advance Directives
 - (a) Power of Attorney
 - (b) Living Will

SECTION 12: RIGHTS AND OBLIGATIONS OF RESIDENT

- 12.1 Right of Self-Organization
- 12.2 Right to Receive Disclosure Statements
- 12.3 Guest Privileges
- 12.4 Rights to Property/Subordination
- 12.5 Inspection of Living Unit and Right of entry
- 12.6 Housekeeping/Housecleaning Responsibilities
- 12.7 Health Insurance and Third Party Payments
 - (a) Required Insurance
 - (b) Assignment of Required Insurance and Third Party Payments
- 12.8 Automobile Insurance
- 12.9 Reduction of Income or Other
- 12.10 Medical Examinations
- 12.11 Responsibility for Property Damage to Community
 - (a) Responsibility for Condition of Living Unit Upon Termination
 - (b) Property Damages Caused by Resident
- 12.12 Release Regarding Conduct of Other Residents or Guests
- 12.13 Responsibility for Resident's Personal property
- 12.14 Rules, Regulations, Policies and Procedures
- 12.15 Rights of Resident Are Personal and Non-Transferable

SECTION 13: AVERAGE ANNUAL COST OF PROVIDING SERVICES

SECTION 14: SEVERABILITY

SECTION 15: ACTS OF FORBEARANCE

SECTION 16: ENTIRE AGREEMENT

SECTION 17: INDEMNIFICATION

SECTION 19: SUBROGATION

SECTION 19: NOTICE

SECTION 20: MISCELLANEOUS PROVISIONS

- 20.1 Resident's Continuing Disclosure Obligation**
- 20.2 Receipt of Disclosure Statement and Resident Handbook**
- 20.3 Community's Modification of Agreement and Policies**
- 20.4 Binding Effect**
- 20.5 Governing Law**
- 20.6 Non-Waiver of the Continuing Care Provider Registration and Disclosure Act of 1984**

NOTICE OF RIGHT OF RECISSION

DEFINITIONS OF WORDS AND PHRASES

SECTION A

ADDITIONAL OCCUPANT: An individual who, after Resident takes occupancy applies and is accepted for admission to the Community to occupy as a Co-Resident the living unit.

ASSIGNMENT OF INSURANCE: The granting of authority to the Community to apply for and collect insurance benefits from Resident's insurance carrier(s) for services furnished to Resident or on Resident's behalf by the Community.

CHIEF EXECUTIVE OFFICER OR CEO: The individual responsible for the day-to-day operations of the Community.

CONTINUED CARE: The provision by the Community of living accommodations and care for Resident in a living unit and, if available, in the Personal Care Residence or Health Center, until termination of this Agreement.

CO-RESIDENT: One of two individuals who signs as Resident to occupy initially one living unit.

DAILY ROOM AND BOARD RATE: The daily charge for routine health care services. It does not include charges for ancillary or miscellaneous services. Routine health care services are in semi-private accommodations. There is an additional charge for private accommodations.

DESIGNATED OCCUPANCY DATE: The date designed by the Community on which Resident must accept occupancy of the living unit.

DOUBLE OCCUPANCY: Two individuals initially residing in a living unit as co-Residents.

DOUBLE OCCUPANCY FEE: The additional fee for a second occupant of the living unit. This charge is included in the Monthly Fee.

ENTRANCE FEE: The charge for admission to the Community. The amount of the Entrance Fee is based on the type of the living unit.

HEALTH CENTER: The licensed skilled nursing care facility of the Community.

LIVING ACCOMMODATION: The living unit, or Personal Care room or nursing care bed provided for occupancy by Resident.

LIVING UNIT: A room or combination of rooms in the Community provided for occupancy by Resident that does not include nursing facility or Personal Care services.

MEDICAL DIRECTOR: The physician designed by the Community to supervise the

medical affairs of the Community and residents.

MONTHLY FEE: The monthly charge for occupancy of a living unit. The amount of the Monthly Fee is based on the number of occupants and the size of the living unit. In situations of double occupancy, it includes the Double Occupancy Fee.

OCCUPANCY: The right to possession and use of the living accommodation.

RATE SCHEDULE: The Community publication reflecting current charges for services rendered by Community.

REFURBISHMENT FEE: The charge for transferring and moving from the living unit designated under this Agreement to another living unit.

RESERVATION FEE: The fee paid for placement of applicant's name on the Waiting List which assures priority access to the designated living unit over other applicants.

RESIDENT HANDBOOK: The Community publication reflecting the rules, regulations, policies and administrative procedures of the Community. Resident is obligated to comply with the Community's rules, regulations, policies and procedures reflected in this publication. The Resident Handbook should not be construed as a contract. It does not grant any contractual rights, and it is subject to change from time to time.

SINGLE OCCUPANCY: One individual initially residing in the living unit.

SURRENDER: To cease to occupy a living accommodation, to remove all possessions from it, and to return all keys for it.

**THE COMMUNITY
RESIDENCY AGREEMENT**

THIS RESIDENCY AGREEMENT (called "Agreement"), made this _____, 20__ between 470 Manor Operating, LLC d/b/a St. Martha Villa for Independent & Retirement Living (also called the "Community") and

_____ (called "Resident", and when two individuals sign this Agreement for double occupancy, they are called collectively "Residents: where the context permits, and individually "Co-Resident) for admission of Resident to the Community for occupancy.

RECITALS:

The COMMUNITY consisting of a licensed health care facility and a licensed personal care facility which includes independent living units for residents who do not require nursing facility or personal care services; and,

Resident has applied for admission to the COMMUNITY; and,

The COMMUNITY has reviewed and accepted Resident's application subject to the execution of this Agreement.

In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, the Community and Resident agree as follows:

SECTION 1: LIVING ACCOMMODATIONS AND FACILITIES

1.1 Living Accommodations and Term.

The Community shall provide Resident with the living accommodations, specifically unit number _____ at the combination independent and personal care facility on the campus of St. Martha Villa for Independent & Retirement Living with a mailing address of 490 Manor Avenue, Downingtown, PA 19335 (hereinafter "Unit") and common facilities and services specified in this Agreement, beginning on the Designated Occupancy Date or actual date of occupancy, whichever is earlier, and continuing until the termination of this Agreement.

1.2 Common Facilities.

Resident may use in common with others the social and recreational facilities, grounds, and other facilities provided by the COMMUNITY for all residents.

1.3 Personal Care.

The Community shall at all times maintain its license to operate a 128 unit apartment style personal care facility at the COMMUNITY. Once a Resident's needs meet licensure requirements for this level of care as determined by the Community subject to State review, this level of care will be provided to the Resident at the Unit for an additional charge. This additional fee is outlined in the Community's annual disclosure statement filed with the Pennsylvania Department of Insurance each year and

which is furnished to all residents each year and is referenced as “Personal Care” in Section VIII. This paragraph is subject to the provisions of Section 8 of this agreement, below.

1.4 Health Care Center.

The Community shall operate a 120 bed skilled nursing facility on the same campus, with an address of 470 Manor Avenue, Downingtown, PA 19335, for the delivery of health care services, which shall be available on a priority access basis to Residents whose care needs meet licensure requirements for this level of care as determined by the Community subject to State and Federal review (hereinafter “Health Center”).

1.5 Designated Occupancy Date.

The Community expects that a placement will be available for the Resident’s occupancy ____ (the “Designated Occupancy Date”). The obligation to pay the Monthly Fee shall begin on the Designated Occupancy Date or upon occupancy, whichever is earlier, and the Entrance Fee is not due until the date of occupancy.

SECTION 2: SERVICES

2.1 Utilities.

The Community shall provide hot and cold water, heat, electricity, sewer and weekly refuse collection at a designated location. These services are included in the Monthly Fee.

The Community reserves the right to establish maximum usage levels on utilities, and to charge Resident for any excessive or unreasonable usage.

2.2 Assessments.

The Community may be assessed real estate taxes. Real estate taxes are included in the Monthly Fee. Monthly fee adjustments will reflect any increase in future assessments. Payment of a pro-rata portion of any real estate tax assessment does not give the Resident any interest in the land, improvements, or real estate of the Community.

2.3 Telephone.

The Community shall provide each Resident with basic telephone service hookup. All basic telephone service charges, including connection charges, are not included in the Monthly Fee.

2.4 Cable Television.

Basic cable television is included as part of the Monthly Fee. The Community shall provide Residents with access to cable television connection(s) with basic cable service as disclosed in the Community’s annual Disclosure Statement filed with the Department of Insurance and a copy of which was provided and is available to any continuing care Resident upon request.

2.5 Maintenance and Repair of Equipment.

The Community shall provide necessary repairs, maintenance and replacement of the Community's property, equipment and appliances. Repairs, maintenance, and replacement of Resident's property and furnishings shall be the responsibility of Resident and are not included in the Monthly Fee. Redecoration will be at the discretion of The Community and will be implemented as part of the Community's preventive maintenance program and is included in the Monthly Fee.

2.6 Maintenance of Grounds.

The Community shall provide grounds keeping, lawn care, snow removal and grounds lighting. These services are included in the Monthly Fee.

2.7 Insurance.

The Community shall provide insurance on the Community's property only. Resident is responsible to insure personal property and for the cost of such insurance.

2.8 Administration.

The Community shall provide administrative support services to implement the provisions of this Agreement. Administrative services are included in the Monthly Fee.

2.9 Food and Meals.

(a) Resident Meals. The Community shall make available three meals a day in the Community's dining facilities or, as necessary because of Resident's health, in the Resident's room. All meals are provided at an additional fee.

(b) Guest Meals. Guest meals will be available at an additional charge at rates determined by the Community.

2.10 Housekeeping.

Residents are required to provide their own linens. The Community shall provide self-service laundry centers on each floor of The Residence equipped with automatic washers, supplies and dryers for Resident use at no additional cost.

2.11 Transportation.

The Community shall make available transportation services to doctor appointments only for an hourly fee as provided for in the Community's annual Disclosure Statement filed with the Department of Insurance and a copy of which was provided and is available to any continuing care resident upon request. Monthly group trips to local Malls or other attractions are scheduled monthly and are provided free of charge. No other transportation services are provided.

2.12 Parking.

The Community shall provide one parking space for each living unit. Authorization for parking is contingent upon Resident registering the automobile with the Community.

2.13 Additional Miscellaneous Services.

Other miscellaneous services are available as part of the Monthly Fee or at an additional charge as provided for in the Community's annual Disclosure Statement filed with the Department of Insurance and a copy of which was provided and is available to any continuing care resident upon request.

2.14 Changes in Service.

The Community reserves the right to alter services and will provide thirty (30) days advance notice of any changes in services.

2.15 Emergency Nursing Services.

Emergency nursing intervention or initial nursing assessment by the Community in the event of an accident/emergency is available and will be provided at no additional cost.

SECTION 3: HEALTH AND PERSONAL CARE SERVICES

3.1a Personal Care Provided Within Living Unit and its Attendant Costs

The Community shall at all times maintain its license to operate a 128 unit personal care facility at the COMMUNITY and for the Unit. Once a Resident's needs meet licensure requirements for this level of care as determined by the Community as outlined in Section 8 of this Agreement and subject to State review, this level of care will be provided to the Resident within their Unit for the COMMUNITY'S then prevailing monthly fees for personal living care. The Resident will be required to execute the Community's personal care agreement then in effect. The prevailing personal care monthly rates are outlined in the Community's annual disclosure statement filed with the Pennsylvania Department of Insurance each year and which is furnished to all residents each year. Ancillary charges are not included in the personal care monthly rate and will be provided at an additional fee. Ancillary services include the following: routine nursing care services in the Health Center, therapist, or rehabilitation services, physician services, diagnostic services, dental services, drugs and medications, private duty nurses or companions, care for psychiatric conditions, podiatry, refractions, eyeglasses, hearing aids, orthopedic appliances, incontinence supplies, specialized treatment or any other health or medical service not provided under this Agreement. Upon execution of the Community's personal care agreement then in effect, as contemplated by this paragraph, any unamortized portion of the entrance fee shall be promptly refunded to the Resident.

3.1 The Health Center

The Community shall operate the Health Center and shall make available on a priority access basis and at an additional charge routine health care for temporary or permanent illnesses. Resident shall sign an Admission Agreement upon transfer to the health facility. There is no guarantee that space will be available in the Community's Health Center at such time as Resident may require personal or nursing care services. Any unamortized portion of the entrance fee shall be promptly refunded to the Resident.

3.2 Emergency Nursing Services.

Emergency nursing intervention or initial nursing assessment by the Community in the event of an accident/emergency is available and will be provided at no additional cost. Further information concerning the Community's health care service is contained in the Resident Handbook.

3.3 Temporary Nursing or Companion Services in the Living Unit.

The use of private duty nurses, companions or individuals providing personal services must be approved in writing by The Community. All private duty nurses or companions must provide the Community with an appropriate Release and Indemnification Agreement, as well as proof of liability insurance as a condition of the Community's approval. Resident must make all arrangements and is responsible to pay the cost for such services. To the extent required by law, Resident may be required to provide worker's compensation insurance. The Community reserves the right to approve/disapprove all nurses and companions and to prohibit the use of such services.

3.4 Hospitalization.

The Community does not provide hospital or acute care. The Community will arrange for the prompt transfer of Resident to a hospital on order of a physician. The costs of ambulance or emergency transportation for transfer to a hospital or other acute care provider and the costs of such hospitalization and acute care are not included in this Agreement and shall be the responsibility of Resident.

3.5 Accident or Illness Away from The Community.

In the event Resident suffers an accident or illness while away from the Community, and resident relies on health care and support services available in the area where the accident or illness occurred, Resident's health insurance or other personal resources available to Resident must be used for payment for such services.

3.6 Mental Illness and Other Limitation on Care.

The Health Center and Personal Care Residence are not designed to care for persons who are afflicted with serious mental illness or who require specialized psychiatric care or services not authorized or permitted under the health centers or Personal Care licensure regulations. If the Community determines that Resident's mental or physical condition is such that Resident's, or in the case of double occupancy, one Co-Resident's continued presence in the Community is either dangerous or detrimental to the life, health, safety of Resident, or in the case of double occupancy, a Co-Resident, or other Residents or the peaceful enjoyment of the Community by other Residents, the Community may transfer Resident or in the case of double occupancy a Co-Resident, to an appropriate outside care facility. The Community's determination shall be made in writing and signed by the Medical Director and the CEO or designee of the Community. If the transfer is for a temporary period, then the Resident shall continue to pay the applicable Monthly Fee and also shall be responsible to pay for the cost of Resident's or in the case of double occupancy, Co-Resident's care in such other facility. If the transfer is to be permanent, then the termination provisions of this Agreement shall apply, except that only such notice of termination as is reasonable under the circumstances shall be given in any situation where the Resident is a danger to self or others, or to the health, safety or peace of the Community.

3.7 Costs in the Health Center.

(a) Exclusions (not covered by the Monthly Fee). There will be an additional charge for all personal, medical, health and nursing care services. The cost of nursing care services are not included in the Monthly Fee, and Resident shall be responsible to pay the charges and costs for all health and related services, including, but not limited to routine nursing care services in the Health Center, therapist, or rehabilitation services, physician services, diagnostic services, dental services, drugs and medications, private duty nurses or companions, care for psychiatric conditions, podiatry, refractions, eyeglasses, hearing aids, orthopedic appliances, incontinence supplies, specialized treatment or any other health or medical service not provided under this Agreement. Resident shall pay the Daily Room and Board Rate for Health Center services as that charge is reflected in the Description of Current Charges and Fees in the Community's Disclosure Statement. The Community, not Resident, shall be liable to another health care provider (including an employee or subcontractor of the Community) for health care services that the Community agrees to furnish under this Agreement in consideration of Resident's payments of the Entrance Fee and other periodic fees.

(b) Ancillary Services. All miscellaneous charges and fees for ancillary services not covered or included in the Daily Room and Board Rate are an additional charge and shall be paid by Resident. A description of the routine health care services covered by and included in the Daily Room and Board Rate and ancillary services not covered by or included in the Daily Room and Board Rates in contained in the Community's current Disclosure Statement.

(c) Living Unit Reservation Costs. Resident shall pay the then current Daily Room and Board rate for routine personal services or services at the health center as reflected in the Disclosure Statement and the charges for reserving the living unit as set forth below.

(i) Temporary Transfer.

(A) Single Occupancy. During any period of temporary transfer, Resident shall be charged and shall pay the Daily Room and Board Rate for routine care at the Health Center and any other additional charges for ancillary or miscellaneous services in the Health Center, and shall continue to pay the then current applicable Monthly Fee for reservation of the living unit. There will be no reduction in the Monthly Fee upon temporary transfer to the Health Center. The Community reserves the right to declare the transfer permanent at any time in accordance with Section 8.2 of this Agreement.

(B) Double Occupancy. During the period of temporary transfer, the Co-Resident in the Health Center shall be charged and shall pay the then current Daily Room and Board Rate for routine nursing care, and any other additional charges for ancillary or miscellaneous services. The Co-Resident remaining in the living unit shall be charged and shall pay the Monthly Fee for Single Occupancy. In the event both Co-Residents are temporarily transferred, each Co-Resident shall be

charged and shall pay the Daily Room and Board Rate for nursing care services and any additional charges for ancillary or miscellaneous services in the Health Center, and collectively shall be charged and shall pay the then current Monthly Fee for Single Occupancy. Each Co-Resident remains jointly and severally liable for each other's charges. The Community reserves the right to declare any transfer permanent at any time in accordance with Section 8.2 of this Agreement.

(ii) Permanent Transfer.

(A) Single Occupancy. Upon the permanent transfer of Resident to the Health Center, and subsequent surrender of the Living Unit, the obligation to pay the Monthly Fee shall cease, and the Resident shall pay only the Daily Room and Board Rate for nursing care services. Upon permanent transfer of the Resident to the status of providing personal care from within the living unit as described in Paragraph 3.1(a), above, the Resident will be responsible for paying the amount reference as "Personal Care", and the other additional charges for ancillary or miscellaneous services, as outlined in Section VIII to the Community's annual Disclosure Statement filed with the Department of Insurance which are made available to all Residents pursuant to paragraph 12.2 of this Agreement. Any unamortized portion of the entry fee shall be promptly refunded to the Resident in the case of permanent transfer.

(B) Double Occupancy. At the time one Co-Resident is permanently transferred to the Health Center, the Monthly Fee for the living unit shall be reduced to the Monthly Fee for Single Occupancy. The Co-Resident in the Health Center shall be charged and shall pay the applicable Daily Room and Board Rate for routine nursing care and any additional charges for ancillary or miscellaneous services, and the Co-Resident remaining in the living unit shall be charged and shall pay the Monthly Fee for Single Occupancy. In the event both Co-Residents are permanently transferred to the Health Center, each Co-Resident shall be charged and shall pay the Daily Room and Board Rate for nursing care services and any other additional charges for ancillary or miscellaneous services. Each obligation to pay the Monthly Fee shall cease upon permanent transfer of both Co-Residents and surrender of the living unit. At the time one Co-Resident is permanently transferred the status of providing personal care in the living unit as described in Paragraph 3.1(a), above, only that Co-Resident shall pay Resident will be responsible for paying the amount referenced as "Personal Care", and the other additional charges for ancillary or miscellaneous services, as outlined in Section VIII to the Community's Annual Disclosure Statement filed with the Department of Insurance which are made available to all Residents pursuant to paragraph 12.2 of this Agreement. In the event both Co-Residents are permanently transferred to the status of providing personal care from within the living unit as described in Paragraph 3.1(a), above, each Co-Resident will be responsible for paying the amount referenced as "Personal Care", and the other additional charges for ancillary or miscellaneous services, as outlined in Section VIII to the Community's annual Disclosure Statement filed with the Department of Insurance which are made available to all Residents pursuant to paragraph 12.2 of this Agreement. When both Co-Residents permanently transfer either to the Health Center or to the status of proving personal care from within the living unit, an unamortized portion of the entrance fee shall be promptly refunded.

SECTION 4: FEES

4.1 Entrance Fees.

Entrance Fee.

The amount of the Entrance Fee is based on the type of living unit selected. Resident shall pay to the Community the sum of \$ _____ as an Entrance Fee. The Entrance Fee or any portion of the Entrance Fee will not be accepted prior to the date of occupancy by the resident even though this Agreement may have been executed in advance of that date.

4.2 Amortization of Entrance Fee.

The Entrance Fee shall be amortized and earned by the Community at the rate of twenty (20%) percent each year pro-rated monthly for a period of five years from the date of occupancy. At the conclusion of the five year amortization period, the Entrance Fee shall be earned by the Community.

4.3 Use of Entrance Fee.

The entire Entrance Fee after payment shall be used by the Community for any corporate purpose and in any manner deemed appropriate by the Community in its sole and absolute discretion consistent with law. No portion of the Entrance Fee shall be held in Trust for Resident and the Community assumes no fiduciary obligations to Resident with respect to any amounts paid for admission to or continued occupancy in the Community. However, unamortized portions of the Entrance Fee described in Paragraph 4.2, above, shall be refundable to the Resident should the Resident elect to cancel this Agreement, if the Resident moves to a higher level of care or if this Agreement is otherwise properly cancelled pursuant to its terms.

4.4 Fee for Optional/Additional Furnishings or Appliances. If applicable, the fee of \$ _____ for any optional or additional furnishings or appliances, must be paid on or before the Designated Occupancy Date or prior to occupancy, whichever is earlier.

4.5 Monthly Fee.

(a) Amount. Resident shall pay to the Community a Monthly Fee of \$ _____ in advance each month for **SINGLE** occupancy of the living unit. The amount of the Monthly Fee is based on the number of occupants of the living unit. In situations of Double Occupancy, the Monthly Fee includes the Additional Occupant Fee. At the Resident's option, when personal care is needed, the Resident may elect to stay in the unit and pay an additional fee depending on the severity of the care needed. An explanation and description of the additional personal care fees published in the Community's annual disclosure statement filed with the Department of Insurance which are made available to all Residents pursuant to paragraph 12.2 of this Agreement. 30 days prior written notice shall be provided prior to an increase in the Monthly Fee.

(b) Payment and Due Date. Payment of the first Monthly Fee is due on the date Resident accepts occupancy or the Designated Occupancy Date, whichever is earlier. The Monthly Fee shall be pro-rated if Resident assumes occupancy after the first of the month. Resident shall receive a monthly invoice on or about the third day of each subsequent month. All subsequent Monthly Fee payments are due on the seventh day of each month thereafter. All subsequent Monthly Fee or other charges for care or for miscellaneous or ancillary services are not paid within thirty (30) days of the due date, then, subject to Section 5 of this Agreement or as it may be periodically revised, the Community may elect to exercise its available rights and remedies under this Agreement, including termination.

4.6 Other Charges.

The monthly invoice shall reflect all other charges for routine nursing care and for miscellaneous, ancillary or other services in addition to the Monthly Fee. Payment for all other charges also is due on or before the seventh day of the month of the receipt of the invoice.

4.7 Co-Resident's Fee Responsibility.

In situations of Double Occupancy, each Co-Resident, shall be jointly and severally liable for all payments due under this Agreement. If one Co-Resident dies or leaves the facility, the remaining Co-Resident shall be responsible for payment of the applicable Monthly Fee and any other charges.

4.8 Service Charge For Late Payment.

A service charge of one and one-quarter (1 ¼%) percent per month will be added to amounts part due in excess of thirty (30) days. Resident is obligated to pay all actual attorneys fees and costs relative to the collection of any amounts past due in excess of ninety (90) days.

4.9 Disclosure of Financial Information.

The Community reserves the right to require Resident upon request to update the financial information disclosed in the application for admission.

4.10 Comment RE: 40 P.S. Section 3214(a)(11)

Pursuant to 40 P.S. Section 3214(a)(11), to the extent this Agreement contains charges for care paid in one lump sum, they shall not be increased or changed during the duration of the agreed upon care, except for changes required by State or Federal assistance programs. In addition, THE COMMUNITY shall not seek to enter into any addendum to this Agreement which will seek to alter any lump sum payment for care made or which seeks to charge a lump sum payment for care.

SECTION 5: Circumstances Under Which Resident Will be Permitted to Remain in Unit in the Event of Financial Difficulties

5.1 Inability to Pay -- Deductions from any Unamortized Portion of the Entrance Fee.

If Resident's income and assets are no longer sufficient to pay the Monthly Fee and any other financial obligations under this Agreement, then the Community shall deduct from any funds otherwise due Resident as a refund, amounts necessary to fulfill all of Resident's financial obligations under this Agreement. Resident hereby authorizes such deductions from any unamortized portions of the Entrance Fee. The Community shall make such deductions from any refunds otherwise due under this Agreement at such time as any amounts due the Community under this Agreement have been unpaid for more than thirty (30) days from the payment due date. The Community shall continue to make such deductions from any amounts otherwise due as a refund under this Agreement on a monthly basis to offset any unpaid financial obligations of resident until all funds otherwise due Resident as a refund have been exhausted and paid to the Community. The Community offers no other financial assistance to the Resident and reserves the right to terminate this Agreement should the Resident exhaust all financial resources.

SECTION 6: MARRIAGE AND/OR ADDITIONAL OCCUPANTS.

6.1 Non-Resident.

In the event that a single Resident wishes to marry or have another person not admitted to the Community under a residency Agreement share Resident's living unit as a Co-Resident, the proposed Additional Occupant must file an application for admission and meet all age, medical and other requirements for admission applicable to Residents of the living unit. Admittance of an Additional Occupant shall be at the sole discretion of the Community. If the proposed Additional Occupant receives approval to occupy the living unit, this Agreement will be amended and the Additional Occupant shall pay one-half of the Entrance Fee in effect at the time Additional Occupant moves into the living unit. The Entrance Fee paid by the Additional Occupant shall be amortized at the rate of twenty (20%) percent per year from the date of occupancy. After the lapse of five (5) years or upon the death of Additional Occupant the Entrance Fee shall be earned in full by the Community. In the event that the Additional Occupant dies or otherwise terminates Additional Occupant's agreement with the Community during the five (5) year amortization period, any applicable refund shall be paid to the Additional Occupant or his/her estate. In the event that the proposed Additional Occupant does not meet the requirements for admission, then the proposed Additional Occupant may request admission under such other terms and conditions as may be acceptable to the Community. If an agreement cannot be reached regarding the admission of the proposed Additional Occupant, Resident may exercise the option to terminate this Agreement in accordance with its termination provisions.

6.2 Other Resident.

In the event that Resident desires to marry another Resident admitted under a separate residency Agreement, and, thereafter, occupy a single living unit, Resident first must select and designate in writing at least sixty (60) days in advance of the proposed move, which one of the living units occupied by each Resident, shall be

thereafter occupied jointly. The living unit not designated for joint occupancy must be surrendered on or before the date of the proposed move to the designated living unit. Upon transfer, the Monthly Fee for double Occupancy of the designated or alternative living unit shall be paid. The residency Agreements shall be amended to reflect the change in the living unit, the change in the Monthly Fee, and any other matters reasonably necessary for the transfer of the Resident to the designated or alternative living unit. Upon transfer to the designated or alternative living unit, any unamortized portion of the Entrance Fee paid by the Resident shall continue to be amortized and shall be subject to refund only in accordance with the refund provisions of this Agreement relating to Co-Residents.

6.3 In the Case of Personal Care Provided Within the Unit

In the event that Resident desires to marry a Resident of the Personal Care Residence admitted under a separate Personal Care Admission Agreement, Resident first must provide the Community with notice in writing at least sixty (60) days in advance of the proposed transfer of the Personal Care Resident to the living unit. The Resident occupying the Personal Care Residence and intending to transfer must be capable of satisfying the health and other conditions of occupancy of the living unit. If the Resident proposing to transfer cannot satisfy the conditions of occupancy of the living unit as determined in the sole discretion of the Community, the Community reserves the right to deny the request to transfer to the living unit. If the Community denies the request to transfer, Resident may request transfer to the Personal Care Residence or alternatively may exercise the option to terminate this Agreement in accordance with its termination provisions. The transfer fee then in effect must be paid prior to the transfer of the Additional Occupant from the Personal Care Residence to the living unit. The transfer fee is subject to change from time to time by the Community. Upon transfer, the Monthly Fee for double occupancy of the living unit shall be paid. The Residency Agreement shall be amended to reflect the Co-Residency of the additional occupant, the change in the Monthly Fee, and any other matters reasonably necessary for the transfer. Any unamortized portion of the Entrance Fee paid by Resident shall continue to be amortized and shall be subject to refund only in accordance with the refund provisions of this Agreement relating to Co-Residents.

SECTION 7: TERMINATION OF AGREEMENT

7.1 Termination by Resident

(a) Rescission Period. Resident may terminate this Agreement within seven (7) days of execution by signing the attached Notice of Right of Rescission and delivering it to the Community. In addition, in the event Resident dies before the Designated Occupancy Date, or through illness, injury, or incapacity is precluded from becoming a Resident under the terms of this Agreement, this agreement is automatically rescinded and a full refund shall issue to Resident, Resident's legal representative, or Resident's estate as the case may be as per the terms of 40 P.S. § 3214(c).

(b) Prior to Occupancy. After the lapse of the seven (7) day

rescission period, but prior to the Designated Occupancy Date, Resident may terminate this Agreement by delivering written notice to the Community prior to occupancy. In such event, this agreement is automatically rescinded and a full refund shall issue to Resident, Resident's legal representative, or Resident's estate as the case may be as per the terms of 40 P.S. § 3214(c).

(c) After Occupancy. After the Designated Occupancy Date, Resident may terminate this Agreement by delivery of written notice to the Community at least thirty (30) days prior to termination, and by the surrender of the living accommodation. Termination shall be effective after the lapse of the thirty (30) day notice period and surrender of the living accommodation. Any unamortized portion of the Entrance Fee, as described in Section 4, above, shall be refunded to the Resident.

(d) Inability to Occupy Due to Illness or Death. This Agreement will be automatically rescinded if the Resident dies before occupancy date, or through illness, injury or incapacity is precluded from becoming a resident under the terms of this Agreement and the Resident or his legal representative shall receive a full refund of all moneys paid to the facility, except those costs specifically incurred by the facility at the request of the resident.

7.2 Termination by Community

(a) Prior to Occupancy. The Community may terminate this Agreement at any time prior to occupancy by providing written notice to Resident prior to the Designated Occupancy Date if for whatever reason the Community elects to discontinue operations. All payments, including the Reservation Fee, shall be refunded to Resident.

(b) After Occupancy. The Community may terminate this Agreement upon a determination of just cause and delivery of thirty (30) days written notice or such written notice as is reasonable under the circumstances to Resident or Resident's representative, subject to any additional laws or regulations then in effect. Just cause shall include, but not be limited to, a default in payment subject to Section 5 of the Agreement, the submission of any materially false information in the application documents, the failure of Resident to abide by the Community's rules, regulations, policies and procedures, the breach of any of the other terms of this Agreement, or a good faith determination in writing signed by the medical director and the administrator of the facility that continued occupancy in the living accommodation by Resident creates a serious threat or danger to the life, health, safety or peaceful enjoyment of Resident or other Residents or persons in the Community as per the terms of 40 P.S. § 3214(d). The refund provisions of this agreement shall apply to terminations for just cause in the same manner as such provisions would apply to any other termination. Nothing in this subsection shall limit the Resident's rights of continued occupancy under the separate admission agreements for the Health Center or the Personal Care Facility and the laws and regulations limiting cause for transfer or discharge of Health Center or Personal Care Residents.

7.3 Termination by Death.

Following the death of Resident this Agreement shall terminate when the living accommodation has been surrendered to the Community. In the even there is any remaining unamortized portion of the entrance fee left as described in Section 4, above, it will be promptly refunded to the Resident.

7.4 Surrender.

The obligation to pay the Monthly Fee shall continue until the living unit has been surrendered by Resident, or in the case of death, by the estate or family of Resident. Surrender of the living accommodation shall be complete when Resident has ceased to occupy it, and Resident or Resident's estate or family has removed all possessions from it, and has turned over the Community the keys for it.

SECTION 8: LEVEL OF CARE TRANSFERS OR TRANSFER TO AN OUTSIDE FACILITY

8.1 Conditions of Living Unit Occupancy.

Resident shall have the right to occupy the living unit for so long as Resident satisfies the health and other conditions of occupancy. Continued occupancy of the living unit shall, in general, be controlled by the Resident's physical and mental condition. The Community may require Resident to obtain at Resident's expense at least one annual medical examination, or letter from Resident's attending physician confirming that Resident does not need personal or health center services, and can otherwise satisfy the Community's conditions for living unit occupancy.

8.2 Decision to Transfer.

(a) Authority to Transfer. The Community may transfer Resident from and between the living unit and the Health Center or provide Personal Care within the living unit, or any other appropriate care facility if it determines that such a move or increase in care should be made because of the health of the Resident, for the proper operation of the Community, to comply with regulations of the Pennsylvania Department of Public Welfare, the Pennsylvania Department of Health, the Pennsylvania Insurance Department, local regulations of the Fire Department, or any other duly constituted authorities or agencies, or otherwise to meet the requirements of law. The decision as to whether a transfer or provide increased care from within the living unit shall be deemed temporary or permanent shall be made by the Community in its sole discretion, except where limited by law or regulation then in effect. The Community shall consider the opinion of Resident and the advice of a family representative, if available, and, if requested and at the Resident's expense, a private physician. The opinion of Resident and the advice of family and Resident's physician is advisory only and shall not be binding on the Community. The Community's decision regarding the temporary or permanent nature of any transfer or provision of increased care from within the living unit may be made prior to sixty (60) days from the date of transfer or at any other time deemed appropriate by the Community.

(b) Role of the Community's Medical Director. The Community has

a medical doctor licensed to practice medicine in the Commonwealth of Pennsylvania as the Community's Medical Director. Upon certification by the Community's Medical Director that Resident is no longer capable of satisfying the conditions for occupancy of the living unit and is in need of health center or related care, Resident or Resident's next of kin, legal representative or agent acting on Resident's behalf, will be notified by the Community that arrangements will be made for Resident's immediate transfer to the Health Center, the provision of increased care from within the living unit, or other appropriate care facility. The Community shall not be liable for acting in accordance with the certification of the Medical Director or attending physician.

8.3 Transfers Within the Community's Facilities.

(a) Personal Care Provided Within Living Unit If Resident becomes ill or incapacitated, and in the opinion of the Community's CEO or designee, with the advice of the Community's Medical Director, that the Resident is in need of personal care, it will provide such personal care services to Resident in their current living unit. Such care will be subject to an additional fee as described in paragraph 3.1(a), above. Such action will only be taken upon certification by the Community's Medical Director that Resident is no longer capable of satisfying the conditions for occupancy of the living unit solely on an independent living basis and is in need of personal care. Resident or Resident's next of kin, legal representative or agent acting on Resident's behalf, will be notified by the Community that arrangements will be made for providing personal care in the Resident's unit. The Community shall not be liable for acting in accordance with the certification of the Medical Director or attending physician.

(b) Transfer to Health Center. If Resident becomes ill or incapacitated, and in the opinion of the Community's CEO or designee, with the advice of the Medical Director, the Resident requires nursing care, such care will be available on a priority access basis in the Health Center either on a temporary or permanent basis. If the Community's CEO or designee determines that the health of the Resident is such the occupancy in the Health Center will be permanent, Resident's living unit will be released (if not occupied by a Co-Resident) and made available for occupancy by another. In the event that the Community decides that the transfer is permanent, Resident shall surrender the living unit and cause his/her personal possessions to be removed with thirty (30) days of notice of the Community's decision. This paragraph is subject to the provisions of Section 7, above.

8.4 Transfer to Hospital or Other Outside Facility.

In the event that hospitalization or outside care of the Resident becomes necessary as determined by the Community's Medical Director, Resident will be transferred to a hospital or other acute or outside health care provider. In the event Resident's mental, emotional or physical condition deteriorates to a degree that in the professional opinion of the Medical Director, Resident's presence in the Community is deemed detrimental to the health, safety or peace of other residents, the Community may transfer Resident to an appropriate outside care facility. The Community's CEO or designee with the advice of the Medical Director may declare Resident's living unit vacant (unless occupied by a Co-Resident) if Resident has been transferred to an outside health care or other special service facility or hospital for

health conditions which, in the opinion of the Medical Director or Resident's physician, require permanent or prolonged residence in the outside facilities (i.e. generally sixty (60) days or more). Resident shall surrender the living unit and cause Resident's personal possessions to be removed from the living unit within thirty (30) days after notice of Community's determination that the transfer will be permanent. This paragraph is subject to the provisions of Section 7, above.

8.5 Cost Related to Transfer to an Outside Facility.

(a) Single Occupancy. During any temporary transfer to a hospital or outside facility, Resident shall continue to pay the Monthly Fee and additionally all costs and charges related to the transfer to and occupancy of the outside facility or hospital. Upon permanent transfer to an outside facility, and after surrender of the living unit, the obligation to pay the Monthly Fee shall end and this Agreement shall terminate. Any refund due shall be paid in accordance with the refund provisions of this Agreement. Resident is obligated to pay the charges for transfer to and occupancy of any outside facilities including the charges for care in an outside personal or nursing care facility resulting from a transfer because of insufficient space in the Community's Health Center.

(b) Double Occupancy. During any temporary transfer of one Co-Resident to a hospital or any outside facility, the Monthly Fee for double occupancy shall continue to be due and payable. Upon the permanent transfer of one Co-Resident to an outside facility, the Monthly Fee shall be reduced to the Monthly Fee for single occupancy of the applicable living unit. In the event both Co-Residents are temporarily transferred to an outside facility, the Monthly Fee for double occupancy shall continue to be due and payable. In the event both Co-Residents are permanently transferred to an outside facility, then, after the surrender of the living unit, the obligation to pay the Monthly Fee shall end and this Agreement shall terminate. Any refund due shall be paid in accordance with the refund provisions of this Agreement. Resident is obligated to pay all costs and charges related to the transfer to and occupancy of the outside facility or hospital, including care in an outside personal or nursing care facility resulting from a transfer because of insufficient space in the Community's Health Center.

8.6 Release of or Return To Living Unit After Transfer.

(a) Temporary Transfer. If Resident is admitted temporarily to the Health Center or a hospital or other outside facility or provided temporary personal care from within the living unit, with a medical prognosis of recovery and return to health consistent with the conditions of living unit occupancy either on an independent basis or a reduced personal care basis, then Resident shall retain possession of the living unit for the purpose of resuming residence. During any period of temporary transfer to the Health Center or to personal care provided from within the unit, Resident shall pay the costs for retaining the living unit set forth in Section 3.7 of this Agreement. During any period of temporary transfer to a hospital or other outside facility, Resident shall pay the costs for retaining the living unit set forth in Section 8.5 above. Resident may return to the living unit at such time as the Community determines that Resident can satisfy the conditions of occupancy.

(b) Permanent Transfer. If transfer to the Health Center or a hospital or other appropriate outside facility exceeds sixty (60) days, or if at an earlier time the Community determines that Resident will not be able to satisfy the conditions of occupancy so as to resume residence in the living unit, the Community shall have the right to declare the living unit vacant (unless occupied by a Co-Resident) and release the living unit to another. Resident shall surrender and vacate the living unit within thirty (30) days of written notice of the Community's decision to permanently transfer Resident and release the living unit. If, in the Community's opinion, Resident subsequently recovers sufficiently to satisfy the conditions of occupancy of an living unit, the Community in the exercise of its discretion shall make available as soon as reasonably practicable a living unit with a floor plan comparable to the one relinquished. Resident shall be obligated to pay a refurbishment fee prior to re-occupancy which fee is subject to change from time to time. This paragraph is subject to the provisions of Section 7, above.

SECTION 9: LIMITED REFUND OF ENTRANCE FEE

Upon termination of this Agreement, Community shall refund the Entrance Fee in accordance with the following provisions:

9.1 Termination Before Occupancy.

Because no entrance fees are taken until the Designated Occupancy Date, the Resident may terminate this agreement at any time before occupancy without penalty. If the termination occurs within seven (7) days after execution of this Agreement, the contract may easily be terminated by mailing the Notice of Right of Rescission attached to the bottom of the Agreement. If the Resident wishes to terminate this Agreement for any period longer than seven (7) days before occupancy, the Resident can cancel by providing written notice at the address indicated in the "Notices" Section of this Agreement, and, again, this termination will be without penalty of any kind.

9.2 Termination for Any Reason Other than Death.

The Entrance Fee, except as provided in Section 9.5 relating to termination by death of Resident, shall be amortized and accrue to the benefit of the Community at the rate of twenty (20%) percent per year pro-rated monthly for a period of five (5) years from the Designated Occupancy Date or date of occupancy, whichever is earlier. After the lapse of five (5) years, the Entrance Fee shall be earned in full by the Community and no part of it will be refunded. In the event of termination by reason other than death of the Resident during the five (5) year amortization period, any unamortized amounts pro rated on a monthly basis, less any amounts deducted to cover costs incurred by the Community to refurbish, restore or repair the living unit in the event of unreasonable wear and tear, or to cover costs incurred at the specific request of Resident, or to satisfy unpaid charges, shall be refunded to Resident in accordance with Section 9.4.

9.3 No Accrual of Interest.

No interest will accrue to the benefit of Resident on any amounts required to be refunded under this Agreement, and no interest will be paid on termination.

9.4 Conditions and Due Date for Refund Payments.

Prior to the Designated Occupancy Date, all applicable refunds will be made after termination and within sixty days of Resident's request. After the Designated Occupancy Date, all applicable refunds will be made only after the Resident's, or in situations of double occupancy, both Co-Residents', vacated living unit has been reoccupied by another Resident, and the Entrance Fee for the reoccupied living unit has been paid in full, and this Agreement has been terminated. In the event Resident's vacated living unit is reoccupied by a then current Resident of the Community through an internal living unit transfer, then only at such time as the Community receives an Entrance Fee in full for the living unit vacated by the existing Resident transferring to Resident's living unit under this Agreement, shall a refund be due. As long as Resident, or in the case of Double Occupancy, a Co-Resident, continues to occupy any living accommodation within the Community, including accommodations in the Health Center, no refund shall be due and no refund shall be paid until the death, permanent transfer outside of the Community, discharge or voluntary departure outside the Community by Resident, or in situations of double occupancy, both Co-Residents, and/or the termination of this Agreement. The amount of any refund due will be calculated by reference to the date of surrender of the living unit. Where a living unit is occupied by Co-Residents, there will be no refund, partial or otherwise, upon the death, permanent transfer within or outside Community, discharge or voluntary departure from the Community of only one of the Co-Residents.

9.5 Distribution of Refund Upon Death.

In the case of single occupancy, refunds to Resident's estate shall be paid to the duly appointed representative of the estate after proof of such appointment is provided to the Community in the form of a certified copy of the testamentary letters confirming such appointment. In situations of double occupancy, any applicable refund shall be paid by the Community to the estate of the last surviving Co-Resident unless otherwise agreed in writing.

SECTION 10: LIMITED OPTION TO MOVE TO ANOTHER LIVING UNIT

10.1 Option After Occupancy.

After occupancy, Resident may request to exercise a limited option to move to another living unit, if and when another living unit becomes available (including any new living units that may have been added to the Community), in accordance with the terms and conditions set forth in this section. A request to move must be based on health, financial conditions, death of a Co-Resident, marriage, or other grounds deemed reasonably necessary by the Community. Resident may elect to move to a smaller living unit, or a larger living but not to a living of substantially equivalent size in a different location. The Community reserves the right to disapprove Resident's request to move. In the event Resident desires to exercise the option to move to another living unit, Resident must notify the Community in writing of the living unit desired.

10.2 Costs of Elections to Move.

If Resident elects a smaller living unit, Resident shall pay a Refurbishment Fee in an amount determined from time to time by the Community. There will be no

Entrance Fee credit or refund even if the Entrance Fee for the surrendered living unit is greater than the fee Resident would have paid for the smaller living unit designated under this Agreement. Resident shall pay, prior to moving to the selected living unit, an additional amount equal to the three quarters (75%) of the difference between the initial Entrance Fee paid and any higher Entrance Fee in effect at the time of the move. The additional Entrance Fee shall be immediately amortized and be earned in full by the Community. Any unamortized portion of the remaining entrance fee shall be promptly refunded.

10.3 Option to Move.

In the event Resident receives approval from the Community to move to another living unit, Additional Occupant shall sign a new Independent Living Lease Agreement but will not be responsible to pay any entrance fee and will only pay the additional monthly maintenance fee for additional occupants as published in the Community's annual disclosure statement filed with the Department of Insurance which are made available to all Residents pursuant to paragraph 12.2 of this Agreement.

SECTION 11: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE

11.1 Legal Guardian.

If Resident becomes incompetent or unable to properly care for self or property, and no representative has been lawfully designated to act on behalf of Resident or no lawfully designated representative has been lawfully designated to act on behalf of Resident, then the Community shall have the option to institute legal proceedings to adjudge Resident incompetent and have a guardian appointed for Resident's estate. All costs of such legal proceedings, including actual legal fees, shall be paid by Resident or the legally appointed guardian of Resident's estate.

11.2 Will and Funeral Arrangements.

The name of the executor/executrix designated in Resident's will, and the name of the funeral director selected by Resident shall be provided in writing to the Community. In the event that Resident changes the name of the executor/executrix designated in Resident's will or selects another funeral director, Resident shall notify the Community of the changes in writing. The name and address of the designated executor/executrix is: _____

11.3 Advance Directives.

(a) Power Of Attorney. Residents shall furnish the Community, no later than the date of occupancy, a durable power of attorney executed by Resident which shall be maintained in the files of the Community. The name and address of the designated power of attorney is: _____

(b) Living Will. If Resident has executed an advance directive in the form of a living will relating to the provision of health care services in the event of terminal or other illnesses/conditions, Resident shall provide the original of the living will to Community, and the original of any revisions or changes made to the document during Resident's term of occupancy. In the event of transfer to the Health Center, the Community shall comply with the instructions/requests as

consistent with law and the Community's policy, as such policy may change from time to time. If the Community cannot comply with Resident's advance directive as reflected in Resident's living will, then the Community shall assist in arranging for the transfer of Resident to another health care provider, if reasonably available, which will comply with Resident's advance directive. The transfer and cost of care in another health care facility shall be an additional cost, and Resident shall be responsible to pay such costs.

SECTION 12: RIGHTS AND OBLIGATIONS OF RESIDENT

12.1 Right of Self-Organization.

Residents of the Community shall have the right to self-organization. A representative designated by the Community shall hold quarterly meetings with the organization representing the Residents known as the "Resident's Council". At least seven (7) days notice of each quarterly meeting shall be given. The purpose of the quarterly meetings shall be to discuss such subjects as the Community's income, expenditures, financial trends and issues, and proposed changes in policies, programs, and services.

12.2 Right to Receive Disclosure Statements.

The Community provide to the Resident at the time of the execution of this Agreement, and at least annually thereafter, a copy of its disclosure statement required by the Continuing Care Provider Registration and Disclosure Act, Act No. 82 of 1984, as amended (40 P.S. §§ 3201 *et seq.*).

12.3 Guest Privileges.

Resident shall be authorized to entertain and accommodate guests in accordance with the Community's guest policy as reflected in the Resident Handbook. The Community's policy is subject to change from time to time.

12.4 Rights to Property/Subordination.

The rights and privileges granted to Resident do not include any right, title or interest in any part of the personal property, land, buildings and improvements owned or administered by the Community. Resident's rights are primarily for services, with a contractual right of occupancy. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between the Community and Resident. Any rights, privileges, or benefits under this Agreement shall be subordinate to any existing or subsequent mortgages or deeds of trust or any other comparable interests. Upon request Resident shall execute and deliver any document which is required by the Community, or by the holder of any such mortgages or deeds of trust or similar interests, to effect such subordination or evidence the same.

12.5 Inspection of Living Unit and Right of Entry.

Resident shall permit the Community, or its agents, or any representative of any holder of a mortgage or similar interest on the property, or, when authorized by the Community, the employees of any contractor, utility company, municipal agency or others, to enter the living unit for the purpose of making reasonable inspections and

repairs and replacements. Such entry will be made only with reasonable advance notice, except in emergency situations. The Community shall have the right to enter the living unit to perform scheduled housekeeping, and to perform routine maintenance and for other reasonably necessary purposes having due regard for Resident's privacy.

12.6 Housekeeping/Housecleaning Responsibilities.

Resident shall maintain the living unit in a clean, sanitary, and orderly condition. If Resident does not maintain the living unit in a reasonable manner, the Community, after notice to Resident, shall have the right to maintain the living unit, and the cost of such additional cleaning or maintenance shall be charged to Resident.

12.7 Health Insurance and Third Party Payments.

(a) Required Insurance. The Community expects that some of the cost of medicines, medical or nursing services or equipment provided for Resident under this Agreement will be paid by present or future federal, state, municipal, or private plans or programs of medical/surgical insurance, including, without limitation, the benefits available under the federal government social security health insurance program know as "Medicare A and B", or an equivalent policy and at least one supplemental co-pay health insurance policy with Medicare co-insurance coverage for skilled nursing facility care, (commonly known as "medigap" insurance), such as Blue Cross-Blue Shield Security 65 plans C and H, or an equivalent policy as approved by the Community. For a Resident under age 65, a substitute basic insurance coverage policy is required. If proceeds from Medicare and co-pay health insurance policies are allowable for nursing or related care provided by the Community, those proceeds shall be paid to the Community directly. Proof of such insurance must be provided at the time of application and prior to admission. In the event Resident fails to maintain in force, because of failure to make premium payments, such health care insurance after occupancy, the Community reserves and is hereby granted the right to make such payments for purposes of maintaining such insurance in force for Resident's benefit. Resident shall be obligated to reimburse the Community for such payments made on behalf of Resident and the cost of such premiums shall be in addition to and not included in the Monthly Fee.

(b) Assignment of Required Insurance and Third Party Payments.

If Resident becomes eligible to receive payments form any third party for services provided under this Agreement by the Community, Resident shall at all times cooperate fully with the Community and each third party payor so that the Community may make claim for and receive any applicable third party payments. The Community has the right to any applicable benefits payable to Community under the insurance coverages required by this Agreement.

12.8 Automobile Insurance.

Residents who drive motor vehicles shall maintain their own automobile liability insurance to cover liability and medical expenses arising from injury to themselves and others.

12.9 Reduction of Income or Other Resources.

Resident shall make every reasonable effort to meet his/her financial

obligations to the Community. Resident shall not transfer control of assets or property or make any gifts subsequent to the date of application for admission and shall not make any transfers or gifts after occupancy, which would substantially impair Resident's ability or the ability of Resident's estate to satisfy Resident's financial obligations to the Community.

12.10 Medical Examinations.

Resident must be examined by a qualified physician of Resident's own choosing prior to occupancy, and must make the results of the examination available to the Community in writing. If the pre-occupancy medical examination reveals that Resident's health is not consistent with the conditions of occupancy in the living unit, the Community may terminate this Agreement. The Community reserves the right to require Resident, upon request by the Community, to obtain annual medical examinations at Resident's expense and submit the results of the examinations to the Community.

12.11 Responsibility for Property Damage to Community.

(a) Responsibility for Condition of Living Unit Upon Termination.

Upon termination of this Agreement, Resident shall vacate and surrender the living unit and leave it in as good condition as the date of occupancy except for reasonable wear and tear. If the living unit is damaged beyond ordinary wear and tear, the costs of repair shall be the obligation of Resident and such costs shall be billed directly to Resident or Resident's estate, or alternatively, deducted from any refund that may be due.

(b) Property Damages Caused by Resident. Any loss or damage to real or personal property of the Community caused by Resident or Resident's guests shall be paid for by Resident. In the event of Resident's death, Resident's estate shall be liable for any loss or damage of the Community's property caused by Resident.

12.12 Release Regarding Conduct of Other Residents or Guests.

The Community assumes no liability for the conduct of Resident or any other residents or guests, and Resident hereby releases and discharges the Community from any claims for personal injury to Resident or damages to Resident's personal property caused by the conduct of other residents or guests.

12.13 Responsibility For Resident's Personal Property.

(a) Responsibility for Loss or Damage. The Community shall not be responsible for the loss or damage due to fire, theft, or other causes of any property belonging to Resident or Resident's estate or Resident's guests, including motor vehicles, unless the care and control of such property is specifically accepted in writing by the Community, and then only for willful or gross negligence in failing to safeguard and account for it. Resident shall have the responsibility to provide such insurance as Resident deems necessary to protect against such losses. No personal property insurance is provided Resident by the Community, and Resident bears the risk of any damage or loss to personal property held in storage by the Community.

(b) Obligations Upon Termination. (i) If Resident has become unable

to comply with the conditions of occupancy of the living accommodation, or this Agreement has been terminated for any reason other than the death of Resident, Resident or the duly authorized representative of Resident's estate must remove all personal property from the living accommodation, including property held in storage. If Resident's personal property is not removed by Resident or Resident's representative within thirty (30) days of Resident's permanent transfer from the living accommodation or termination of this Agreement, the Community shall dispose of Resident's property in any manner it deems appropriate, and shall not be liable or responsible for any damages to it. Resident or Resident's estate shall be obligated to pay all costs for the removal, storage or disposal of Resident's property. If Resident's property is moved to and stored in a commercial warehouse, the Community shall have no liability or responsibility for Resident's property. If Resident's property is moved to and stored in a commercial warehouse, the Community shall have no liability or responsibility for Resident's property during the transfer of the property or the storage of it.

(ii) Within 24 hours of Resident's death, the Community shall contact or make a good faith effort to contact the personal representative or guardian of Resident to arrange for an inventory of Resident's personal property, after which the legal representative(s) of Resident Estate or family may remove Resident personal property or the Community may place the personal property into storage. If Resident's personal property is not thereafter claimed by Resident's Estate or family within thirty (30) days, the Community shall send a notice by certified mail to Resident's executor/executrix named in this Agreement or, if the Community has received prior written notice of a different legal representative for Resident's Estate, to that legal representative, stating that the Community will dispose of the property if not claimed within fourteen (14) days from the date such notice was postmarked; and, if the property is not claimed thereafter, such property shall be disposed of by the Community and all costs of, less any proceeds from, such disposal shall be charged to and payable by Resident's Estate.

12.14 Rules, Regulations, Policies and Procedures.

The rights and privileges of Resident under this Agreement are personal to Resident and cannot be transferred or assigned. No person other than Resident may occupy or use the living accommodations covered by this Agreement unless approval is obtained in writing from the Community.

SECTION 13: AVERAGE ANNUAL COST OF PROVIDING SERVICES

The average annual cost of providing care and services during the most recent twelve month period for which a report is available for a resident is:

\$ _____

SECTION 14: SEVERABILITY

If any provision of this Agreement is determined by a judicial or administrative tribunal of proper jurisdiction to be invalid or unenforceable, such provision shall be severed and the balance of this Agreement shall remain in full force and effect.

SECTION 15: ACTS OF FORBEARANCE

No act of forbearance or failure to insist upon prompt performance of any of the terms of this Agreement by the Community shall be construed as a waiver of any of the rights granted to Community.

SECTION 16: ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the Community and Resident. The Community shall not be responsible or liable for any statements, representations or promises made by any person representing or purporting to represent the Community, unless such statements, representations or promises are set forth in the Agreement. Any brochures or advertisements describing the Community are for the purpose of inviting inquiries only and are not to be relied upon as legally or contractually binding. Resident may not amend this Agreement except by a subsequent written Agreement approved by the Community's Chief Executive Officer and executed by the parties.

SECTION 17: INDEMNIFICATION

The Community shall not be responsible or liable for, and Resident shall indemnify, defend and hold the Community harmless from any and all claims, losses, damages, fines, penalties, expenses, judgments, reasonable settlements, or lawsuits, including actual attorneys' fees and all costs incurred in defending against any such claims, arising from or based upon any injury or death to persons or any damages to property caused by, or arising from, or based on, or in any way attributable to or connected with the negligent, reckless, intentional or other acts, conduct or omissions of Resident. Resident's indemnification obligation is payable on demand by the Community.

SECTION 18: SUBROGATION

In the event Resident is physically injured by an individual or entity not a party to this Agreement, Resident grants to the Community a right of subrogation, and authorizes the Community to bring such demands, claims or legal proceedings in the name of or on behalf of Resident for purposes of recovering from any third party or third party's insurer responsible for Resident's injury, the dollar value of all care provided by the Community to Resident as a result of any such injury. Resident shall cooperate and sign any documents necessary to facilitate the Community's ability to exercise its subrogation right. However, nothing herein shall obligate the Community to bring any demand, claim or legal proceeding.

SECTION 19: NOTICE

Notice, when required by the terms of this Agreement, shall be deemed to have been properly given, if and when delivered personally or, if sent by certified mail, return receipt requested, when postmarked, postage prepaid and addressed as follows:

To THE COMMUNITY:

St. Martha Villa for Independent & Retirement Living
490 Manor Avenue, Downingtown, PA 19335
Attention: Administrator

To Resident (Before Occupancy):

After occupancy, notice will be provided to Resident at the living accommodation specified in this Agreement.

SECTION 20: MISCELLANEOUS PROVISIONS

20.1 Resident's Continuing Disclosure Obligation. The information regarding Resident's age, health and financial affairs submitted by Resident in the forms and related application documents constitutes a material part of this Agreement, and said information is incorporated as a part of this Agreement. Resident acknowledges that the submission of false information shall constitute grounds for the termination of this Agreement. Resident must disclose any material changes in Resident's physical, financial or mental condition. The failure to make such disclosure shall constitute grounds to terminate this Agreement.

20.2 Receipt of Disclosure Statement and Resident Handbook. Resident acknowledges receiving a copy of the Community's annual Disclosure Statement and Resident Handbook prior to signing this Agreement.

20.3 Community's Modification of Agreement and Policies. The Community reserves the right to modify unilaterally this Agreement to conform to changes in law or regulation, and to make modifications in its rules, regulations, policies and procedures as permitted by the Continuing Care Provider Registration and Disclosure Act of 1984.

20.4 Binding Effect. This Agreement shall bind and serve to benefit the legal representatives, successors and assigns of the Community, and the heirs, executors, administrators and assigns of Resident.

20.5 Governing Law. This Agreement shall be interpreted according to the laws of the Commonwealth of Pennsylvania.

20.6 NON-WAIVER OF THE CONTINUING CARE PROVIDER REGISTRATION AND DISCLOSURE ACT OF 1984

No act, agreement, or statement of you, or of an individual purchasing care for you under this Agreement or any agreement to furnish care to you, shall constitute a valid waiver of any provisions of the Continuing Care Provider Registration and Disclosure Act of 1984 which is intended for the benefit or protection of you or the individual purchasing care for you.

NOTICE OF RIGHT OF RESCISSION

DATE RESCISSION PERIOD BEGINS: _____.

YOU MAY RESCIND AND TERMINATE YOUR RESIDENT'S AGREEMENT, WITHOUT PENALTY OR FORFEITURE, WITHIN 7 DAYS OF THE ABOVE DATE. YOU ARE NOT REQUIRED TO MOVE INTO THE CONTINUING CARE FACILITY BEFORE THE EXPIRATION OF THIS 7 DAY PERIOD. NO OTHER AGREEMENT OR STATEMENT YOU SIGN SHALL CONSTITUTE A WAIVER OF YOUR RIGHT TO RESCIND YOUR AGREEMENT WITHIN THE SEVEN (7) DAY PERIOD. TO RESCIND YOUR RESIDENT'S AGREEMENT, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS NOTICE, OR ANY OTHER DATED WRITTEN NOTICE, LETTER OR TELEGRAM, STATING YOUR DESIRE TO RESCIND TO: ST. MARTHA VILLA FOR INDEPENDENT & RETIREMENT LIVING, 490 MANOR AVENUE, DOWNINGTOWN, PA 19335 NOT LATER THAN MIDNIGHT OF _____ (LAST DAY FOR RECISSION).

PURSUANT TO THIS NOTICE, I HEREBY CANCEL MY RESIDENT'S AGREEMENT.

DATED: _____

Signature of Prospective Resident

Print Name of Prospective Resident

TAB B3

TAB B4

TAB B5

NOTICE OF RIGHT OF RESCISSION

DATE RESCISSION PERIOD BEGINS: _____.

YOU MAY RESCIND AND TERMINATE YOUR RESIDENT'S AGREEMENT, WITHOUT PENALTY OR FORFEITURE, WITHIN 7 DAYS OF THE ABOVE DATE. YOU ARE NOT REQUIRED TO MOVE INTO THE CONTINUING CARE FACILITY BEFORE THE EXPIRATION OF THIS 7 DAY PERIOD. NO OTHER AGREEMENT OR STATEMENT YOU SIGN SHALL CONSTITUTE A WAIVER OF YOUR RIGHT TO RESCIND YOUR AGREEMENT WITHIN THE SEVEN (7) DAY PERIOD. TO RESCIND YOUR RESIDENT'S AGREEMENT, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS NOTICE, OR ANY OTHER DATED WRITTEN NOTICE, LETTER OR TELEGRAM, STATING YOUR DESIRE TO RESCIND TO: ST. MARTHA VILLA FOR INDEPENDENT & RETIREMENT LIVING, 490 MANOR AVENUE, DOWNINGTOWN, PA 19335 NOT LATER THAN MIDNIGHT OF _____ (LAST DAY FOR RECISSION).

PURSUANT TO THIS NOTICE, I HEREBY CANCEL MY RESIDENT'S AGREEMENT.

DATED: _____

Signature of Prospective Resident

Print Name of Prospective Resident